

PACIFIC BASIN DEVELOPMENT COUNCIL
BOARD OF DIRECTOR'S ANNUAL
MEETING - NOVEMBER 1990

PACIFIC BASIN DEVELOPMENT COUNCIL
BOARD OF DIRECTORS
ANNUAL MEETING

Bureau of Planning
PAGO PAGO, AMERICAN SAMOA
NOVEMBER 15 - 17, 1990

AGENDA

PACIFIC BASIN DEVELOPMENT COUNCIL
Board of Directors
Pago Pago, American Samoa

November 15 - 17, 1990

WEDNESDAY, NOVEMBER 14

Travel Day

7:20 p.m. **Arrival Pago Pago Airport**
Clear Customs and Immigration
Check In - Rainmaker Hotel

THURSDAY, NOVEMBER 15

8:00 a.m. **Breakfast (2)** **Government House**

*** Governors & Invited Guest**
*** Technical Advisory Committee**

9:00 a.m. **CALL TO ORDER** **Location (TBA)**

Governor Peter Tali Coleman,
President, PBDC

APPROVAL OF PRELIMINARY AGENDA

APPROVAL OF 1990 WINTER MEETING MINUTES

INTRODUCTION OF GUESTS

WELCOMING REMARKS

1990 WINTER MEETING UPDATE

*** Jerry B. Norris**

OPENING PLENARY SESSION

- THE ROLE OF THE U.S. COAST GUARD IN THE PACIFIC**

*** Admiral William C. Donnell, USGS,**
DOT

Question and Answer Period

- **OCEAN RESOURCES MANAGEMENT ISSUES**

- * The Exclusive Economic Zone Update
- * Reauthorization of the Magnuson Act
- * Fisheries Rights of Indigenous People
- * New Fishing Activity in the Pacific WESPAC
- * Reauthorization of the CZM Act
- * Climate Change and Sea Level Rise

A Report on the PBDC/RMI Project
Dr. Michael Hamnett, PBDC

- **OCEAN POLICY AND COASTAL ZONE MANAGEMENT OPTIONS**

Jerry B. Norris, PBDC

- **ENVIRONMENTAL RISK ASSESSMENT PROPOSAL**

Governor Joseph Ada, GU
(Suggested Lead)
Deanne Wieman, Director, Office
of External Affairs, EPA, Region
IX
Norman Lovelace, Pacific Islands
Program, EPA, Region IX

NOON

LUNCH

Government House

By Invitation Only

1:00 p.m.

- **OIL MITIGATION PROPOSAL**

Governors Ada and Waihee
(Suggested Lead)
Dr. Mike Hamnett, PBDC

- **PACIFIC HEALTH PROMOTION AND DEVELOPMENT CENTER**

Governor Waihee

RECESS

EVENING

RECEPTION

Legislative Building

Hosted by the American Samoa Fono

FRIDAY, NOVEMBER 16

9:00 a.m.

PLENARY SESSION CONTINUES

- **THE EVOLVING LEGAL RELATIONSHIPS
BETWEEN THE UNITED STATES AND ITS
AFFILIATED U.S. FLAG ISLANDS**

Governor Peter Tali Coleman
Dr. Jon M. Van Dyke, UoH
Richardson Law School

- **STATE OF HAWAII SCANNING PROJECT &
AMERICAN SAMOA DEVELOPMENT POLICY
INSTITUTE PROPOSAL**

Governors Coleman and Waihee

- **REGIONAL DRUG INTERDICTION UPDATE**
- **BROWN TREE SNAKE ACTION
PROPOSAL (Tentative)**

Ms. Carolyn Imamura

- **PACIFIC BUSINESS CENTER PROGRAM
UPDATE (Tentative)**

Ms. Angie Williams, PBCP

- **BUSINESS SESSION**

- * Financial Status Report
- * Annual Review of Policy Positions

Jerry B. Norris

- * Election of Officers
- * Time & Place of 1991 Winter Meeting
- * Time & Place of 1991 Annual Meeting

NOON

LUNCH

Governors and Aides
Only
Rainmaker Hotel

- **JOHNSTON ISLAND UPDATE**

Governor Waihee

- **FINAL REPORT**

IG Audit of PBDC

[Note: These items will not
appear on the Public Agenda]

1:30 p.m.

PRESS RELEASE

Rainmaker Hotel

3:30 p.m.

- **COAST GUARD DEDICATION CEREMONY**

Governor Coleman
Admiral Donnell

EVENING

RECEPTION - PBDC AND PINA

SATURDAY, NOVEMBER 17

10:30 a.m.

- **ROUND TABLE DISCUSSION - "HEADS OF
GOVERNMENT AND THE PRESS: THE
AMERICAN FLAG PACIFIC EXPERIENCE"**

Governor Peter Tali Coleman
Moderator: Floyd T. Takeuchi,
Public Radio Hawaii

(This is a joint session of the
four Governors of the American
Flag Pacific Islands and member
of the media from the Pacific
Islands News Association (PINA))

2:30 p.m.

Admiral Donnell's Plane Departs for
Honolulu

SUNDAY, NOVEMBER 18

FREE DAY

MONDAY, NOVEMBER 19

2:00 a.m.

DEPART AMERICAN SAMOA

HA 462 arriving Honolulu 8:55 a.m.

BRIEFING PAPERS

OCEAN RESOURCES MANAGEMENT ISSUES [Tab A]

- * Reauthorization of the Magnuson Act [Tab 1]
- * Fisheries Rights of Indigenous People [Tab 2]
- * New Fishing Activity in the Pacific [Tab 3]
- * Reauthorization of the CZM Act [Tab 4]
- * Climate Change and Sea-Level Rise [Tab 5]

OCEAN POLICY AND COASTAL ZONE MANAGEMENT OPTIONS [Tab B]

ENVIRONMENTAL RISK ASSESSMENT PROPOSAL [Tab C]

PACIFIC HEALTH PROMOTION AND DEVELOPMENT CENTER [Tab D]

THE EVOLVING LEGAL RELATIONSHIPS BETWEEN THE UNITED STATES AND ITS AFFILIATED U.S. FLAG ISLANDS [Tab E]

REGIONAL DRUG INTERDICTION UPDATE [Tab F]

BROWN TREE SNAKE ACTION PROPOSAL [Tab G]

* MISCELLANEOUS

MELON FLY ERADICATION [Tab H]

PACIFIC BUSINESS CENTER PROGRAM - FIVE YEAR DEVELOPMENT PLAN [Tab I]

REAUTHORIZATION OF THE MAGNUSON ACT

The Magnuson Fishery Conservation and Management Act (hereinafter Magnuson Act) was signed into law in 1976. The Magnuson Act claimed all fishery resources within the exclusive economic zone (EEZ) with the exception of tuna which was excluded because of strong opposition and successful lobbying efforts by the domestic tuna industry (canners and boat owners).

The Magnuson Act provided for the conduct of foreign fishing in the U.S. EEZ. All foreign fishing in the EEZ must be done under a "governing international fishery agreement" (GIFA). The GIFA, among other things, shall: acknowledge the exclusive management authority of the U.S.; provide for boarding by authorized personnel for inspection; contain a provision for observer when required; set permit fees which must be paid in advance; establish allocation or level of taking; etc.

The Magnuson Act's primary purpose was for the conservation and management of the nations fishery resources. The Act identified seven (7) national standards as guidance toward that purpose. The Act provided for the establishment of eight (8) Regional Fishery Management Councils who were charged with the responsibility of developing fishery management plans with respect to the fishery within their respective regions.

The Western Pacific Regional Fishery Management Council (WPRFMC) has been lending the "fight" for the inclusion of tuna under the Magnuson Act since 1977. This was a logical decision by WPRFMC as tuna happened to be the greatest living marine resource in the WPRFMC's area of responsibility. This was true then and it is true even today.

The Reauthorization of the Magnuson Act covers FY '90-'95 with authorized appropriations (I have not been successful in my attempts to find out the funding levels). A key provision in the Reauthorization is the inclusion of tuna under the Magnuson Act. What is unique about the tuna inclusion is that WPRFMC will be the only Council to manage tuna; in the Atlantic, tuna will be managed by the Secretary of Commerce.

Drift net longer than 1.5 miles would be banned from use in the U.S. EEZ, and by any U.S. vessel anywhere in the world. State Department is authorized to negotiate treaties to restrict the use of drift nets anywhere. Violations by any foreign country with any

international agreement on drift nets would trigger Presidential authority to ban imports of fish products from that country.

Another key provision in the Reauthorization is the authority granted to the Secretary of Commerce to establish a temporary moratorium on "new entrants" into a fishery if the Secretary determines that overfishing is occurring or likely to occur. A moratorium could run 36 months until conservation and management measure are in place to prevent overfishing.

Tuna purse seiners would be prohibited from intentionally deploying purse seines to encircle dolphins. This will stop the practice of setting seines around dolphins to catch large sized yellowfin tuna which associate with the dolphins.

With the inclusion of tuna under the Magnuson Act, the entire fishery under the jurisdiction of WPRFMC can now be managed and conserved. This is a victory for our region. We fought long and hard for tuna inclusion. I would say that the turning point to this victory was when Governor Coleman of American Samoa agreed in March 1989 that American Samoa, too, wanted tuna included under the Magnuson Act. Governor Coleman's action made the WPRFMC tuna inclusion position unanimous for our region.

FISHERIES RIGHTS OF INDIGENOUS PEOPLE

In 1986, the Western Pacific Regional Fishery Management Council (WPRFMC) was requested by native and long-time resident Hawaiian fishermen to look into initiating a limited entry program in the Hawaiian fisheries. The Hawaiian fishermen were concerned that mainland boats from the west coast (mostly Washington state), Alaska and Gulf states were ruining the Hawaiian fisheries. These mainland boats fished the Hawaiian waters during the off-season on the mainland and Alaska. These mainland boats were highly sophisticated, usually bigger and better equipped and thus could out-fish and out-compete the local boats.

Additional to the fishing issue, the native Hawaiian fishermen had been complaining, since even before 1986, that they have rights to the fishery resources based on laws passed under the Kingdom of Hawaii and subsequently carried over when Hawaiian monarchy was overthrown by Caucasian businessmen to protect their own business interests. The native Hawaiian fishermen insisted on action by the WPRFMC as the mainland boats were affecting their livelihood.

Therefore, in response to the concerns raised by Hawaiian fishermen, the WPRFMC had a legal analysis made of the Magnuson Fishery Conservation and Management Act of 1976, as amended (Magnuson Act). The legal analysis concluded that the Magnuson Act does provide for a limited access or limited entry program and preferential rights for native peoples, provided that certain criteria are met as follows that:

1. There was and there is a set of historical fishing practices within the Exclusive Economic Zone (EEZ);
2. There was and there is a dependence by indigenous people on such fish species;
3. There was and there is a cultural and social framework relevant to such fishery, and
4. There is present participation by indigenous fishermen in such fishery.

Thus, if the WPRFMC were to implement a preferential rights for indigenous people then it must first establish that there is historical dependence on the fishery and that the

dependence continue to the present. A historical dependence can only be proved through literature research.

The WPRFMC voted to undertake a research project to determine if there was evidence to meet the criteria imposed by the Magnuson Act to grant preferential rights to native Hawaiian fishermen. This was expanded by the WPRFMC members from Guam and American Samoa and observer from the Commonwealth of the Northern Mariana Islands to include their respective island areas.

The WPRFMC solicited proposals for studies in Hawaii, Guam, CNMI and American Samoa. The WPRFMC funded the studies for Guam and the CNMI and American Samoa. Because the Hawaii study was more complex, the WPRFMC did not have sufficient funds and it sought financial assistance from the Office of Hawaiian Affairs (OHA) for a cooperative project which assistance was granted.

The studies for Guam, CNMI and American Samoa were completed and submitted in late 1989. The study for Hawaii was completed in early 1990 but was not accepted until the middle of the year.

The findings of the Guam, CNMI and American Samoa studies indicated that the criteria for preferential rights are met. In fact, the Guam and CNMI studies amazed the Council. Members from the other area with the wealth of historical information that it contained (but it is not surprising as Guam and the CNMI have a longer record of colonization than either Hawaii than American Samoa).

The study for Hawaii found that while sufficient evidence exists in the main Hawaiian islands to support preferential rights there is a lack of archaeological information for the Northwestern Hawaiian Islands (NWHI). The WPRFMC is trying to interest OHA or other institutions/organizations to undertake the archaeological study in the NWHI.

The WPRFMC at its April 1990 meeting voted to instruct its staff to commence with the development of plans to implement preferential rights for indigenous peoples and limited access in the fishery. However, at the September 1990 Council meeting staff informed the Council that they are experiencing problems with the development of the preferential rights and limited access plans due to funding constraints.

The development of the plans for preferential rights and limited access is important to protect the native fishermen in Guam, CNMI, American Samoa and Hawaii. This need to protect our own fishermen is heightened by the fact that fishermen from the east coast and Gulf states, who because of the lack of proper management have ruined the fishery in their area, have moved or are moving out to our area.

The Governor should recommend that PBDC assist the WPRFMC by providing funds or soliciting funds to complete the development of the plans for indigenous rights and limited access for our region. It is imperative that the plans be completed as soon as possible.

NEW FISHING ACTIVITY IN THE PACIFIC

Certain provisions of the Magnuson Act have discouraged foreign fishing in our region. One such provision is the requirement to carry observers aboard foreign vessels.

However, the threat is not so much from foreign fishermen as from own domestic fishermen. The fishery in the Atlantic and Gulf Coasts have been overfished and these fishermen are relocating to our region. These fishermen have moved or are moving to Hawaii and have caused problems with the local fishermen. The boats that are relocating are bigger and better equipped and can out-compete local boats.

There is concern in Hawaii that unless something is done the fishery there will, also, be depleted. The concern is genuine and it has the Western Pacific Regional Fishery Management Council's attention (WPRFMC). The WPRFMC has voted for emergency regulations to limit entries into the fisheries in Hawaii. WPRFMC has also established June 21, 1990 as the cut-off date for consideration of entry into the fishery.

There is now talk of some of the fishermen who relocated to Hawaii of coming to Guam and the CNMI. Should this happen then we, too, will experience conflicts between our local fishermen and the new entrants. The WPRFMC is considering holding an emergency meeting to declare a moratorium on new entries.

Another action that WPRFMC has taken to minimize conflicts between local fishermen and new entrants is a provision in the emergency regulation which would prohibit any longlining by domestic fishermen within 30 miles of the 100 fathom around Guam and the off-shore banks. This will go into effect on November 15, 1990 and will keep domestic longliners (new entrants) outside the effective range of our local fishing grounds.



DEPARTMENT OF COMMERCE
DIPPATAMENTON I KUMETSIO
GOVERNMENT OF GUAM
AGANA GUAM 96910

NOV 9 1990

Memorandum

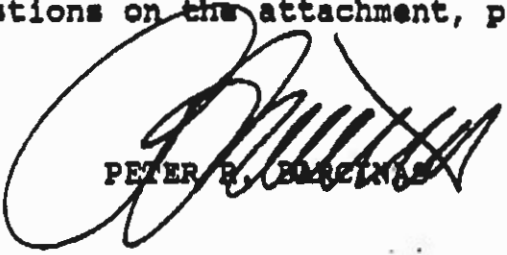
To: Director, Bureau of Planning

From: Director, Dept. of Commerce

Subject: Pacific Basin Development Council (PBDC) Board of
Directors Annual Meeting; November 15-17, 1990;
Pago Pago, American Samoa

As per your request of October 24, 1990, attached is the
Dept. of Commerce's latest publication on fisheries entitled
the Guam Fisheries Report.

Should you have any questions on the attachment, please let
me know.


PETER R. BARCINAS

attachment

GUAM FISHERIES REPORT

THE GUAM PORT AUTHORITY AND THE GUAM PORT AUTHORITY

NOVEMBER 1990

Department of Commerce, Government of Guam, 800 South Marine Drive, 11C Bldg., 5th Floor, Suite 501, Tamuning, Guam 96911. Phone: 646-6641/1. Fax: 646-7242

INFRASTRUCTURE

Boat ramps, Pacific Fisheries Development Foundation

Design plans for Harbor of Refuge will be turned over to the Division of Aquatic and Wildlife of the Department of Agriculture for implementation and funding. Applications for project review by U.S. Army Corp. of Engineers and local agencies are to be submitted at the start of fiscal year 1991.

Guam Dry Dock Feasibility Study (PDDE)

This project, which would examine the feasibility of a drydock facility targeting vessels in the 30-90 ft. range, was awarded to the Hawaii firm, Edward K. Noda and Associates on July 1, 1990, with completion of draft study expected within six months. Lead agency is the Department of Commerce, Government of Guam.

Agat Small Boat Harbor Project

Administering agency for the new public facility which officially opened on September 15, 1990 is Port Authority of Guam. Total project cost is \$5.88 million and includes 153 boat slips, gift shop/restaurant, administration building, ice house, fueling dock, parking and landscaping. Individual concessions and operations to be privatized.

Monthly fees for the 25, 40 and 60-foot slips are \$5.50 per foot for non-commercial users, and \$8.50 per foot for commercial boaters.

Guam Port Authority Master Plan

Port Authority Master Plan draft final report underwent a public hearing on July 31, 1990, and special hearing for fisheries concerns was held on August 1, 1990.

The Final Master Plan has been submitted by project consultants and is pending review and final adoption by the PAG Board of Directors.

The Master Plan sets forth a phased-in program for the redevelopment and expansion of the Commercial Port and the provision of other facilities in Apra Harbor that will serve Guam until the Year 2010, will describes present port facilities in Cabras Island and present forecasts of future port traffic.

The Commercial Port, which by year 2006 will have a total of 3,600 feet of berthing length (with three full container berths, and a general cargo berth), encompassing 50.5 acres of container yard and various support facilities.

In addition, a Fishing Port, which may be developed by 1996, will provide almost 1,400 feet of berthing space for longliners and purse seiners, plus a processing shed and other shoreside support facilities.

A passenger complex will provide berthing for a range of vessel types offering day and evening excursions and attractive passenger facilities.

Estimated investments for the recommended improvements over the 20-year forecast period will total about \$75 million.

Agana Marina

The Port Authority of Guam selected International Design Consortium to proceed with developing a plan for the privatization of the Agana Marina. IDC's \$106 million development plan includes 330 boat slips, a 120 room hotel, restaurants and shops.

The project will be a joint private venture between private business and the government of Guam.

This report represents a compilation of fisheries information from government agencies (Department of Commerce, Marine Laboratory, Department of Agriculture, Port Authority of Guam, and Bureau of Planning) and commercial/recreational fisheries organizations and individuals (Guam Fishermen's Cooperative). Summaries on fisheries projects and activities are contained in the areas of:

Infrastructure	Enforcement
Research	Domestic Fisheries
Longline Fisheries	General Fisheries News

Container Yard Expansion Project

The Port Authority of Guam has recently stated a project that will expand the existing 23 acres of container yard an additional 9 acres. Security office, check station and perimeter fencing and paving are part of the \$8.4 million project.

RESEARCHSea Cucumber (PFDF project)

The goal of this research is to establish the parameters necessary for utilizing the beche de mer fishery in a sustainable manner. Research includes identification of existing stocks and species, growth rates and life history as well as the propagation of the various sea cucumber species to support commercial harvesting.

Research completed during the project's first year revealed a minimum buyer demand of 80 metric tonnes per year, and that regional coordination of harvesting and marketing practices will be required to prevent depletion of the fishery. Several avenues for generating and culturing adequate supplies were identified such as utilizing small hatcheries to provide reseeding for reef areas and the possibility of conducting reef ranching.

FY 1990 S-K grant funds were released in June 1990 for the project's third phase that will enable the continuation of work begun towards establishing a sustainable fishery in Micronesia.

Eel Project

The Department of Agriculture's Aquatic and Wildlife division successfully placed 5 fish aggregating devices (FADs) between 1.5 to 5 miles off Guam's coastal areas. Another 15 FADs are constructed and will be used for additional sites and replacement of devices that may become lost.

An SK funded project entitled "Determination of the effect submerged lights have on enhancing the effectiveness of FADs in aggregating fish" is being carried out by the Marine Laboratory, University of Guam.

Giant Clams Project

Aquatic and Wildlife has also introduced into the wild giant clams (*Tridacna* species) to enhance fisheries resources for recreational and commercial purposes. A total of 100 clams were placed in various locations throughout the island. The species has a five-year maturation period.

Interjurisdictional Fisheries Act

IFA funds were awarded for Fiscal Year 1990 to fund the following fisheries projects: Data collection and analysis in the management of Guam's interjurisdictional fishery resource and stock characterization of interjurisdictional resource species; Development of local research expertise. A total of \$19,185 has been awarded for both projects.

Charterboat Feasibility Study

Funds were awarded in FY 1989 by PFDF in the amount of \$27,000 to conduct the Charterboat Feasibility Study which would assess the potential and feasibility of conducting commercial operations on Guam. In addition, the study would develop an appropriate marketing/promotional program needed to further develop Guam's charterboat fishing business. Inventory of services, facilities, and identification of restrictions to the development of the industry, as well as an assessment of the impact U.S. maritime laws on operations will be presented. Finalization of the project is expected by early 1991.

LONGLINE FISHERYData Collection

Data collection has been ongoing since April 1988. SPC has provided a program for compiling a data base on longline vessels, offloading and transshipment activity and vessel agent statistics. In 1989, an estimated 12,000 to 15,000 metric tonnes of tuna were air transhipped from Guam to Japan's sashimi markets. Additionally, as a result of NMFS staff visit to Guam in July 1990, \$5,000 were identified by NMFS for the purpose of inputting individual weights reported in packing lists by vessel agents.

Packing lists reports are submitted to the Department of Commerce as part of the tuna transshipment survey and contain valuable fish weight data for biological research purposes. The South Pacific Commission will be providing staff assistance for inputting data.

The \$5,000 draft purchase order would cover only the initial assessment of the status and availability of the data back to 1988.

Longline Transshipment Summary for First Six Months of 1990

Japanese Longline Vessel Activity from January thru June 1990:

- a. Port of Calls - 365
- b. Total Transshipment - 4,178 metric tons

Taiwanese Longline Vessel Activities from January thru June 1990:

- a. Port of Calls - 247
- b. Total Transshipment - 1,348 metric tons

All Longline Vessel Activities from January thru June 1990:

- a. Port of Calls - 613
- b. Total Transshipment - 5,526 metric tons

Economic analysis of Industry (SPC)

A bid was awarded to Pacific Network for a project receiving SK grant funding for implementation of released in June 1990, in the amount of \$46,073, and local government administrative costs of \$11,943, will go toward implementation of Phase II of the project, which consists of:

- (1) Markets and Market Impacts
- (2) Price structure for the different species transhipped

(3) The market process and the operations in Japan that leads to the final consumer.

(4) Possible alternative markets to that of Japan and their requirements to enter.

ENFORCEMENT

U.S. Coast Guard Seizure of Foreign Longline Vessel

On August 21, 1990, personnel from U.S. Coast Guard and National Marine Fisheries Service spotted the vessel Kim Jul Yi No. 1 utilizing longline gear approximately 50 miles southeast of Guam during a joint fisheries law enforcement patrol. The Taiwanese vessel is not licensed to conduct fishing activities within Guam's EEZ.

Onboard was found Pacific billfish, oceanic shark, wahoo and mahi-mahi. No record was made of specific number of fish pieces or weights.

"Statement of No Objection" was received from USCG in Washington, D.C. to seize the vessel. \$45,000 fine was imposed for MFCMA violations, which was paid on August 27, 1990. The vessel was subsequently released. According to NMFS, the Kim Jul Yi No. 1 has made only two prior port of calls to Guam prior to the seizure. The vessel's agent is Polar International.

After deducting \$1,000 for services rendered by the U.S. Marshall, the remaining balance of the fine will be forwarded to the General Fund.

Data request to Coast Guard

The Guam Ad Hoc Committee on Fisheries, via Commerce, has received the U.S.C.G., Marianas Section, response to request for data on questionable foreign vessel activity sightings to gauge the level of reporting activity by Guam's small boats.

Aside from verbal reports made to the committee by the small boating community, there is no documentation from which to ascertain whether there exists any degree of questionable activity in the EEZ.

According to Commander Clark, the Coast Guard has no historical data, as the incidents have been infrequent. Two observations were offered by the Coast Guard for the presence of fishing vessels in the EEZ, these being routine checks of fishing nets by Casamar, or smaller vessels lingering around the Glass Breakwater until sunrise to avoid paying pilot fees.

WesPac Calls for Longline Emergency Action

During the April 1990 Fishermen's Forum conducted on Guam by the Western Regional Fisheries Management Council, concerns were aired by Guam's small boats on the Coast Guard's capabilities to enforce longline vessel fishing regulations within the EEZ. The small scale operators at the meeting agreed to the concept of formulating local regulations limiting both foreign and domestic longline and purse seine vessel activities within the vicinity of sea mounts and banks. At WesPac's 3rd Quarterly meeting in June, Guam's representatives were successful in generating an action memorandum from the Council to the National Marine Fisheries Service calling for emergency measures to prohibit foreign and

domestic longline fishing within 30 miles (or more) of the Territory of Guam and all submerged banks within Guam's EEZ, defined from the 100 fathom bottom contour. The support from WesPac would address questions on enforcement jurisdiction, environmental, conservation and management issues.

Drift Gill Nets Banned

In June 1990, Governor Joseph Ada signed Bill no. 922 (LS) into law a measure which prohibits the use, transshipment, importation or manufacture of pelagic drift nets, their components or products, and establishes penalties for violations.

DOMESTIC FISHERY

Charter boat Feasibility Study

A second draft was submitted in June 1990. Further information will be required prior to finalization.

The study will evaluate the potential for expanding the charter boat fishery to capitalize on Guam's large and growing visitor industry. A marketing and promotional program is part of the study.

Guam Fishermen's Cooperative

Construction has started on a temporary seafood restaurant facility at a cost of \$100,000, with grand opening targeted for early December 1990.

A permanent facility is being planned in conjunction with the privatization of the Agaña Marina. The Marina project is currently on-hold.

GENERAL FISHERY NEWS

14th Annual Marianas Fishing Derby

Coordinated by the Guam Fishermen's Cooperative, this year's event, held from July 6 thru 8, received major sponsorship support from the manufacturers of Mercury outboard motors, the Guam Visitors Bureau, Cassidy's Insurance, and technical support from the Division of Aquatic and Wildlife Resources. The annual event was established by Public Law 13-203.

Z Best Hosts 1st Annual Fishing Tournament

Held from Sept 7 thru 9, 1990, a total of 121 boats, and over 300 anglers participated for prizes which included first place winning categories of \$10,000 for billfish, yellowfin tuna and skipjack. Winning catches included a 380 lb. blue marlin, and a 103 lb. yellowfin tuna. A 17 lb. skipjack tuna catch garnered the \$5,000 prize. Joining Z Best in hosting the first annual event was Mid Pac Distributors.

Guam International Billfish Tournament

The Guam Gamefish Association, Hilton International Guam and the Guam Visitors Bureau hosted this event in which 12 teams from Japan participated. The tournament, held on September 17 and 18, 1990, was the first on Guam utilizing the "tag and release" format. A total of five catches were tagged.

Territorial Aquarium Proposed

On May 10, 1990 Public Law no. 20-153 authorized the establishment of the Territorial Aquarium Advisory Committee comprised of various Government of Guam departments and agencies to initiate planning for an aquarium on Guam. The proposed facility would serve as: a quality attraction for tourists; an educational facility for Guam's students and the public; a site for hosting conferences and meetings; a limited research facility. The TAAC's responsibilities included recommendations for facility design and content, site selection, and project administration and funding. A draft request for proposals to provide consultant services was submitted to the Guam Legislature for review on November 2, 1990.

Z Enterprises Operates New Vessel

The "Kassandra Z" was christened for voyage on November 7, 1990 at Guam's Apra Harbor. The purse seiner, weighing 1488 gross tonnes, will join eight other vessels currently home ported on Guam and operating under Z Enterprises vessel agent Tuna Clipper Services.

The Guam Fisheries Report is produced by the Division of Economic Development and Planning (EDP), Department of Commerce, Government of Guam.

PBDC BRIEFING PAPER

COASTAL ZONE MANAGEMENT ACT REAUTHORIZATION

The Coastal Zone Management Act reauthorization was included in the budget reconciliation signed by President Bush on November 6th. This Act is now reauthorized for five years, with amendments added, but not, however, the full amount of additions and changes as recommended by the House of Representatives.

Changes of consequence include:

a. amendments to the Section 307 Federal Consistency requirements which, in effect, overturn the Supreme Court interpretations (pro federal) of *James Watt v. California*, and requires federal consistency procedures at an earlier stage (lease proposals) for off shore oil and gas drilling.

b. Reinstates 305 program development grants, which could conceivably make money available to the freely associated states for CZM development.

c. Makes between 10 and 20% of the 306 grant funds available on a competitive basis, rather than for distribution through formula. This will probably result in decreased funding for small programs (including all AFPI programs).

Overall, this is a workable reauthorization, and those provisions which could have been difficult to implement (Marine water quality

requirements), were deleted from the original language.

An analysis of the provisions of the reauthorized Act, by Tom Kitsos (senior staff to the House Merchant Marine and Fisheries Committee), and a copy of the reauthorization are attached.

October 26, 1990 1:06 PM [mkitsos.w11]168

SUBTITLE D:
COASTAL ZONE ACT REAUTHORIZATION AMENDMENTS OF 1990

Subtitle B of Title VII of the House bill contained the text of H.R. 4450, as passed by the House of Representatives on September 26, 1990. The Senate bill contained no similar provision.

The managers on the part of the Senate recede to the House with an amendment.

The conference agreement, subtitle D of Title VI, contains the Coastal Zone Act Reauthorization Amendments of 1990.

Summary of the Provisions

The "Coastal Zone Act Reauthorization Amendments of 1990" makes the following major changes to the Coastal Zone Management Act of 1972:

(1) amends the "federal consistency" provisions to overturn the Supreme Court's 1984 decision in Secretary of the Interior v. California. This would clarify that all federal agency activities, whether in or outside of the coastal zone, are subject to the consistency requirements of section 307(c)(1) of the CZMA if they affect natural resources, land uses, or water uses in the coastal zone;

(2) establishes a "Coastal Zone Management Fund" consisting of CEIP loan repayments from which the Secretary shall pay for the federal administrative costs of the program and fund special projects, emergency state assistance, and other discretionary coastal zone management activities;

(3) reinstates program development grants by authorizing the Secretary to provide assistance to a state for development of a CZM program;

(4) encourages each coastal state, under a Coastal Zone Enhancement Grants Program, to continually improve its CZM program in one or more of eight identified areas: coastal wetlands management and protection; natural hazards management (including potential sea and Great Lake level rise); public access improvements; reduction of marine debris; assessment of cumulative and secondary impacts of coastal growth and development; special area management planning; ocean resource planning; and siting of coastal energy and government facilities;

(5) authorizes the Secretary to make annual "Walter B. Jones" achievement awards to recognize individuals, local

governments, and graduate students for outstanding accomplishments in the field of coastal zone management; and

(6) authorizes appropriations for five years at increased levels.

In addition, the subtitle establishes a Coastal Nonpoint Pollution Control Program. This program will require each coastal state to develop a program, to be implemented through the Coastal Zone Management Act and Section 319 of the Clean Water Act, to protect coastal waters from nonpoint pollution from adjacent coastal land uses.

Section-by-Section Analysis

Section 6201. Short title. "Coastal Zone Act Reauthorization Amendments of 1990."

Section 6202. Findings and Purpose of this Subtitle. This section enumerates the findings which underlie the subtitle, emphasizing the ever increasing pressures on coastal zone resources and the need to improve state management programs to meet these challenges.

Section 6203. Findings and Policy of Coastal Zone Management Act of 1972. This section amends the findings and policies of the Coastal Zone Management Act (CZMA) of 1972. Changes in the findings emphasize the importance of proper management of the territorial sea and ocean waters, of controlling land use activities which result in nonpoint pollution of coastal waters, and of anticipating sea level rise.

Section 6204. Definitions. This section amends the definitions of the terms "coastal zone," and "water use," and adds a definition for the term "enforceable policy."

The term "coastal zone" is amended to expressly limit the seaward coastal zone boundary to the extent of state ownership and title (in most cases, three nautical miles). This amendment is necessary to clarify uncertainties raised by Presidential Proclamation 5928 (December 27, 1988).

The new term "enforceable policy" is defined in accordance with NOAA's existing regulations. This definition is intended to endorse existing NOAA and state practice.

Section 6205. Management Program Development Grants. Much of the existing law relating to "program development" is transferred to section 306 or repealed. Discretionary program development assistance is authorized for fiscal years 1991, 1992, and 1993. A state may receive up to \$200,000 in federal assistance for two successive years.

Section 6206. Administrative Grants. This section amends section 306 of the CZMA substantially. Since section 306 governs approval and administration of state management programs, concern has been expressed that enactment of these provisions may create the implication that existing programs must be reapproved pursuant to the amended section 306. The conferees unequivocally reject this view. These amendments neither require nor authorize the reapproval of state management programs, and existing state programs shall remain eligible for grants after enactment. To the extent that new requirements have been added, the conference report contains deadlines, sanctions, or incentives for compliance which are the exclusive mechanisms through which the Secretary is authorized to act.

Section 6207. Resource Management Improvement Grants. This section is amended to specifically authorize grants under this section to restore and enhance shellfish production from publicly owned lands.

Section 6208. Coordination and Cooperation. This section amends the "federal consistency" provisions of the CZMA. The conferees' principal objective in amending this section is to overturn the decision of the Supreme Court in Secretary of the Interior v. California, 464 U.S. 312 (1984) and to make clear that outer Continental Shelf oil and gas lease sales are subject to the requirements of section 307(c)(1).

The amended provision establishes a generally applicable rule of law that any federal agency activity (regardless of its location) is subject to the CZMA requirement for consistency if it will affect any natural resources, land uses, or water uses in the coastal zone. No federal agency activities are categorically exempt from this requirement.

Whether a specific federal agency activity will be subject to the consistency requirement is a determination of fact based on an assessment of whether the activity affects natural resources, land uses, or water uses in the coastal zone of a state with an approved management program. This must be decided on a case-by-case basis by the federal agency conducting the activity.

The question of whether a specific federal agency activity may affect any natural resource, land use, or water use in the coastal zone is determined by the federal agency. The conferees intend this determination to include effects in the coastal zone which the federal agency may reasonably anticipate as a result of its action, including cumulative and secondary effects. Therefore, the term "affecting" is to be construed broadly, including direct effects which are caused by the activity and occur at the same time and place, and indirect effects which may be caused by the activity and are later in time or farther removed in distance, but are still reasonably foreseeable.

The conference report does not include the statutory language from section 7207 (federal Agency Consistency) of the House bill. This language provided:

The consistency requirements of section 307 of the Coastal Zone Management Act (16 U.S.C. 1456) shall apply to federal agency activities or federally permitted activities under title I of the Marine, Protection, Research, and Sanctuaries Act of 1972, if the federal activity or permitted activity affects land uses, water uses, or natural resources of the coastal zone.

This amendment provided specific clarification that federal agency activities and federal permits under the Ocean Dumping Act, including ocean dumping site designations, and operation and maintenance dredging, are subject to the requirements of section 307. The conferees agreed that this statutory provision is unnecessary because the amendments to section 307(c)(1) leave no doubt that all federal agency activities and all federal permits are subject to the CZMA's consistency requirements. The conferees support and endorse the intent of the House provision, but agreed that a statutory "listing" of activities should be avoided to prevent any implication that unlisted activities are not covered.

Finally, the conferees are aware of the argument that the application of federal consistency to activities under the Ocean Dumping Act amounts to state regulation of ocean dumping for purposes of section 106(d) of that Act. The conferees reject this argument.

A new section 307(c)(2) is added to the CZMA which authorizes the President to exempt a specific federal agency activity if the President determines that the activity is in the paramount interest of the United States. The provision is based on similar exemption provisions in other environmental statutes, including section 313(a) of the Clean Water Act, section 118(b) of the Clean Air Act, section 4(b) of the Noise Control Act, section 6001 of the Solid Waste Disposal Act, the Medical Waste Tracking Act of 1988, the Safe Drinking Water Act, and section 403 of the Powerplant and Industrial Fuel Use Act of 1978. The exemption authorized in subsection (c)(2) is not applicable to a class of federal agency activities but only to a specific activity.

This exemption provision reinforces the conferees' position that no federal agency activities are categorically excluded from the consistency provisions of section 307. Section 307(c)(2) is the only exemption authorized or intended for section 307(c)(1) activities.

Section 6208(c)(1)(C) clarifies the requirement that each federal agency carrying out an activity which affects the coastal zone must provide a consistency determination to the appropriate state agency. This determination must be provided at the earliest possible time but not later than 90 days prior to final approval of the activity. This new statutory provision codifies an existing CZMA regulation (15 CFR 930.34(b)).

Section 6208(b) makes technical and conforming changes to the other existing federal consistency provisions of sections 307(c)(3)(A) and (B), and (d). These provisions govern the consistency of private activities for which federal licenses or permits are required, and for state and local applications for federal financial assistance. The conference report does not alter the statutory requirements as currently enforced under sections 307(c)(3)(A) and (B), and (d) of the CZMA. These requirements are outlined in the NOAA regulations (15 CFR 930.50 - 930.66) and the conferees endorse this status quo.

The conferees want to make it clear that the changes made by section 6208(b) are technical modifications. None of the amendments made by this section are intended to change the existing implementation of these consistency provisions. For example, none of the changes made to section 307(c)(3)(A) and (B), and (d) change existing law to allow a state to expand the scope of its consistency review authority. Specifically, these changes do not affect or modify existing law or enlarge the scope of consistency review authority under section (c)(3)(A) and (B), and (d) with respect to the proposed project to divert water from Lake Gaston to the City of Virginia Beach, Virginia, for municipal water supply purposes. These technical changes are necessary to, and are made solely for the purpose of, conforming these existing provisions with the changes to section 307(c)(1) of the CZMA which are needed to overturn the Watt v. California Supreme Court decision.

Finally, section 6208(b) provides that federal agencies and applicants are required to be consistent with the "enforceable policies" of a state CTM program. They shall give adequate consideration to program provisions which are in the nature of recommendations. Again, this provision codifies the existing regulatory practice [15 CFR 930.39(c) and 930.58(a)(4)]. Federal agencies and applicants must be consistent with those policies which are enforceable under state law.

It is not the intent of the conferees that this subsection be construed to overturn, in whole or in part, the judicial decision in American Petroleum Institute v. Knecht. Federal agencies and applicants are assured that they will not be subjected to policies which are not enforceable under state law. However, this provision is not intended as a guarantee that the provisions of a coastal program will be so specific that users of the coastal zone must be able to rely on its provisions as predictive devices for determining the fate of projects without in-

teraction with the relevant state agencies. Individual projects must be reviewed on a case-specific basis and states may identify mitigation and other management measures which are not specifically detailed in the management program but which, if implemented, would allow the state to find projects consistent with the enforceable policies of the program.

Finally, subsection 3208(c) adds a new subsection 307(i) to the CZMA. This new subsection authorizes federal fees to recover costs associated with the administration of consistency appeals under subsections 307(c)(3)(A) and (B), and (d). Fees charged must represent the reasonable costs of administering these provisions. Fees will be assessed against "applicants" for required licenses and permits.

Section 6209. Coastal Zone Management Fund. The existing section 308 (Coastal Energy Impact Program) is repealed. The new section establishes a Coastal Zone Management (CZM) Fund which will be used to fund administration of this Act.

Section 308(a)(1) establishes that obligations to repay outstanding loans made under the Coastal Energy Impact Program (CEIP) are not affected by this legislation. Approximately \$87.5 million in CEIP loans are still outstanding.

Section 308(a)(2) requires that CEIP loan repayments be retained by the Secretary as offsetting collections and deposited into the Coastal Zone Management Fund established pursuant to subsection (b). In recent years, annual loan repayments have ranged from a low of \$4 million to a high of \$15 million, with an annual average of some \$6-\$8 million.

Section 308(b) directs the Secretary to establish and maintain a CZM fund, which shall consist of loan repayments collected and retained under section 308(a). Therefore, the conferees anticipate an annual expenditure of between \$6 million and \$8 million through the CZM Fund, subject to appropriation.

Section 308(b)(2) authorizes the Secretary to expend amounts in the Fund for administration of the coastal zone management program and for specified discretionary activities: regional and interstate projects (formerly section 309); demonstration projects; emergency assistance; awards pursuant to section 314; program development grants pursuant to section 305; and to assist states in applying the public trust doctrine in the implementation of their CZM programs. The first use of amounts in the Fund is program administration and the conferees expect a vigorous federal program to assist the states in coastal zone management. The Secretary is then authorized to expend remaining amounts for the other specified activities.

Section 6210. Coastal Zone Enhancement Grants. Subsection (a) establishes a program, beginning in fiscal year 1991, to encourage continual improvements in state management programs in

eight identified areas. The program is to include specific, measurable goals and milestones for improving the state management programs.

Subsection (a)(7) specifies that planning for the use of ocean resources is an area in which states may apply for assistance. In particular, the conferees intend that assistance be provided to Pacific Island States, recognizing that the Pacific Islands, given their long-standing and encompassing relationship with the ocean, may have a stronger interest in ocean resources beyond their coastal zone. This provision is intended to recognize this special relationship.

Grants under this section will be made from a set aside of at least 10 percent, but no more than 20 percent of funds appropriated under sections 306 and 306A. The conferees intend that the Secretary set aside the full 20 percent, unless because of lower than anticipated federal appropriations, such a withholding would significantly impair administration of the state management programs as a whole. Funds to administer this section are to be set aside en bloc, prior to allocation of state awards pursuant to section 306(c).

Section 6211. Technical Assistance. This section adds a new section 310 to the CZMA to require the Secretary to provide technical assistance and management-oriented research to support development and implementation of State coastal management programs.

Section 6212. Coastal Zone Management Review. Subsection (a) mandates public participation in the evaluation of state programs and requires written response to all written comments received.

Subsection (b) provides new authority for the Secretary to impose "interim sanctions" on a state program for not more than three years if the state is failing to adhere to its program. The conferees understand that disapproval of a management program under section 312(d) is an extraordinary step and has not been a useful tool for NOAA in correcting mild or moderate problems in state program administration.

Section 6213. Walter B. Jones Excellence in Coastal Management Awards. This section requires the Secretary to use amounts in the CZM Fund (section 308) to identify and appropriately acknowledge accomplishment in the field of coastal zone management by individuals (other than federal employees), local governments, and graduate students.

Section 6214. National Estuarine Research Reserve System. This section increases the financial assistance for land or water acquisition for any one estuarine research reserve from \$4 million to \$5 million, or 50 percent of the total costs, whichever amount is less. The section also increases the federal

share of the costs from 50 percent to 70 percent for managing a reserve and constructing facilities, and for conducting educational or interpretive activities. However, activities which benefit the entire Reserve System may be federally funded up to 100 percent.

Section 6215. Authorization of Appropriations. Appropriations are authorized for fiscal years 1991-1995 for sections 305, 306 and 306A, 310 and 315.

Section 6216. Conforming Amendments. This section makes several technical and conforming changes.

Section 6217. Protecting Coastal Waters. Subsection (a) requires each state with a federally approved CZM program to develop a "Coastal Nonpoint Pollution Control Protection Program" to implement coastal land use management measures for controlling nonpoint source pollution. A maximum of four years is provided for each coastal state to comply with this requirement.

The provision reinforces existing requirements for effective land use control, and affirms that state programs under the CZMA and under section 319 of the Clean Water Act should be more effectively organized and coordinated in developing and implementing coastal land use management measures that will control nonpoint pollution of coastal waters. The states are provided maximum flexibility in establishing the state and local institutional arrangements to accomplish this formidable task. However the conference report requires that state programs under this section be developed and implemented in conformity with national guidelines regarding management measures.

Legislative History

These provisions are derived from H.R. 4450 and S. 2782.

H.R. 4450 was introduced on April 3, 1990, by Congressman Dennis Hertel. It was reported from the House Committee on Merchant Marine and Fisheries on June 11, 1990, (H.Rpt. 101-535) and was passed by the House of Representatives (391-32) with a substitute amendment on September 26, 1990. The Congressional Record from September 26 contains a detailed statement of explanation (pages H8068-79).

S. 2782 was introduced on June 26, 1990, by Senator John Kerry. It was reported [REDACTED] from the Senate Committee on Commerce, Science and Transportation on June 27, 1990 (S.Rpt. 101-445).

For Inclusion in Reconciliation
Coastal Zone Management Act Amendments

[October 26, 1990; 10:10 a.m.]

1 Subtitle C--Amendments to Coastal Zone Management Act of 1972

2 SEC. 6201. SHORT TITLE.

3 This subtitle may be cited as the ``Coastal Zone Act
4 Reauthorization Amendments of 1990``.

5 SEC. 6202. FINDINGS AND PURPOSE OF THIS SUBTITLE.

6 (a) FINDINGS.--Congress finds and declares the following:

7 (1) Our oceans, coastal waters, and estuaries
8 constitute a unique resource. The condition of the water
9 quality in and around the coastal areas is significantly
10 declining. Growing human pressures on the coastal
11 ecosystem will continue to degrade this resource until
12 adequate actions and policies are implemented.

13 (2) Almost one-half of our total population now lives
14 in coastal areas. By 2010, the coastal population will
15 have grown from 80,000,000 in 1960 to 127,000,000 people,
16 an increase of approximately 60 percent, and population
17 density in coastal counties will be among the highest in
18 the Nation.

19 (3) Marine resources contribute to the Nation's
20 economic stability. Commercial and recreational fishery
21 activities support an industry with an estimated value of

1 \$12,000,000,000 a year.

2 (4) Wetlands play a vital role in sustaining the
3 coastal economy and environment. Wetlands support and
4 nourish fishery and marine resources. They also protect
5 the Nation's shores from storm and wave damage. Coastal
6 wetlands contribute an estimated \$5,000,000,000 to the
7 production of fish and shellfish in the United States
8 coastal waters. Yet, 50 percent of the Nation's coastal
9 wetlands have been destroyed, and more are likely to
10 decline in the near future.

11 (5) Nonpoint source pollution is increasingly
12 recognized as a significant factor in coastal water
13 degradation. In urban areas, storm water and combined
14 sewer overflow are linked to major coastal problems, and
15 in rural areas, run-off from agricultural activities may
16 add to coastal pollution.

17 (6) Coastal planning and development control measures
18 are essential to protect coastal water quality, which is
19 subject to continued ongoing stresses. Currently, not
20 enough is being done to manage and protect our coastal
21 resources.

22 (7) Global warming results from the accumulation of
23 man-made gases, released into the atmosphere from such
24 activities as the burning of fossil fuels, deforestation,
25 and the production of chlorofluorocarbons, which trap

1 solar heat in the atmosphere and raise temperatures
2 worldwide. Global warming could result in significant
3 global sea level rise by 2050 resulting from ocean
4 expansion, the melting of snow and ice, and the gradual
5 melting of the polar ice cap. Sea level rise will result
6 in the loss of natural resources such as beaches, dunes,
7 estuaries, and wetlands, and will contribute to the
8 salinization of drinking water supplies. Sea level rise
9 will also result in damage to properties,
10 infrastructures, and public works. There is a growing
11 need to plan for sea level rise.

12 (8) There is a clear link between coastal water
13 quality and land use activities along the shore. State
14 management programs under the Coastal Zone Management Act
15 of 1972 (16 U.S.C. 1451 et seq.) are among the best tools
16 for protecting coastal resources and must play a larger
17 role, particularly in improving coastal zone water
18 quality.

19 (9) All coastal States should have coastal zone
20 management programs in place that conform to the Coastal
21 Zone Management Act of 1972, as amended by this Act.

22 (b) PURPOSE.--It is the purpose of Congress in this
23 subtitle to enhance the effectiveness of the Coastal Zone
24 Management Act of 1972 by increasing our understanding of the
25 coastal environment and expanding the ability of State

1 coastal zone management programs to address coastal
2 environmental problems.

3 SEC. 6203. FINDINGS AND POLICY OF COASTAL ZONE MANAGEMENT ACT
4 OF 1972.

5 (a) FINDINGS.--(1) Section 302(d) of the Coastal Zone
6 Management Act of 1972 (16 U.S.C. 1451(d)) is amended by
7 inserting ``habitat areas of the'' immediately before
8 ``coastal zone''.

9 (2) Section 302(f) of the Coastal Zone Management Act of
10 1972 (16 U.S.C. 1451(f)) is amended by inserting ``exclusive
11 economic zone,'' immediately after ``territorial sea,''.
12

13 (3) Section 302 of the Coastal Zone Management Act of
14 1972 (16 U.S.C. 1451) is amended by adding at the end the
15 following new subsections:

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

21 `` (l) Because global warming may result in a substantial
22 sea level rise with serious adverse effects in the coastal
23 zone, coastal states must anticipate and plan for such an
24 occurrence.

25 `` (m) Because of their proximity to and reliance upon the
ocean and its resources, the coastal states have substantial

1 and significant interests in the protection, management, and
2 development of the resources of the exclusive economic zone
3 that can only be served by the active participation of
4 coastal states in all Federal programs affecting such
5 resources and, wherever appropriate, by the development of
6 state ocean resource plans as part of their federally
7 approved coastal zone management programs.''.
8

9 (b) POLICY.--(1) Section 303(2) of the Coastal Zone
10 Management Act of 1972 (16 U.S.C. 1452(2)) is amended by
11 striking ``as well as the needs for`` and inserting in lieu
12 thereof ``as well as the needs for compatible``.

13 (2) Section 303(2)(B) of the Coastal Zone Management Act
14 of 1972 (16 U.S.C. 1452(2)(B)) is amended by striking ``of
15 subsidence`` and inserting in lieu thereof the following:
16 ``likely to be affected by or vulnerable to sea level rise,
17 land subsidence,``.

18 (3) Section 303(2) of the Coastal Zone Management Act of
19 1972 (16 U.S.C. 1452(2)), as amended by paragraph (1), is
20 amended--

21 (A) by redesignating subparagraphs (C) through (I) as
22 subparagraphs (D) through (J), respectively; and

23 (B) by inserting immediately after subparagraph (B)
24 the following new subparagraph:

25 `` (C) the management of coastal development to
improve, safeguard, and restore the quality of

1 coastal waters, and to protect natural resources and
2 existing uses of those waters,".

3 (4) Section 303(2) of the Coastal Zone Management Act of
4 1972 (16 U.S.C. 1452(2)), as amended by paragraphs (1) and
5 (3), is further amended--

6 (A) by striking ``and`` at the end of subparagraph
7 (I), as so redesignated by paragraph (3);

8 (B) by striking the semicolon in subparagraph (J), as
9 so redesignated by paragraph (3), and inserting in lieu
10 thereof a comma; and

11 (C) by adding at the end the following new
12 subparagraph:

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

18 (5) Section 303(3) of the Coastal Zone Management Act of
19 1972 (16 U.S.C. 1452(3)) is amended by inserting ``including
20 those areas likely to be affected by land subsidence, sea
21 level rise, or fluctuating water levels of the Great Lakes,``
22 immediately after ``hazardous areas,``.

23 (6) Section 303 of the Coastal Zone Management Act of
24 1972 (16 U.S.C. 1452) is amended by striking ``and`` at the
25 end of paragraph (3); by striking the period at the end of

1 paragraph (4) and inserting in lieu thereof a semicolon; and
2 by adding at the end the following new paragraphs:

3 “(5) to encourage coordination and cooperation with
4 and among the appropriate Federal, State, and local
5 agencies, and international organizations where
6 appropriate, in collection, analysis, synthesis, and
7 dissemination of coastal management information, research
8 results, and technical assistance, to support State and
9 Federal regulation of land use practices affecting the
10 coastal and ocean resources of the United States; and

11 “(6) to respond to changing circumstances affecting
12 the coastal environment and coastal resource management
13 by encouraging States to consider such issues as ocean
14 uses potentially affecting the coastal zone.”.

15 **SEC. 6204. DEFINITIONS.**

16 (a) **COASTAL ZONE.**--The third sentence of section 304(1)
17 of the Coastal Zone Management Act of 1972 (16 U.S.C.
18 1453(1)) is amended--

19 (1) by inserting “, and to control those
20 geographical areas which are likely to be affected by or
21 vulnerable to sea level rise” immediately before the
22 period at the end; and

23 (2) by striking “the United States territorial
24 sea.” and inserting in lieu thereof “the outer limit of
25 State title and ownership under the Submerged Lands Act

1 (43 U.S.C. 1301 et seq.), the Act of March 2, 1917 (48
2 U.S.C. 749), the Covenant to Establish a Commonwealth of
3 the Northern Mariana Islands in Political Union with the
4 United States of America, as approved by the Act of March
5 24, 1976 (48 U.S.C. 1681 note), or section 1 of the Act
6 of November 20, 1963 (48 U.S.C. 1705, as applicable.''.
7

8 (b) ENFORCEABLE POLICY.--Section 304 of the Coastal Zone
9 Management Act of 1972 (16 U.S.C. 1453) is amended by
10 inserting after paragraph (6) the following`

11 `` (6a) The term `enforceable policy' means State
12 policies which are legally binding through constitutional
13 provisions, laws, regulations, land use plans,
14 ordinances, or judicial or administrative decisions, by
15 which a State exerts control over private and public land
16 and water uses and natural resources in the coastal
17 zone.''.
18

19 (c) WATER USE.--Section 304(18) of the Coastal Zone
20 Management Act of 1972 (16 U.S.C. 1453(18)) is amended by
21 striking all after ``means'' and inserting in lieu thereof
22 ``a use, activity, or project conducted in or on waters
23 within the coastal zone.''.
24

25 **SEC. 6205. MANAGEMENT PROGRAM DEVELOPMENT GRANTS.**

Section 305 of the Coastal Zone Management Act of 1972
(16 U.S.C. 1454) is amended to read as follows:

MANAGEMENT PROGRAM DEVELOPMENT GRANTS

1 ``SEC. 305. (a) In fiscal years 1991, 1992, and 1993, the
2 Secretary may make a grant annually to any coastal state
3 without an approved program if the coastal state demonstrates
4 to the satisfaction of the Secretary that the grant will be
5 used to develop a management program consistent with the
6 requirements set forth in section 306. The amount of any such
7 grant shall not exceed \$200,000 in any fiscal year, and shall
8 require State matching funds according to a 4-to-1 ratio of
9 Federal-to-State contributions. After an initial grant is
10 made to a coastal state pursuant to this subsection, no
11 subsequent grant shall be made to that coastal state pursuant
12 to this subsection unless the Secretary finds that the
13 coastal state is satisfactorily developing its management
14 program. No coastal state is eligible to receive more than
15 two grants pursuant to this subsection.

16 ``(b) Any coastal state which has completed the
17 development of its management program shall submit such
18 program to the Secretary for review and approval pursuant to
19 section 306.``.

20 **SEC. 6206. ADMINISTRATIVE GRANTS.**

21 (a) **IN GENERAL.**--Section 306 of the Coastal Zone
22 Management Act of 1972 (16 U.S.C. 1455) is amended to read as
23 follows:

24 **ADMINISTRATIVE GRANTS**

25 ``SEC. 306. (a) The Secretary may make grants to any

1 coastal state for the purpose of administering that state's
2 management program, if the state matches any such grant
3 according to the following ratios of Federal-to-State
4 contributions for the applicable fiscal year:

5 “(1) For those States for which programs were
6 approved prior to enactment of the Coastal Zone Act
7 Reauthorization Amendments of 1990, 1 to 1 for any fiscal
8 year.

9 “(2) For programs approved after enactment of the
10 Coastal Zone Act Reauthorization Amendments of 1990, 4 to
11 1 for the first fiscal year, 2.3 to 1 for the second
12 fiscal year, 1.5 to 1 for the third fiscal year, and 1 to
13 1 for each fiscal year thereafter.

14 “(b) The Secretary may make a grant to a coastal state
15 under subsection (a) only if the Secretary finds that the
16 management program of the coastal state meets all applicable
17 requirements of this title and has been approved in
18 accordance with subsection (d);

19 “(c) Grants under this section shall be allocated to
20 coastal states with approved programs based on rules and
21 regulations promulgated by the Secretary which shall take
22 into account the extent and nature of the shoreline and area
23 covered by the program, population of the area, and other
24 relevant factors. The Secretary shall establish, after
25 consulting with the coastal states, maximum and minimum

1 grants for any fiscal year to promote equity between coastal
2 states and effective coastal management.

3 “(d) Before approving a management program submitted by
4 a coastal state, the Secretary shall find the following:

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

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

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

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

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

25 “(D) An identification of the means by which the

1 State proposes to exert control over the land uses
2 and water uses referred to in subparagraph (B),
3 including a list of relevant State constitutional
4 provisions, laws, regulations, and judicial
5 decisions.

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

9 `` (F) A description of the organizational
10 structure proposed to implement such management
11 program, including the responsibilities and
12 interrelationships of local, areawide, State,
13 regional, and interstate agencies in the management
14 process.

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

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

25 `` (I) A planning process for assessing the

1 effects of, and studying and evaluating ways to
2 control, or lessen the impact of, shoreline erosion,
3 and to restore areas adversely affected by such
4 erosion.

5 `` (3) The State has--

6 `` (A) coordinated its program with local,
7 areawide, and interstate plans applicable to areas
8 within the coastal zone--

9 `` (i) existing on January 1 of the year in
10 which the State's management program is submitted
11 to the Secretary; and

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

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

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

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

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

17 ``(I) shall consider the comments;

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

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

23 ``(4) The State has held public hearings in the
24 development of the management program.

25 ``(5) The management program and any changes thereto

1 have been reviewed and approved by the Governor of the
2 State.

3 `` (6) The Governor of the State has designated a
4 single State agency to receive and administer grants for
5 implementing the management program.

6 `` (7) The State is organized to implement the
7 management program.

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

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

20 `` (10) The State, acting through its chosen agency or
21 agencies (including local governments, areawide agencies,
22 regional agencies, or interstate agencies) has authority
23 for the management of the coastal zone in accordance with
24 the management program. Such authority shall include
25 power--

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

5 ``(B) to acquire fee simple and less than fee
6 simple interests in land, waters, and other property
7 through condemnation or other means when necessary to
8 achieve conformance with the management program.

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

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

16 ``(B) Direct State land and water use planning
17 and regulation.

18 ``(C) State administrative review for consistency
19 with the management program of all development plans,
20 projects, or land and water use regulations,
21 including exceptions and variances thereto, proposed
22 by any State or local authority or private developer,
23 with power to approve or disapprove after public
24 notice and an opportunity for hearings.

25 ``(12) The management program contains a method of

1 assuring that local land use and water use regulations
2 within the coastal zone do not unreasonably restrict or
3 exclude land uses and water uses of regional benefit.

4 ``(13) The management program provides for--

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

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

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

13 ``(15) The management program provides a mechanism to
14 ensure that all State agencies will adhere to the
15 program.

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

21 ``(e) A coastal state may amend or modify a management
22 program which it has submitted and which has been approved by
23 the Secretary under this section, subject to the following
24 conditions:

25 ``(1) The State shall promptly notify the Secretary

1 of any proposed amendment, modification, or other program
2 change and submit it for the Secretary's approval. The
3 Secretary may suspend all or part of any grant made under
4 this section pending State submission of the proposed
5 amendments, modification, or other program change.

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

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

1 “(B) The Secretary, after determining on a
2 preliminary basis, that an amendment, modification, or
3 other change which has been submitted for approval under
4 this subsection is likely to meet the program approval
5 standards in this section, may permit the State to expend
6 funds awarded under this section to begin implementing
7 the proposed amendment, modification, or change. This
8 preliminary approval shall not extend for more than 6
9 months and may not be renewed. A proposed amendment,
10 modification, or change which has been given preliminary
11 approval and is not finally approved under this paragraph
12 shall not be considered an enforceable policy for
13 purposes of section 307.”.

14 (b) ADDITIONAL PROGRAM REQUIREMENTS.--Each State which
15 submits a management program for approval under section 306
16 of the Coastal Zone Management Act of 1972, as amended by
17 this subtitle (including a State which submitted a program
18 before the date of enactment of this Act), shall demonstrate
19 to the Secretary--

20 (1) that the program complies with section 306(d)(14)
21 and (15) of that Act, by not later than 3 years after the
22 date of the enactment of this Act; and

23 (2) that the program complies with section 306(d)(16)
24 of that Act, by not later than 30 months after the date
25 of publication of final guidance under section 6217(g) of

1 this Act.

2 **SEC. 6207. RESOURCE MANAGEMENT IMPROVEMENT GRANTS.**

3 Section 306A(b)(1) of the Coastal Zone Management Act of
4 1972 (16 U.S.C. 1455a(b)(1)) is amended by adding before the
5 period at the end the following: `` , or for the purpose of
6 restoring and enhancing shellfish production by the purchase
7 and distribution of clutch material on publicly owned reef
8 tracts``.

9 **SEC. 6208. COASTAL ZONE MANAGEMENT CONSISTENCY.**

10 (a) **FEDERAL AGENCY ACTIVITIES.**--Section 307(c)(1) of the
11 Coastal Zone Management Act of 1972 (16 U.S.C. 1456(c)(1)) is
12 amended to read as follows:

13 ``(c)(1)(A) Each Federal agency activity within or
14 outside the coastal zone that affects any land or water use
15 or natural resource of the coastal zone shall be carried out
16 in a manner which is consistent to the maximum extent
17 practicable with the enforceable policies of approved State
18 management programs. A Federal agency activity shall be
19 subject to this paragraph unless it is subject to paragraph
20 (2) or (3).

21 ``(B) After any final judgment, decree, or order of any
22 Federal court that is appealable under section 1291 or 1292
23 of title 28, United States Code, or under any other
24 applicable provision of Federal law, that a specific Federal
25 agency activity is not in compliance with subparagraph (A),

1 and certification by the Secretary that mediation under
2 subsection (h) is not likely to result in such compliance,
3 the President may, upon written request from the Secretary,
4 exempt from compliance those elements of the Federal agency
5 activity that are found by the Federal court to be
6 inconsistent with an approved State program, if the President
7 determines that the activity is in the paramount interest of
8 the United States. No such exemption shall be granted on the
9 basis of a lack of appropriations unless the President has
10 specifically requested such appropriations as part of the
11 budgetary process, and the Congress has failed to make
12 available the requested appropriations.

13 `` (C) Each Federal agency carrying out an activity
14 subject to paragraph (1) shall provide a consistency
15 determination to the relevant State agency designated under
16 section 306(d)(6) at the earliest practicable time, but in no
17 case later than 90 days before final approval of the Federal
18 activity unless both the Federal agency and the State agency
19 agree to a different schedule.``.

20 (b) TECHNICAL AND CONFORMING CHANGES.--

21 (1) Section 307(c)(2) of the Coastal Zone Management
22 Act of 1972 (16 U.S.C. 1456(c)(2)) is amended by
23 inserting ``the enforceable policies of`` before
24 ``approved State management programs``.

25 (2) Section 307(c)(3)(A) of the Coastal Zone

1 Management Act of 1972 (16 U.S.C. 1456(c)(3)(A)) is
2 amended in the first sentence--

3 (A) by inserting ``in or outside of the coastal
4 zone,`` after ``to conduct an activity``;

5 (B) by striking ``land or water uses in`` and
6 inserting ``any land or water use or natural resource
7 of``; and

8 (C) by inserting ``the enforceable policies of``
9 after the words ``the proposed activity complies
10 with``.

11 (3) Section 307(c)(3)(B) of the Coastal Zone
12 Management Act of 1972 (16 U.S.C. 1456(c)(3)(B)) is
13 amended in the first sentence--

14 (A) by striking ``land use or water use in`` and
15 inserting ``land or water use or natural resource
16 of``; and

17 (B) by inserting ``the enforceable policies of``
18 after ``such plan complies``.

19 (4) Section 307(d) of the Coastal Zone Management Act
20 of 1972 (16 U.S.C. 1456(d)) is amended--

21 (A) by striking ``affecting`` and inserting ``
22 in or outside of the coastal zone, affecting any land
23 or water use of natural resource of``; and

24 (B) by inserting ``the enforceable policies of``
25 after ``that are inconsistent with``.

1 (c) FEDERAL FEE.--Section 307 of the Coastal Zone
2 Management Act of 1972 (16 U.S.C. 1456) is amended by adding
3 at the end the following:
4 `` (i) With respect to appeals under subsections (c)(3)
5 and (d) which are submitted after the date of the enactment
6 of the Coastal Zone Act Reauthorization Amendments of 1990,
7 the Secretary shall collect an application fee of not less
8 than \$200 for minor appeals and not less than \$500 for major
9 appeals, unless the Secretary, upon consideration of an
10 applicant's request for a fee waiver, determines that the
11 applicant is unable to pay the fee. The Secretary shall
12 collect such other fees as are necessary to recover the full
13 costs of administering and processing such appeals under
14 subsection (c).''.

15 **SEC. 6209. COASTAL ZONE MANAGEMENT FUND.**

16 Section 308 of the Coastal Zone Management Act of 1972
17 (16 U.S.C. 1456) is amended to read as follows:

18 **COASTAL ZONE MANAGEMENT FUND**

19 ``SEC. 308. (a)(1) The obligations of any coastal state
20 or unit of general purpose local government to repay loans
21 made pursuant to this section as in effect before the date of
22 the enactment of the Coastal Zone Act Reauthorization
23 Amendments of 1990, and any repayment schedule established
24 pursuant to this Act as in effect before that date of
25 enactment, are not altered by any provision of this title.

1 Such loans shall be repaid under authority of this subsection
2 and the Secretary may issue regulations governing such
3 repayment. If the Secretary finds that any coastal state or
4 unit of local government is unable to meet its obligations
5 pursuant to this subsection because the actual increases in
6 employment and related population resulting from coastal
7 energy activity and the facilities associated with such
8 activity do not provide adequate revenues to enable such
9 State or unit to meet such obligations in accordance with the
10 appropriate repayment schedule, the Secretary shall, after
11 review of the information submitted by such State or unit,
12 take any of the following actions:

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

14 ``(B) Refinance the loan.

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

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

21 ``(b)(1) The Secretary shall establish and maintain a
22 fund, to be known as the 'Coastal Zone Management Fund'
23 (hereinafter in this section referred to as the 'Fund'),
24 which shall consist of amounts retained and deposited into
25 the Fund under subsection (a).

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

4 “(A) Expenses incident to the administration of this
5 title, in an amount not to exceed--

6 “(i) \$5,000,000 for fiscal year 1991;

7 “(ii) \$5,225,000 for fiscal year 1992;

8 “(iii) \$5,460,125 for fiscal year 1993;

9 “(iv) \$5,705,830 for fiscal year 1994; and

10 “(v) \$5,962,593 for fiscal year 1995.

11 “(B) After use under subparagraph (A)--

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

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

17 “(iii) emergency grants to State coastal zone
18 management agencies to address unforeseen or
19 disaster-related circumstances;

20 “(iv) appropriate awards recognizing excellence
21 in coastal zone management as provided in section
22 314;

23 “(v) program development grants as authorized by
24 section 305; and

25 “(vi) to provide financial support to coastal

1 States for use for investigating and applying the
2 public trust doctrine to implement State management
3 programs approved under section 306.

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

9 SEC. 6210. COASTAL ZONE ENHANCEMENT GRANTS.

10 Section 309 of the Coastal Zone Management Act of 1972
11 (16 U.S.C. 1452b) is amended to read as follows:

12 `` COASTAL ZONE ENHANCEMENT GRANTS

13 ``SEC. 309. (a) For purposes of this section, the term
14 `coastal zone enhancement objective' means any of the
15 following objectives:

16 `` (1) Protection, restoration, or enhancement of the
17 existing coastal wetlands base, or creation of new
18 coastal wetlands.

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

25 `` (3) Attaining increased opportunities for public

1 access, taking into account current and future public
2 access needs, to coastal areas of recreational,
3 historical, aesthetic, ecological, or cultural value.

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

7 `` (5) Development and adoption of procedures to
8 assess, consider, and control cumulative and secondary
9 impacts of coastal growth and development, including the
10 collective effect on various individual uses or
11 activities on coastal resources, such as coastal wetlands
12 and fishery resources.

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

15 `` (7) Planning for the use of ocean resources.

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

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

1 “(c) The Secretary shall evaluate and rank State
2 proposals for funding under this section, and make funding
3 awards based on those proposals, taking into account the
4 criteria established by the Secretary under subsection (d).
5 The Secretary shall ensure that funding decisions under this
6 section take into consideration the fiscal and technical
7 needs of proposing States and the overall merit of each
8 proposal in terms of benefits to the public.

9 “(d) Within 12 months following the date of enactment of
10 this section, and consistent with the notice and
11 participation requirements established in section 317, the
12 Secretary shall promulgate regulations concerning coastal
13 zone enhancement grants that establish--

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

20 “(2) administrative or procedural rules or
21 requirements as necessary to facilitate the development
22 and implementation of such objectives by coastal states;
23 and

24 “(3) other funding award criteria as are necessary
25 or appropriate to ensure that evaluations of proposals,

1 and decisions to award funding, under this section are
2 based on objective standards applied fairly and equitably
3 to those proposals.

4 `` (e) A State shall not be required to contribute any
5 portion of the cost of any proposal for which funding is
6 awarded under this section.

7 `` (f) Beginning in fiscal year 1991, not less than 10
8 percent and not more than 20 percent of the amounts
9 appropriated to implement sections 306 and 306A of this title
10 shall be retained by the Secretary for use in implementing
11 this section, up to a maximum of \$10,000,000 annually.

12 `` (g) If the Secretary finds that the State is not
13 undertaking the actions committed to under the terms of the
14 grant, the Secretary shall suspend the State's eligibility
15 for further funding under this section for at least one
16 year.``.

17 **SEC. 6211. TECHNICAL ASSISTANCE.**

18 The Coastal Zone Management Act of 1972 (16 U.S.C. 1451
19 et seq.) is amended by inserting immediately after Section
20 309 the following new section:

21 **`` TECHNICAL ASSISTANCE**

22 **``SEC. 310. (a)** The Secretary shall conduct a program of
23 technical assistance and management-oriented research
24 necessary to support the development and implementation of
25 State coastal management program amendments under section

1 309, and appropriate to the furtherance of international
2 cooperative efforts and technical assistance in coastal zone
3 management. Each department, agency, and instrumentality of
4 the executive branch of the Federal Government may assist the
5 Secretary, on a reimbursable basis or otherwise, in carrying
6 out the purposes of this section, including the furnishing of
7 information to the extent permitted by law, the transfer of
8 personnel with their consent and without prejudice to their
9 position and rating, and the performance of any research,
10 study, and technical assistance which does not interfere with
11 the performance of the primary duties of such department,
12 agency, or instrumentality. The Secretary may enter into
13 contracts or other arrangements with any qualified person for
14 the purposes of carrying out this subsection.

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

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

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

1 SEC. 6212. COASTAL ZONE MANAGEMENT REVIEW.

2 (a) PUBLIC PARTICIPATION.--Subsection (b) of section 312
3 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1458)
4 is amended to read as follows:

5 `` (b) In evaluating a coastal state's performance, the
6 Secretary shall conduct the evaluation in an open and public
7 manner, and provide full opportunity for public
8 participation, including holding public meetings in the State
9 being evaluated and providing opportunities for the
10 submission of written and oral comments by the public. The
11 Secretary shall provide the public with at least 45 days'
12 notice of such public meetings by placing a notice in the
13 Federal Register, by publication of timely notices in
14 newspapers of general circulation within the State being
15 evaluated, and by communications with persons and
16 organizations known to be interested in the evaluation. Each
17 evaluation shall be prepared in report form and shall include
18 written responses to the written comments received during the
19 evaluation process. The final report of the evaluation shall
20 be completed within 120 days after the last public meeting
21 held in the State being evaluated. Copies of the evaluation
22 shall be immediately provided to all persons and
23 organizations participating in the evaluation process.'`.

24 (b) INTERIM SANCTIONS.--Subsection (c) of section 312 of
25 the Coastal Zone Management Act of 1972 (16 U.S.C. 1458(c))

1 is amended to read as follows:

2 “(c)(1) The Secretary may suspend payment of any portion
3 of financial assistance extended to any coastal state under
4 this title, and may withdraw any unexpended portion of such
5 assistance, if the Secretary determines that the coastal
6 state is failing to adhere to (A) the management program or a
7 State plan developed to manage a national estuarine reserve
8 established under section 315 of this title, or a portion of
9 the program or plan approved by the Secretary, or (B) the
10 terms of any grant or cooperative agreement funded under this
11 title.

12 “(2) Financial assistance may not be suspended under
13 paragraph (1) unless the Secretary provides the Governor of
14 the coastal state with--

15 “(A) written specifications and a schedule for the
16 actions that should be taken by the State in order that
17 such suspension of financial assistance may be withdrawn;
18 and

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

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

1 (c) FINAL SANCTIONS.--Section 312(d) of the Coastal Zone
2 Management Act of 1972 (16 U.S.C. 1458(d)) is amended to read
3 as follows:

4 "(d) The Secretary shall withdraw approval of the
5 management program of any coastal state and shall withdraw
6 financial assistance available to that State under this title
7 as well as any unexpended portion of such assistance, if the
8 Secretary determines that the coastal state has failed to
9 take the actions referred to in subsection (c)(2)(A)."

10 (d) REPEAL.--Subsection (f) of section 312 of the Coastal
11 Zone Management Act of 1972 (16 U.S.C. 1458) is repealed.

12 **SEC. 6213. COASTAL ZONE MANAGEMENT AWARDS.**

13 The Coastal Zone Management Act of 1972 is amended by
14 inserting after section 313 the following:

15 "WALTER B. JONES EXCELLENCE IN COASTAL ZONE MANAGEMENT
16 AWARDS

17 "SEC. 313. (a) The Secretary shall, using sums in the
18 Coastal Zone Management Fund established under section 308,
19 implement a program to promote excellence in coastal zone
20 management by identifying and acknowledging outstanding
21 accomplishments in the field.

22 "(b) The Secretary shall select annually--

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

1 significant;

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

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

8 ``(c) In making selections under subsection (b)(2) the
9 Secretary shall solicit nominations from the coastal states,
10 and shall consult with experts in local government planning
11 and land use.

12 ``(d) In making selections under subsection (b)(3) the
13 Secretary shall solicit nominations from coastal states and
14 the National Sea Grant College Program.

15 ``(e) Using sums in the Coastal Zone Management Fund
16 established under section 308, the Secretary shall establish
17 and execute appropriate awards, to be known as the 'Walter B.
18 Jones Awards', including--

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

21 ``(2) research grants; and

22 ``(3) public ceremonies to acknowledge such
23 awards.''. .

24 **SEC. 6214. NATIONAL ESTUARINE RESEARCH RESERVE SYSTEM.**

25 (a) **AMENDMENT TO SECTION HEADING.**--The heading for

1 section 315 of the Coastal Zone management Act of 1972 (16
2 U.S.C. 1461) is amended by striking ``RESERVE RESEARCH`` and
3 inserting in lieu thereof ``RESEARCH RESERVE``.

4 (b) GRANTS FOR ACQUISITION OF LANDS AND WATERS.--Section
5 315(e)(3)(A) of the Coastal Zone Management Act of 1972 (16
6 U.S.C. 1461(e)(3)(A)) is amended by striking ``per centum``
7 and inserting in lieu thereof ``percent``, and by striking
8 ``\$4,000,000`` and inserting in lieu thereof ``\$5,000,000``.

9 (c) GRANTS FOR OPERATIONS AND EDUCATION.--Section
10 315(e)(3)(B) of the Coastal Zone Management Act of 1972 (16
11 U.S.C. 1461(e)(3)(B)) is amended--

12 (1) by striking ``50 per centum`` and inserting in
13 lieu thereof ``70 percent``; and

14 (2) by inserting immediately before the period at the
15 end the following: ``; except that the amount of the
16 financial assistance provided under paragraph (1)(A)(iii)
17 may be up to 100 percent of any costs for activities that
18 benefit the entire System``.

19 (d) CLERICAL AMENDMENT.--Section 315(e)(3) of the Coastal
20 Zone Management Act of 1972 (16 U.S.C. 1461(e)) is amended by
21 striking ``of subsection (e)`` each place it appears.

22 **SEC. 6215. AUTHORIZATION OF APPROPRIATIONS.**

23 Section 318(a) of the Coastal Zone Management Act of 1972
24 (16 U.S.C. 1464) is amended by striking all after
25 ``Secretary--`` and inserting in lieu thereof the following:

1 “(1) such sums, not to exceed \$750,000 for each of
2 the fiscal years occurring during the period beginning
3 October 1, 1990, and ending September 30, 1993, as may be
4 necessary for grants under section 305, to remain
5 available until expended;

6 “(2) such sums, not to exceed \$42,000,000 for the
7 fiscal year ending September 30, 1991, \$48,890,000 for
8 the fiscal year ending September 30, 1992, \$58,870,000
9 for the fiscal year ending September 30, 1993,
10 \$67,930,000 for the fiscal year ending September 30,
11 1994, and \$90,090,000 for the fiscal year ending
12 September 30, 1995, as may be necessary for grants under
13 sections 306, 306A, and 309, to remain available until
14 expended;

15 “(3) such sums, not to exceed \$6,000,000 for the
16 fiscal year ending September 30, 1991, \$6,270,000 for the
17 fiscal year ending September 30, 1992, \$6,552,000 for the
18 fiscal year ending September 30, 1993, \$6,847,000 for the
19 fiscal year ending September 30, 1994, and \$7,155,000 for
20 the fiscal year ending September 30, 1995, as may be
21 necessary for grants under section 315, to remain
22 available until expended; and

23 “(4) such sums, not to exceed \$10,000,000 for each
24 of the fiscal years occurring during the period beginning
25 October 1, 1990, and ending September 30, 1995, as may be

1 necessary for activities under section 310 and for
2 administrative expenses incident to the administration of
3 this title; except that expenditures for such
4 administrative expenses shall not exceed \$5,000,000 in
5 any such fiscal year.''.

6 **SEC. 6216. CONFORMING AMENDMENTS.**

7 (a) Section 306a(b)(1) of the Coastal Zone Management Act
8 of 1972 (16 U.S.C. 1455a(b)(1)) is amended by striking
9 ``306(c)(9)'' and inserting in lieu thereof ``306(d)(9)''.

10 (b) Section 312(a) of the Coastal Zone Management Act of
11 1972 (16 U.S.C. 1458(a)) is amended by striking ``through
12 (I)'' and inserting in lieu thereof ``through (K)''.

13 **SEC. 6217. PROTECTING COASTAL WATERS.**

14 (a) **IN GENERAL.--**

15 (1) **PROGRAM DEVELOPMENT.--**Not later than 30 months
16 after the date of the publication of final guidance under
17 subsection (g), each State for which a management program
18 has been approved pursuant to section 306 of the Coastal
19 Zone Management Act of 1972 shall prepare and submit to
20 the Secretary and the Administrator a Coastal Nonpoint
21 Pollution Control Program for approval pursuant to this
22 section. The purpose of the program shall be to develop
23 and implement management measures for nonpoint source
24 pollution to restore and protect coastal waters, working
25 in close conjunction with other State and local

1 authorities.

2 (2) PROGRAM COORDINATION.--A State program under this
3 section shall be coordinated closely with State and local
4 water quality plans and programs developed pursuant to
5 sections 208, 303, 319, and 320 of the Federal Water
6 Pollution Control Act (33 U.S.C. 1288, 1313, 1329, and
7 1330) and with State plans developed pursuant to the
8 Coastal Zone Management Act of 1972, as amended by this
9 Act. The program shall serve as an update and expansion
10 of the State nonpoint source management program developed
11 under section 319 of the Federal Water Pollution Control
12 Act, as the program under that section relates to land
13 and water uses affecting coastal waters.

14 (b) PROGRAM CONTENTS.--Each State program under this
15 section shall provide for the implementation, at a minimum,
16 of management measures in conformity with the guidance
17 published under subsection (g), to protect coastal waters
18 generally, and shall also contain the following:

19 (1) IDENTIFYING LAND USES.--The identification of,
20 and a continuing process for identifying, land uses
21 which, individually or cumulatively, may cause or
22 contribute significantly to a degradation of--

23 (A) those coastal waters where there is a failure
24 to attain or maintain applicable water quality
25 standards or protect designated uses, as determined

1 by the State pursuant to its water quality planning
2 processes; or

3 (B) those coastal waters that are threatened by
4 reasonably foreseeable increases in pollution
5 loadings from new or expanding sources.

6 (2) IDENTIFYING CRITICAL COASTAL AREAS.--The
7 identification of, and a continuing process for
8 identifying, critical coastal areas adjacent to coastal
9 waters referred to in paragraph (1)(A) and (B), within
10 which any new land uses or substantial expansion of
11 existing land uses shall be subject to management
12 measures in addition to those provided for in subsection
13 (g).

14 (3) MANAGEMENT MEASURES.--The implementation and
15 continuing revision from time to time of additional
16 management measures applicable to the land uses and areas
17 identified pursuant to paragraphs (1) and (2) that are
18 necessary to achieve and maintain applicable water
19 quality standards under section 303 of the Federal Water
20 Pollution Control Act (33 U.S.C. 1313) and protect
21 designated uses.

22 (4) TECHNICAL ASSISTANCE.--The provision of technical
23 and other assistance to local governments and the public
24 for implementing the measures referred to in paragraph
25 (3), which may include assistance in developing

1 ordinances and regulations, technical guidance, and
2 modeling to predict and assess the effectiveness of such
3 measures, training, financial incentives, demonstration
4 projects, and other innovations to protect coastal water
5 quality and designated uses.

6 (5) PUBLIC PARTICIPATION.--Opportunities for public
7 participation in all aspects of the program, including
8 the use of public notices and opportunities for comment,
9 nomination procedures, public hearings, technical and
10 financial assistance, public education, and other means.

11 (6) ADMINISTRATIVE COORDINATION.--The establishment
12 of mechanisms to improve coordination among State
13 agencies and between State and local officials
14 responsible for land use programs and permitting, water
15 quality permitting and enforcement, habitat protection,
16 and public health and safety, through the use of joint
17 project review, memoranda of agreement, or other
18 mechanisms.

19 (7) STATE COASTAL ZONE BOUNDARY MODIFICATION.--A
20 proposal to modify the boundaries of the State coastal
21 zone as the coastal management agency of the State
22 determines is necessary to implement the recommendations
23 made pursuant to subsection (e). If the coastal
24 management agency does not have the authority to modify
25 such boundaries, the program shall include

1 recommendations for such modifications to the appropriate
2 State authority.

3 (c) PROGRAM SUBMISSION, APPROVAL, AND IMPLEMENTATION.--

4 (1) REVIEW AND APPROVAL.--Within 6 months after the
5 date of submission by a State of a program pursuant to
6 this section, the Secretary and the Administrator shall
7 jointly review the program. The program shall be approved
8 if--

9 (A) the Secretary determines that the portions of
10 the program under the authority of the Secretary meet
11 the requirements of this section and the
12 Administrator concurs with that determination; and

13 (B) the Administrator determines that the
14 portions of the program under the authority of the
15 Administrator meet the requirements of this section
16 and the Secretary concurs with that determination.

17 (2) IMPLEMENTATION OF APPROVED PROGRAM.--If the
18 program of a State is approved in accordance with
19 paragraph (1), the State shall implement the program,
20 including the management measures included in the program
21 pursuant to subsection (b), through--

22 (A) changes to the State plan for control of
23 nonpoint source pollution approved under section 319
24 of the Federal Water Pollution Control Act; and

25 (B) changes to the State coastal zone management

1 program developed under section 306 of the Coastal
2 Zone Management Act of 1972, as amended by this Act.

3 (3) WITHHOLDING COASTAL MANAGEMENT ASSISTANCE.--If
4 the Secretary finds that a coastal State has failed to
5 submit an approvable program as required by this section,
6 the Secretary shall withhold for each fiscal year until
7 such a program is submitted a portion of grants otherwise
8 available to the State for the fiscal year under section
9 306 of the Coastal Zone Management Act of 1972, as
10 follows:

11 (A) 10 percent for fiscal year 1996.

12 (B) 15 percent for fiscal year 1997.

13 (C) 20 percent for fiscal year 1998.

14 (D) 30 percent for fiscal year 1999 and each
15 fiscal year thereafter.

16 The Secretary shall make amounts withheld under this
17 paragraph available to coastal States having programs
18 approved under this section.

19 (4) WITHHOLDING WATER POLLUTION CONTROL
20 ASSISTANCE.--If the Administrator finds that a coastal
21 State has failed to submit an approvable program as
22 required by this section, the Administrator shall
23 withhold from grants available to the State under section
24 319 of the Federal Water Pollution Control Act, for each
25 fiscal year until such a program is submitted, an amount

1 equal to a percentage of the grants awarded to the State
2 for the preceding fiscal year under that section, as
3 follows:

4 (A) For fiscal year 1996, 10 percent of the
5 amount awarded for fiscal year 1995.

6 (B) For fiscal year 1997, 15 percent of the
7 amount awarded for fiscal year 1996.

8 (C) For fiscal year 1998, 20 percent of the
9 amount awarded for fiscal year 1997.

10 (D) For fiscal year 1999 and each fiscal year
11 thereafter, 30 percent of the amount awarded for
12 fiscal year 1998 or other preceding fiscal year.

13 The Administrator shall make amounts withheld under this
14 paragraph available to States having programs approved
15 pursuant to this subsection.

16 (d) TECHNICAL ASSISTANCE.--The Secretary and the
17 Administrator shall provide technical assistance to coastal
18 States and local governments in developing and implementing
19 programs under this section. Such assistance shall include--

20 (1) methods for assessing water quality impacts
21 associated with coastal land uses;

22 (2) methods for assessing the cumulative water
23 quality effects of coastal development;

24 (3) maintaining and from time to time revising an
25 inventory of model ordinances, and providing other

1 assistance to coastal States and local governments in
2 identifying, developing, and implementing pollution
3 control measures; and

4 (4) methods to predict and assess the effects of
5 coastal land use management measures on coastal water
6 quality and designated uses.

7 (e) INLAND COASTAL ZONE BOUNDARIES.--

8 (1) REVIEW.--The Secretary, in consultation with the
9 Administrator of the Environmental Protection Agency,
10 shall, within 18 months after the effective date of this
11 title, review the inland coastal zone boundary of each
12 coastal State program which has been approved or is
13 proposed for approval under section 306 of the Coastal
14 Zone Management Act of 1972, and evaluate whether the
15 State's coastal zone boundary extends inland to the
16 extent necessary to control the land and water uses that
17 have a significant impact on coastal waters of the State.

18 (2) RECOMMENDATION.--If the Secretary, in
19 consultation with the Administrator, finds that
20 modifications to the inland boundaries of a State's
21 coastal zone are necessary for that State to more
22 effectively manage land and water uses to protect coastal
23 waters, the Secretary, in consultation with the
24 Administrator, shall recommend appropriate modifications
25 in writing to the affected State.

1 (E) FINANCIAL ASSISTANCE.--

2 (1) IN GENERAL.--Upon request of a State having a
3 program approved under section 306 of the Coastal Zone
4 Management Act of 1972, the Secretary, in consultation
5 with the Administrator, may provide grants to the State
6 for use for developing a State program under this
7 section.

8 (2) AMOUNT.--The total amount of grants to a State
9 under this subsection shall not exceed 50 percent of the
10 total cost to the State of developing a program under
11 this section.

12 (3) STATE SHARE.--The State share of the cost of an
13 activity carried out with a grant under this subsection
14 shall be paid from amounts from non-Federal sources.

15 (4) ALLOCATION.--Amounts available for grants under
16 this subsection shall be allocated among States in
17 accordance with regulations issued pursuant to section
18 306(c) of the Coastal Zone Management Act of 1972, except
19 that the Secretary may use not more than 25 percent of
20 amounts available for such grants to assist States which
21 the Secretary, in consultation with the Administrator,
22 determines are making exemplary progress in preparing a
23 State program under this section or have extreme needs
24 with respect to coastal water quality.

25 (g) GUIDANCE FOR COASTAL NONPOINT SOURCE POLLUTION

1 CONTROL.--

2 (1) IN GENERAL.--The Administrator, in consultation
3 with the Secretary and the Director of the United States
4 Fish and Wildlife Service and other Federal agencies,
5 shall publish (and periodically revise thereafter)
6 guidance for specifying management measures for sources
7 of nonpoint pollution in coastal waters.

8 (2) CONTENT.--Guidance under this subsection shall
9 include, at a minimum--

10 (A) a description of a range of methods,
11 measures, or practices, including structural and
12 nonstructural controls and operation and maintenance
13 procedures, that constitute each measure;

14 (B) a description of the categories and
15 subcategories of activities and locations for which
16 each measure may be suitable;

17 (C) an identification of the individual
18 pollutants or categories or classes of pollutants
19 that may be controlled by the measures and the water
20 quality effects of the measures;

21 (D) quantitative estimates of the pollution
22 reduction effects and costs of the measures;

23 (E) a description of the factors which should be
24 taken into account in adapting the measures to
25 specific sites or locations; and

1 (F) any necessary monitoring techniques to
2 accompany the measures to assess over time the
3 success of the measures in reducing pollution loads
4 and improving water quality. in consultation with the Secretary

5 (3) PUBLICATION.--The Administrator shall publish--

6 (A) proposed guidance pursuant to this subsection
7 not later than 6 months after the date of the
8 enactment of this Act; and

9 (B) final guidance pursuant to this subsection
10 not later than 18 months after such effective date.

11 (4) NOTICE AND COMMENT.--The Administrator shall
12 provide to coastal States and other interested persons an
13 opportunity to provide written comments on proposed
14 guidance under this subsection.

15 (5) MANAGEMENT MEASURES.--For purposes of this
16 subsection, the term "management measures" means
17 economically achievable measures for the control of the
18 addition of pollutants from existing and new categories
19 and classes of nonpoint sources of pollution, which
20 reflect the greatest degree of pollutant reduction
21 achievable through the application of the best available
22 nonpoint pollution control practices, technologies,
23 processes, siting criteria, operating methods, or other
24 alternatives.

25 (h) AUTHORIZATIONS OF APPROPRIATIONS.--

1 (1) ADMINISTRATOR.--There is authorized to be
2 appropriated to the Administrator for use for carrying
3 out this section not more than \$1,000,000 for each of
4 fiscal years 1992, 1993, and 1994.

5 (2) SECRETARY.--(A) OF amounts appropriated to the
6 Secretary for a fiscal year under section 318(a)(4) of
7 the Coastal Zone Management Act of 1972, as amended by
8 this Act, not more than \$1,000,000 shall be available for
9 use by the Secretary for carrying out this section for
10 that fiscal year, other than for providing in the form of
11 grants under subsection (f).

12 (B) There is authorized to be appropriated to the
13 Secretary for use for providing in the form of grants
14 under subsection (f) not more than--

- 15 (i) \$6,000,000 for fiscal year 1992;
16 (ii) \$12,000,000 for fiscal year 1993;
17 (iii) \$12,000,000 for fiscal year 1994; and
18 (iv) \$12,000,000 for fiscal year 1995.

19 (i) DEFINITIONS.--In this section--

20 (1) the term ``Administrator`` means the
21 Administrator of the Environmental Protection Agency;

22 (2) the term ``coastal State`` has the meaning given
23 the term ``coastal state`` under section 304 of the
24 Coastal Zone Management Act of 1972 (16 U.S.C. 1453);

25 (3) each of the terms ``coastal waters``, and

1 ``coastal zone`` has the meaning that term has in the
2 Coastal Management Act of 1972;

3 (4) the term ``coastal management agency`` means a
4 State agency designated pursuant to section 306(d)(6) of
5 the Coastal Zone Management Act of 1972;

6 (5) the term ``land use`` includes a use of waters
7 adjacent to coastal waters; and

8 (6) the term ``Secretary`` means the Secretary of
9 Commerce.



GUAM ENVIRONMENTAL PROTECTION AGENCY

AHENSIAAN PRUTEKSION LINA'LA GUAHAN

D-107 Harmon Plaza, 130 Rojas St., Harmon, Guam 96911 Tel. No. 646-8863/5 FAX: 646-9402



NOV 09 1990

INTERAGENCY MEMORANDUM

To: Director, Bureau of Planning
From: Administrator
Subject: Briefing Paper

Submitted herewith is a Briefing Paper on Climate Change and Sea-Level Rise as requested by your Department.

If you should need further information, please give me a call.


FRED M. CASTRO

Attachment



GUAM ENVIRONMENTAL PROTECTION AGENCY



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AHENS'IAN PRUTEKSION LINA'LA GUAHAN

BRIEFING PAPER Climate Change and Sea-Level Rise A Report on the PBDC/RMI Project Dr. Michael Hamnett, PBDC November 9, 1990

- PBDC staff will present this report on the subject of Climate Change and Sea-Level Rise and 1990 Earth Day activities directly associated with the Republic of the Marshall Islands.
- The presentation entails sound-on-slide media based on RMI environmental settings which targets school kids as a audience.
- There is merit for a similar project on Guam primarily in terms of developing outreach information and material for Guam's schools.
- Attached as additional information is PBDC's report on Policy Development and Planning for Global Climate Change and Sea-Level Rise in the Pacific Islands.

Attachment



A large circle is positioned to the right of the title. A decorative line starts from the bottom left of the authors' names, curves upwards and to the right, then loops back to the left, ending under the title.

**POLICY DEVELOPMENT AND PLANNING
FOR GLOBAL CLIMATE CHANGE
AND SEA LEVEL RISE
IN THE PACIFIC ISLANDS**

**Michael P. Hamnett
Christopher B. Jones
Wendy L. Schultz**

joint working group on policy and planning implications
for global climate change in the pacific basin

pacific basin development council
uh social science research institute

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POLICY DEVELOPMENT AND PLANNING FOR GLOBAL CLIMATE CHANGE AND SEA LEVEL RISE IN THE PACIFIC ISLANDS

I. Introduction

Case studies of the potential impacts of global climate change in the Pacific Islands (Pernetta 1988; Perenetta et al. 1988; Nunn 1988, 1989; Sullivan 1988) provide island governments with some indication of what they might expect to happen as a result of an intensification of the "Greenhouse Effect" in the next 25 to 100 years. Described impacts include an increase in the frequency and severity of tropical storms, increased coastal erosion, salt water intrusion into island aquifers, increased rainfall in some areas and decreases in others, the further destruction of coral reefs, coastal and wetland inundation, and an increase in flooding. Furthermore, some scientists (Nunn 1989) have found evidence that the Pacific Islands region has already experienced an increase in mean temperature and a rise in sea level.

Global warming due to an intensified "Greenhouse Effect" presents island governments with several public policy problems. First, the potential impacts of global climate change could be so catastrophic that neither our political masters nor the people we serve want to consider the possibility. Second, compared to other policy issues such as growing budget deficits, internal political unrest, coastal erosion, a lack of trained teachers, and unreliable electric power, the potential impacts of global warming appear much less immediate. Third, Pacific Island countries and territories do not contribute even a fraction of global emissions of greenhouse gases, and laws or domestic policies developed in the islands to restrict emissions would have little or no impact on the intensification of the greenhouse effect. Fourth, the lack of scientific certainty about the relationships between emissions and global warming and between warming and other environmental changes allows policy makers to dismiss the problem. Finally, policy makers have been provided with little guidance about what they could possibly do about the global climate change and its impacts.

The Joint Working Group on Policy and Planning Implications of Global Climate Change in the Pacific Islands, formed in 1988, has specifically targeted these policy problems. With an issue that is both very long-term and possibly catastrophic in its impact, the Working Group began with two assumptions: 1) Contingency planning is always more cost effective than retrofitting; and 2) participatory policy making maximizes public support for the design and implementation of contingency plans. The Working Group is,

therefore, developing a participatory planning pilot project for the Pacific Islands region. The first phase of the project is now underway, and we hope to work with the Republic of the Marshall Islands Government in late 1989 on the second phase of the project.

The remainder of this paper outlines the approach we are developing to address the five public policy problems associated with global climate change in the Pacific Islands. It is organized in terms of those policy problems and concludes with a brief description of the methods to be employed in the pilot project.

II. Policy Problems with the Greenhouse Effect

A. Catastrophic Impact

If the April/May 1989 issue of Pacific Islands Month ⁷ was the region's only source of information on the Greenhouse Effect, one might conclude that policy makers should "Say Good-bye To Kiribati, The Marshall Islands, Tokelau, Tuvalu, and the Great Barrier Reef" (Roy & Connell 1989). Articles in the popular press and the scientific literature do present worst case scenarios for the impact of global climate change that may require the abandonment of several countries and territories in the region. Such predictions put policy makers in the position of having either to dismiss the predictions, or to take actions that are very costly and politically risky.

As administrators and technicians who believe governments should address the global climate change problems, this rather predictable reaction to the threat of catastrophic impact places us in an awkward position. While there is a general consensus that recognizes a small background geological sea level rise (10-20 cm per century), there is as yet no consensus that increased CO² will cause dramatic changes in sea level and vegetation, that coral reefs will keep up with sea level rise or die because of it, that flooding will increase dramatically, or that fresh water supplies will disappear by 2050 or 2100. The scientific literature, even the sources that predict major environmental impacts, predict that changes will be immediate in geological time but gradual in political time.

Many of the primary and secondary impacts of global warming identified in the case studies completed thus far are already problems in the Pacific Islands (See Pernetta et al. 1988; Nunn 1989). Many areas in the region suffer from variability in rainfall. The areas that currently receive limited rainfall or periodic droughts may be those most affected by a decrease in rainfall and by desertification (Pernetta et al. 1988: 14). Moreover, some areas have experienced unprecedented droughts as a result of El Nino--

Southern Oscillation (ENSO). There have been period changes in the frequency of tropical storms in the past which have also been associated with ENSO (Nicholls 1989). Recent changes in the distribution of zones of ocean upwelling have resulted in dramatic decreases in fisheries catch rates. Storm and coastal erosion are problems in many parts of the region now; they may increase as a result of an intensification of the greenhouse effect in the future. Episodic coastal flooding has increased as a result of siltation in many areas, and this too may increase.

The potential impacts of global climate change could be catastrophic and may require heavy investments in mitigation. However, there is no need to panic. There is a need to identify approaches to the problem that are not going to put policy makers in a position of taking high political risks, because very few will do it.

B. Lack of Immediacy

Geological time is measured in centuries or millenia. Political time is measured in two to six year terms. Most governments in the region are faced with tremendous social, economic, and political problems. Many economies in the region are in worse shape than they were a decade ago (Hamnett and Kiste 1988). Inflation and unemployment are causing people in the Pacific personal hardship for the first time. Urbanization and unemployment have resulted in increasing crime in towns and cities, especially among young people. Political unrest has resulted in severe economic disruption in some countries. Many state-owned enterprises in the region are struggling to meet their operating costs and are asking for government assistance. Some countries cannot provide education to their young people because of a lack of trained teachers and classroom space. Utility authorities in many countries and territories are desperately attempting to provide their people with reliable power and water. Child malnutrition and diseases of affluence are increasing in some areas. Public service unions are pressing for salary increases while governments are attempting to balance budgets. Foreign aid is actually declining, and governments are finding it difficult to attract foreign investors.

Immediate problems demand more attention from policy makers than potential problems expected to occur in the next century. Moreover, most governments have had to deal with inflation, unemployment, health problems, budget deficits, a lack of educational resources, and the demands of organized labor in the past. Governments are organized into departments that have addressed these problems before. While there are no simple solutions to any of them, elected leaders and officials have found responses to most of them that are politically acceptable.

Many of the potential impacts of global climate change are problems that governments have not had to face before. However, many of the kinds of problems they can anticipate are already with us. Many islands are experiencing serious coastal erosion. The social, environmental, and economic costs of tropical storms, cyclones, and hurricanes have been growing. River silting has resulted in increased flooding in many areas. Fresh water aquifers are being threatened by increased pumping to meet current demand. Agricultural land is being degraded because of unsound land use practices. Forests are being clear-cut for export timber, and the lack of firewood in urban areas is forcing people to cut down trees. Reefs are being destroyed because of increased siltation, and marine resources are being over-exploited. As environmental officials know, many of these immediate problems are critical but have not received serious attention from governments.

The threat of global climate change could draw much needed attention to existing environmental problems. Many initiatives governments could take to address the potential impacts of global warming would mitigate current environmental problems. These could include:

- o Reforestation and Improved Forestry Management;
- o Increases in Agricultural Extension with a Focus on Improved Soil and Land Management;
- o The Introduction or Re-introduction of Salt and Drought Resistant Crops;
- o Improved Fresh Water Management and Development;
- o An Increase in Environmental Assessment and Management for Road, Causeway, and Runway Construction;
- o Stricter Controls on the Use of Dynamite and Poisons for Fishing;
- o Introduction, Re-introduction or Improvement of Family Planning Programs; and
- o Introduction of Land Use Regulation in Urban Areas and for Economic Development.

Many environmental officials in the region have attempted to initiate such efforts in the past. Some have been successful but many have not. However, the threat of major environmental changes in the future could mean that sound environmental management will be given higher priority in the years to come.

C. We're Not Causing It; We Can't Prevent It

Managing CO² and other greenhouse gas emissions has received more attention from the scientific community and policy makers than mitigating the potential impacts of global climate change. If increased emissions of certain gases into the atmosphere will result in the kinds of environmental

changes currently being discussed, controlling emissions is the logical place to start to address the problem. However, enacting local or regional controls in the Pacific will have negligible impacts if larger countries ignore international protocols.

The countries of the world most responsible for increased greenhouse gas levels have taken some steps to control emissions. The United States, Australia, New Zealand, Japan, China, India, Bangladesh, Malaysia and other countries have attempted to establish national policies and programs to address the emissions problem (See Streets et al. 1989; Kretschmer 1989; Nishioka 1989; Lawrence 1989; Qu 1989; Asaduzzaman 1989; Ho 1989). An International Panel on Climate Change (IPCC) met for the first time in November 1988 in Geneva to study the problem and to suggest possible solutions (Onogawa 1989). In 1987, the Montreal Protocol on Substances that Deplete the Ozone Layer was established, and the industrialized countries of the world are moving toward agreements on greenhouse gas emission controls as well (Quinn 1989).

Current predictions indicate that it will be impossible to curb atmospheric emissions to the point that global warming can be prevented (Titus et al. 1987; Charney 1979). Moreover, it seems unlikely that policy makers in industrialized countries could institute the kinds of controls necessary to significantly reduce atmospheric emissions in the near future. However, the countries and territories of the region could take a much more active role in international efforts to control emissions. Island governments could take the moral high ground on the emissions control issue: They have the most to lose if something is not done, and the idea that island countries may disappear could create greater impetus for international action.

D. Scientific Uncertainty

In the next 100 years, we will experience serious environmental changes as a result of an intensified Greenhouse Effect (Jones 1989a, 1989b). Consensus among scientists is growing that industrial emissions of greenhouse gases will result in a global warming of approximately 2 degrees centigrade over the next century. There is less agreement, however, about the impact of that warming on sea level and global weather patterns. There is even a minority opinion in the scientific community that we will see a decrease in mean temperature in the years to come and that sea level will fall (Hamaker 1982).

The lack of scientific agreement on the scope and timing of future environmental changes has provided policy makers in many countries with an out. How can they plan for something than may happen only gradually over generations? As

administrators and technicians, we can try and convince elected officials that the countries and territories of the region will experience catastrophic environmental change in the next 25 to 100 years. The media have focused more on the potential impacts of the greenhouse effect than on the scientific uncertainty surrounding the issue. However, enough respected scientists are expressing doubt about both global warming and the catastrophic effects of sea level rise to allow policy makers to take a 'wait and see' attitude.

It is possible that a clear consensus on global warming will not emerge until the islands of the region are already experiencing the effects. Most scientists involved in atmospheric and climate modeling admit that the general circulation models (GCMs) and sea level rise models are very simplistic and that refinements will take a decade or more before much confidence can be placed in these models of complicated global systems (Jones 1989a).

Policy makers make decisions in the face of uncertainty every day, including at least two forms of uncertainty. The first is the uncertainty of ongoing processes: Will trends continue unchanged? Do trends exist that we can identify, plot, and rely on? Elected officials approve large mineral and tourism projects even though the future of mineral prices or tourist arrivals are unknown. Governments project future revenues not knowing whether a treaty will be signed, the national fishing company will turn a profit, sugar sales will drop, or there will be a downturn in the value of their currency.

Second is the uncertainty of sudden events: What crises will explode and in what social arena? Can we imagine possible crisis events, identify circumstances that exacerbate them, and design responses to ameliorate damage? For example, hurricanes and cholera epidemics strike regional countries and result in unanticipated social and economic costs. Power plants fail unexpectedly, and major expenditures are required to restore electricity. But governments do make contingency plans for these sorts of crises.

From a policy perspective, global warming is comprised of both types of uncertainty. It is a trend set in motion by the waste products of human processes, and, given the enormous time lags of the global environmental system, it will continue for a century or so. Its side effects will cause sudden, critical environmental events at specific sites. As with other policy uncertainties, both the trends and the events can be imagined and considered even though they cannot be predicted.

In fact, most government in the region already have experience in developing plans and systems that address such

uncertainties. In the economic realm, most governments have systems for dealing with sudden changes in commodity prices and the value of their currency in relation to other currency. STABEX was established by the European Community and the African, Caribbean, and Pacific Group to reduce the economic impact of changes in commodity prices, and is a good example of contingency planning for trend uncertainty. National disaster plans prepare for and mitigate damage caused by hurricanes, tsunamis, floods, airline crashes, or volcanic eruptions. Those countries and territories that experience natural disasters on a regular basis have the most well developed plans, and the experience to implement them; this is a form of planning for the crisis event.

Governments allocate resources to prepare for disasters based on the risk a country or territory faces. Disaster preparedness and mitigation efforts that cost relatively little are instituted even when the risk is relatively small. More expensive mitigation strategies are only worth the effort if there is a good chance that a disaster will strike. While preparing for, or mitigating against, potential impacts of global warming are qualitatively different than those for hurricanes or floods, the same kind of risk assessment can be done: Measures which cost relatively little (and have other potential benefits) could be instituted now even though the presumed risk may be low.

E. What Can We Do?

We certainly need further research on the potential impacts of greenhouse gas emissions and global warming. We need, as well, a better understanding of the environmental systems that may change as a result of greenhouse gas emissions and an understanding of the social and economic impacts of those changes. Finally, we need to identify initiatives governments can take now, even before the scientific community reaches a general consensus.

Governments have a whole range of possible responses to the threats posed by the intensification of the greenhouse effect. These include actions that can be initiated now, in the face of scientific uncertainty, and actions that can be deferred until more is known.

1. Contingency Planning

Governments in the region could develop plans to deal with the potential impacts of global warming and other future environmental changes that may affect their future. Such plans can include low cost or no cost initiatives such as participation in international efforts to curb greenhouse gas emissions, environmental management programs to deal with current problems that may be aggravated by the climate change, the establishment of environmental monitoring systems

to provide information on global climate change impacts, and longer-term measures that may be necessary when major environmental changes are felt.

National and territorial governments have mechanisms in place for planning. Because of the potentially catastrophic nature of global warming, long-term contingency planning for environmental change should involve a wide range of interests and yet will have to be site specific. Such effort may, therefore, require the development of planning strategies that go beyond those normally employed by governments. They will require broader participation by specific communities in devising national and territorial strategies and deeper participation by in regional and international initiative. A broad-based contingency planning effort would undoubtedly result in a whole range of options that we cannot presently imagine. Initially, however, those involved in such an effort could consider incorporating some of the suggestions outlined below.

2. Diplomatic and Political Options

Some governments may feel that the countries and territories of the Pacific can have relatively little effect on the policies of large industrialized countries responsible for greenhouse gas emissions. In recent years, however, countries and territories in the Pacific have taken political initiatives affecting metropolitan powers. The Government of Nauru has played a fairly major role in the London Dumping Convention which governs the disposal of nuclear waste in most of the world. The South Pacific Forum and the South Pacific Regional Environmental Program (SPREP) have developed major environmental treaties that have been signed or endorsed by metropolitan powers. The Forum's stand on ocean dumping of nuclear waste resulted in a change in Japanese policy. Forum Fisheries Agency countries have concluded a regional treaty with the United States and put a stop to what they considered illegal fishing by American tuna boats. FFA countries are now pressuring Japan for a similar treaty.

Financial and human resources in the Pacific Islands are very limited. Participation in the International Panel on Climate Change and other international efforts to deal with global climate change would put a strain on the resources of most governments. However, a collective effort through SPREP, the South Pacific Forum, the Pacific Basin Development Council, and other regional bodies could result in further moves to curb emissions in more industrialized countries. Regional countries that are members of the United Nations could lend support to initiatives to address the causes of global climate change. Commonwealth and territorial governments could apply pressure to metropolitan governments to establish policies that will reduce risks posed by an intensification of the greenhouse effect.

3. Coastal Zone Management

Some national and territorial governments have environmental programs aimed at coastal zone and resource management. National and territorial governments, as part of the contingency planning process, could identify major environmental problems not currently being addressed or which require the allocation of additional resources. Many of the regulatory and action-oriented programs currently in place could focus future efforts on those environmental problems that pose the greatest threat now and in the future.

Some of the global warming-type impacts currently being experienced in the region are the direct result of infrastructure construction, agricultural development, and the construction of foreign owned or joint venture hotels, all activity directly or indirectly controlled by governments. A broad-based contingency planning program to mitigate the potential impacts of global warming could stimulate the kind of commitment necessary from government departments and the private sector to redress environmental degradation now occurring.

There are also environmental management initiatives that could be initiated at the village level to reduce the potential impact of global warming as well as current negative environmental changes. Thaman (1989) has suggested that coastal reforestation programs could be initiated to reduce the threat of coastal erosion. The Solomon Islands Development Trust (SIDT) has a broad network of village development workers that have focused their efforts in part on current environmental problems (SIDT 1989). SIDT and other organizations could be mobilized to help mitigate environmental problems that may be accelerated by global warming.

The contingency planning process could be used by governments to raise the level of public awareness about the importance of environmental management. It could be used to highlight those environmental problems that plague their countries and territories now and may be much worse in the future. The entire process could focus attention on environmental management, enhance the effectiveness of existing programs, and provide impetus for new initiatives.

4. Physical Planning for Mitigation

Governments and donor agencies are investing vast sums of money in the development of power, water, and sewer systems, roads, airports, docks and port facilities, fuel storage farms, and public buildings. The private sector is also investing huge amounts of money in hotels, factories, and plantations. Many of these capital investments are expected to be functional well into the next century.

Decisions on the design and siting of such facilities are being made with little or no thought to their immediate impact on the environment, or conversely, the potential impact of global warming or sea level rise on them.

Changes in the siting and design of some public and private facilities that may be threatened by global climate change and sea level rise could be very costly. However, a broad-based planning effort aimed at evaluating the potential impacts of global climate change would allow governments and the private sector to evaluate those costs. Such an effort could increase awareness of potential environmental impacts among planners, engineers, architects, and policy makers. They could then evaluate options in terms of costs which, in some cases, may be negligible.

5. Long-Term Options

Clearly, if the worst case scenarios for global climate change result from greenhouse gas emissions, much more radical options will have to be considered. While many areas of the world will experience new environmental problems as a result of an accelerated greenhouse effect, the technology exists to mitigate many of the potential impacts today. Coastal countries and cities in many parts of the world have constructed levies, dikes and pumping systems to keep the sea out. Hotels in some parts of the region now produce fresh water from sea water. Agricultural products and animals are produced in controlled environments and deserts have been converted into food producing areas. Communities in the Pacific and other parts of the world have successfully relocated when their homes have been destroyed by natural or man-made disasters. However, such mitigation strategies for dealing with climate change and sea level rise in the Pacific may not be economically or politically feasible now.

Governments do not have to make decisions now about community relocation, building levies or desalination plants, or radically changing their agricultural systems. However, a broad-based planning effort could identify future options for mitigating the impacts of global climate change under a range of future scenarios: from best-case to worst-case. Governments and the private sector could gradually make changes in infrastructure and agricultural development plans, in population programs, and in economic diversification efforts. Such changes could be designed to reduce the vulnerability of regional countries and territories to a range of future climate changes. Moreover, governments can begin to identify the types of information they will need to make decisions now and in the future and to establish monitoring systems to provide that information.

III. Participatory Planning Approach

The benefits of investing time and resources in long-range contingency planning for global climate change include: increasing public awareness about global warming; sensitizing public officials and the private sector to current and future environmental problems; getting planners and technicians to examine options that may mitigate future global warming impacts; and, identifying information needs. Underlying the approach we are suggesting is the assumption that governments do not have the human or financial resources to face such problems alone.

In planning for long-range environmental change, governments in the region might do well to apply some innovative contingency planning methods. These methods have been used by governments, corporations, private voluntary organizations, and other groups to deal with current and future problems. They are drawn largely from futures research and community level planning. They include incasting and structured group problem-solving.

A. Incasting

'Incasting' refers to a forecasting method derived from scenario writing. Both arise from a forecasting perspective which asserts that no single future exists a priori; rather, humans face an array of possible futures, which their decisions, acting upon the present, create. Planners, policy-makers, and futures researchers often resort to the structured development of future scenarios to provide more detailed, broader forecasts than more quantitative techniques allow. These scenarios of possible futures may be specific to a company or community, or be generalized to entire industries or nations. They are usually created by aggregating data from trend extrapolations and emerging issues analyses, and then liberally seasoned with analytic interpretations gleaned from experts.

Analysis of published scenarios demonstrates that they tend to cluster into a handful of generic 'alternative images of the future.' This clustering occurs because of underlying similarities in their theories of social change, and in their assumptions concerning economic, political, and social trends. Each 'alternative image of the future' identified from such scenario clusters represents a consensus of researchers regarding a possible future. This consensus does not (please note) establish the degree of probability for that image's occurrence, nor does it indicate preferability of that future for any community or society. The working paper by Jones (1989a) is an attempt to identify clusters of global climate change scenarios for use in policy formulation for global warming and sea level rise.

As a working example of the process, the following represent five common alternative images of the future in current Western social, economic, and political research (descriptions are abbreviated, indeed, almost caricatures, in the interest of space; see Dator & Schultz 1989, for detail). The first is 'Continued Growth,' a scenario wherein the world economy grows ever stronger, the rich and the poor get richer, and technological solutions to problems are the norm. The second is 'Decline and Collapse,' which depicts the results when the complex network of the world capitalist system breaks down due to war, environmental degradation, or mere system fragility. The third, 'Conserver Society,' assumes more austere lifestyles for the mass consumption societies, adherence to appropriate technology perspectives worldwide, and nearly religious respect for the environment. 'Disciplined Society,' the fourth image, represents the outcome of worldwide trends in political extremism and religious fundamentalism; while not as materially productive as the Continued Growth scenario, neither is it philosophically focussed on careful use of the planet's resources. Finally, 'High Tech Transformation,' suggests a future in which technological change has been radical enough to cause massive shifts in human value structures due to our deliberate re-design of the environments in which we live. These alternative futures, offered as examples, are primarily social and economic images; those alternative images this project will actually use will derive from environmental models and scenarios.

'Incasting,' then, is forecasting detail by inference from aggregate images of the future. Futures researchers could use the preceding images to infer possible alternative futures for any given product, any agency, any social, political, or economic institution, or any environmental detail. The method assumes that any high-quality scenario or image of the future must be internally consistent. Thus, the descriptive rules necessitated by internal consistency result in five alternative futures for, say, coconuts, as derived from the five socio-economic futures described above:

In a Continued Growth future, copra production increases, with more plantation projects and entire islands geared only to coconut production; production is high, but shortages increase domestically as increased yields go to export.

Coconut yields drop in a Decline and Collapse future, as many coconut species die off entirely when rising sea levels cut off groundwater, and airborne pollutants mutate and degrade species viability.

A Conserver society would mean a return to nearly total subsistence economies; residents would reintroduce traditional and indigenous species of coconut, and

coconut production would be high, with diversified use of coconut products including substitution of coconut oil for imported oils, soaps, and foodstuffs.

The advent of a Disciplined society would cause nationalization of the copra industry; large plantations would be established by the central government, traditional smallholder plantations would be condemned, and the government would force consumer substitutions of imported oils, foods, and building materials.

The High Tech Transformation society would initially prove disastrous for coconut growers as scientific evidence is used to ban use of coconut oils in foods, and in suntan lotions; however, genetic engineers discover that coconuts redesigned for polyunsaturated fats and high yields are also excellent CO² sinks, and the market booms.

These are not meant to be hard and fast predictions. They are meant, by surprise, alarm, or absurdity, to stimulate creative thinking. Use of such 'incasts' enhances the flexibility of policy-making by presenting governments with situations that might develop. The scenarios thus provide valuable aids to determine what trends and data should be monitored, and what possible crises contingency plans should address.

B. Group Problem Solving

Scientific models of global climate change, if coupled with incasting techniques, can generate social and economic impact scenarios. Environmental scientists can assess the range and probability of possible climate change and sea level rise scenarios. The next two steps would involve incasting the specific environmental side effects at a given island site, and then incasting, in turn, the social and economic impacts of those physical effects.

Both these stages could be minimally accomplished by individual experts sitting at their desks. But, as Doyle and Strauss (1976) pointed out over a decade ago, "In groups, creative dynamics...emerge that don't occur to you when you sit by yourself at a desk, and so a group becomes more than the sum of its parts. ...A problem that requires the knowledge and experience of several people often can be solved best by bringing them all together..." Furthermore, our research perspective assumes that community residents and decision-makers are the most qualified experts regarding their own environment. Thus, they can generate a fuller, richer picture of effects and impacts than outside experts, especially if interacting in small groups.

As the group envisions and identifies possible impacts on the community, mitigation strategies will naturally suggest themselves. In the final two steps, the community groups compile various policy strategies suggested during discussions, and then evaluate those strategies in discussions guided by a structured, pairwise statistical technique (Saaty, 1988).

As we have devised it, this research approach rests on four critical assumptions:

- 1) a community's commitment to the future can best be engaged by community participation in envisioning that future;
- 2) long-term residents are the best experts regarding life at any given site;
- 3) creative, imaginative approaches to policy design will produce the most flexible policy, which will be most viable in the long term; and
- 4) focussing the creative process within a guided discussion means that policies can be devised and evaluated for various sites using a replicable technique.

In short, we have tried to devise a golden mean between the art of brainstorming, which produces creative, often highly effective results via a process difficult to duplicate, and the science of statistical technique, which is easily reproduced in duplicate studies, but is neither flexible nor creative enough to address policy challenges as complex as global warming adequately.

C. Anticipated Results

Such an effort would create a long-range contingency plan that outlines potential impacts of climate change, identifies decision points, allocates responsibility, identifies and evaluates options, establishes guidelines for evaluating future options, establishes systems for gathering required information, and institutes requirements for periodic review. The latter is required if the plan is not to go the way of many disaster preparedness plans: no one has read it and no one can find a copy when disaster actually strikes.

A national contingency plan for long-term environmental change need not be complicated. However, the process should commit both the government and the private sector to remain conscious of the potential threats, to seize opportunities on diplomatic and political fronts, to address short-term environmental problems, to monitor information on

environmental change, and to devote the time for periodic review.

D. The Republic of the Marshall Islands Pilot Project

The Pacific Basin Development Council/Social Science Research Institute Joint Working Group is currently developing a pilot project in the Republic of the Marshall Islands. This has been supported by the US Environmental Protection Agency, the Pacific International Center for High Technology Research, the University of Hawaii, and the Pacific Basin Development Council. The project has completed a preliminary assessment of the scientific debate on the Greenhouse Effect and Sea Level Rise. The project team is now developing planning methods for use in a participatory planning effort in the Marshall Islands. We are currently seeking funds for a series of planning workshops to be conducted later this year.

The Joint Working Group is very interested in cooperating with territorial and national governments, SPREP, and other groups concerned with policy development and planning for global warming and sea level rise. While this paper reflects our approach to date, we are very interested in other research strategies and in assisting other efforts in any way we can.

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PBDC BRIEFING PAPER

OCEAN POLICY AND COASTAL ZONE MANAGEMENT OPTIONS

This issue is a result of a several year project with the four AFPI Coastal Zone Management Programs, and coordinated by the Executive Director of PBDC at the direction of the Board.

Recognizing that common goals and problems exist within the defined boundaries of each AFPI Exclusive Economic Zone, that potential conflicts could exist in managing and exploiting those areas, and that individual goals (such as Guam's quest for full control under the Commonwealth) could perhaps be strengthened through a regional framework for political, philosophical and practical support, the Governors directed that Federal Section 309 funding be utilized to investigate and recommend possible avenues for achieving this end. The framework already exists for the first two needs, but not yet for practical applications. That would be satisfied through the creation of a working group as outlined and discussed in the option paper provided by the Executive Director after consultation with the Governors and designated staff personnel designated for EEZ responsibilities.

A draft of the possible options was floated to the four AFPI Governors, reviewed and modified, and those modifications and minor wording concerns are reflected in the new document, attached. As with the previous draft, option four appears to be the most practical, and that is the option recommended. Also, as per the

suggestions from the previous review, the scope of issues to be dealt with by the suggested Ocean, CZM and EEZ Management Program is expanded to include regional Coastal Zone Management issues and other ocean related issues, not directly tied to the formal EEZ concept.

Option four would establish an ocean and coastal resources committee, comprised of AFPI officials involved with these issues, and subcommittees of particular expertise in the AFPI. PBDC staff would coordinate these committee actions with Board directives.

Recommend approval of option four.

OCEAN, CZM, AND EEZ MANAGEMENT PROGRAM

BACKGROUND

The Pacific Basin Development Council began working with officials from the American Flag Pacific Islands through the Coastal Zone Management Work Group in 1980. In 1987, the Governors that constitute the Board of Directors of PBDC directed the CZM Work Group to examine a joint public-private partnership to the management of the AFPI 200-mile Exclusive Economic Zone.

PBDC received an initial grant from the Office of Coastal Resources Management of the US Department of Commerce to begin examining State, Territorial, Commonwealth and Federal EEZ issues. A major workshop was held in Honolulu in the summer of 1987 involving over 150 experienced representatives from the AFPI, the Republic of the Marshall Islands, the Federated States of Micronesia, academia, Federal agencies, and the private sector. Workshop participants explored areas of mutual interest in ocean management. As a result of the interested generated by the workshop and the published proceedings, the PBDC Board directed the staff to further explore economic development issues associated with the Exclusive Economic Zone.

The Office of Coastal Resources Management provided additional support to the Council to work with the CZM/EEZ Work Group to explore a number of the areas of importance to economic development of the AFPI and the management of the Exclusive Economic Zone. As a result of that effort, a report was prepared for the Governors of the AFPI on "The Implications of the EEZ for the American Flag Pacific Islands." The report contained a series of recommendations on the development of planning and management systems for ocean resources and the formulation and implementation of regulatory regimes dealing with non-oil and gas regulations within the EEZs. The report also recommend that PBDC establish an AFPI EEZ Coordinating Council.

Based on the recommendations of the report, the Governors of American Samoa, Commonwealth of the Northern Marianas, Guam and Hawaii mandated the Pacific Basin Development Council to develop a plan for the establishment of such a Council. The purpose of the Exclusive Economic Zone Coordinating Council would be to:

1. Identify common problems areas relating to ocean management and resource development within the region's Exclusive Economic Zone;
2. Formulate a regional EEZ strategy plan and encourage and coordinate development of individual AFPI policy plans;
3. Interface with Federal agencies regarding information sharing, research, and proposed activities with the EEZ, functioning as a support and group/clearinghouse for programs and activities pertaining to the region;
4. Support the enactment of comprehensive ocean management legislation which reflects the desires and rights of the AFPI at the Federal level;
5. Develop and promote conflict resolution, negotiation, and joint planning processes to improve regional EEZ management and decision-making;

6. Facilitate public education on EEZ issues and review of EEZ policies and activities; and
7. Receive and disperse funds in support of the Council's functions and responsibility.

The purpose of this options paper is to identify and evaluate options for the development of such a council to consideration by member governments.

PBDC AND AFPI GOVERNMENT EFFORTS TO DATE

Following the adoption of the PBDC report on "Pacific Basin Management of the 200-nautical Mile Exclusive Economic Zone: Implications of the EEZ for the American Flag Pacific Islands," PBDC applied to the Office of Coastal Resources Management program for a grant to develop the plan for an EEZ coordinating council. Although grant funds were not available until January 1990, PBDC staff continued to work with AFPI governments on ocean management issues.

During preparation for the January 1990 US House Merchant Marine and Fisheries Committee hearings held in Honolulu, discussions were held with AFPI officials regarding the development of the coordinating council. It was clear from those discussions that while general ocean management activities were important, there were specific resource management and planning issues (including those identified in the PBDC report to the Governors recommending the establishment of the EEZ coordinating council) that could benefit from increased cooperation among the AFPI governments. These issues include: harvesting methods for hard minerals and environmental issues associated with ocean mining, fisheries and mariculture development and management, energy production, other environmental matters including ocean waste disposal and oil spill mitigation, recreational activities management, research and mapping, archaeological and historical resource management, and the relationship between ocean and coastal resources management.

PBDC has begun working with the AFPI governments on the development of an EEZ or ocean management coordinating council. PBDC has also initiated work on a specific project aimed at one of the most pressing resource management problems, oil spill mitigation and preparedness.

OCEAN, EXCLUSIVE ECONOMIC ZONE, AND COASTAL RESOURCE MANAGEMENT

Discussions with AFPI officials on the development of an EEZ coordinating council with AFPI officials have indicated that the focus of AFPI cooperation ought to be ocean resources and environmental management. They have also indicated that while ocean management in itself is important, there is a need for ocean and coastal resources management to be integrated. Integration is important because:

1. Economically, coastal resources and the coastal environment are currently more important than ocean resources in the American Flag Pacific Islands. The major ocean related industries in the American Flag Pacific Islands are tourism, ocean recreation, tuna processing and transshipment which are all coastal related activities;

2. Because of the nature of the ocean and its resources, mismanagement of the ocean environment can adversely affect those coastal resources which are currently most important; Tourism and ocean recreation industries are particularly vulnerable to environmental degradation.
3. Ocean and coastal resource management are to some degree already integrated in the AFPI--many of the and agencies and individuals responsible for ocean resource management are also responsible for coastal resource and coastal zone management; and
4. Coastal resource management could benefit from continued regional cooperation among the American Flag Pacific Islands.

OCEAN, CZM, AND EEZ MANAGEMENT PROGRAM

Based on the discussion held to date, it appears that the American Flag Pacific Islands governments should consider modifying the plan to develop an EEZ coordinating council. They should consider developing an ocean, EEZ, and CZM management program or council. In keeping with the mandate from the PBDC Governors, the purpose of the council would be:

1. Identify common problems areas relating to ocean AND COASTAL management and resource development within the region's COASTAL ZONE AND Exclusive Economic Zone;
2. Formulate a regional EEZ and CZM strategy plan and encourage and coordinate development of individual AFPI policy plans;
3. Interface with Federal agencies regarding information sharing, research, and proposed activities within the EEZ AND COASTAL ZONE, functioning as a support and group/clearinghouse for programs and activities pertaining to the region;
4. Support the enactment of comprehensive ocean management legislation which reflects the desires and rights of the AFPI at the Federal level;
- 5. Develop and promote conflict resolution, negotiation, and joint planning processes to improve regional EEZ AND COASTAL ZONE management and decision-making;
6. Facilitate public education on EEZ AND COASTAL ZONE issues and review of EEZ AND COASTAL ZONE policies and activities; and
7. Receive and disperse funds in support of the Council's functions and responsibility.

These functions are broad enough to encompass the goals of the cooperative EEZ activities approved by the Governors and to integrate those coastal zone management activities which could benefit from regional cooperation. Moreover, the integration of coastal zone and ocean management efforts at the regional level would reinforce the integration at the local level AFPI officials feel is needed.

ORGANIZATIONAL ISSUES

There are several structural options for the development of a regional ocean and coastal resources management council or coordinating mechanism that governments might want to consider:

1. ESTABLISH A FORMAL OCEAN, EEZ, AND COASTAL RESOURCES MANAGEMENT COUNCIL CONSISTING OF THE GOVERNORS OF THE AMERICAN FLAG PACIFIC ISLANDS.

Benefits and Advantages

The establish of such a council at the gubernatorial could elevate the importance of ocean and coastal resource management issues regionally and locally. The Governors have become more active in addressing such issues as drift gill netting, local jurisdiction over their 200-mile Exclusive Economic Zone, and the inclusion of tuna under the Fisheries Conservation and Management Act. Their involvement has certainly had some influence on Congressional action on these issues. Their involvement has also made the citizens of the American Flag Pacific Islands more aware of the issues. Continued involvement of the Governors would probably strengthen local and national attention to these important problems.

Costs and Disadvantages

Setting up a new organization would require funds to support activities and administration. There are already a host of regional organizations that compete for scarce funds. Coordination of a new organizations activities with existing organizations would also require resources. Competing interests may make it difficult to achieve a significant level of involvement by the Governors.

2. FORMALLY ESTABLISH A REGIONAL OCEAN, CZM, AND EEZ MANAGEMENT PROGRAM WITHIN PBDC.

Benefits and Advantages

PBDC has served as a focus for regional coastal zone and ocean management activities in the American Flag Pacific Islands for many years. The Governors control the organization and AFPI governments provide a majority of the core funding. Gubernatorial involvement through PBDC has been relatively successful in attracting Congressional attention, and PBDC has good working relationships with other organizations involved in coastal and ocean resource management. PBDC has been successful in securing grant resources to support CZM and EEZ management efforts in the past and could continue to be successful in the future.

Costs and Disadvantages

While PBDC has been heavily involved in ocean and coastal resource management issues, it is a multi-purpose organization. Maintaining PBDC as the umbrella organization may not result in as much attention from the Federal government and local individuals and organizations as a marine sector organizations.

3. ESTABLISH A REGIONAL OCEAN, EXCLUSIVE ECONOMIC ZONE AND COASTAL RESOURCE COUNCIL AT THE OFFICIALS LEVEL

Benefits and Advantages

Experience has shown that there is growing interest by AFPI officials in ocean and coastal resource management issues among American Flag Pacific Island officials. The PBDC CZM/EEZ Work Group, and attendance at annual meetings of Coastal Zone Management conferences are indications that there is interest. The knowledge and understanding of coastal zone and ocean management issues among AFPI officials is a measure of the sophistication of island officials in dealing with these matters. An Ocean and Coastal Resources Council consisting of officials could formalize much of the interaction that is now taking place. Continued sharing of lessons learned and new management approaches involving officials could enhance ocean and coastal resource management in the American Flag Islands.

Costs and Disadvantages

A council consisting of officials would not have the political advantages of an organization made up of Governors. Again, setting up a new organization would require funds to support activities and administration and coordination of a new organizations activities with existing organizations would also require resources.

4. ESTABLISH A REGIONAL OCEAN, CZM, AND EEZ MANAGEMENT PROGRAM WITHIN PBDC AND FORMALIZE THE INVOLVEMENT OF COASTAL ZONE AND OCEAN MANAGEMENT OFFICIALS

Benefits and Advantages

This option combines the advantages of using PBDC as the focus of gubernatorial involvement in ocean and coastal resource management issues and an organization made up of AFPI officials. PBDC has an established administrative structure and a history of securing grant funding for projects. It is, as already indicated, an organization controlled by the Governors, but has a strong history of working with officials in ocean and coastal resources management.

Costs and Disadvantages

Again, PBDC is a multi-purpose organization, and may not provide the degree of attention to ocean and coastal resources as might be desirable.

RECOMMENDED STRUCTURE

At this point, the establishment of an Ocean, CZM, AND EEZ Management Program within PBDC appears to be the most cost-effective option. Such a program, unlike shorter term projects, could be an on-going part of PBDC's activities. It could develop individual projects to deal with specific ocean and coastal resource problems. The program could also serve as a link between other national (e.g. Coastal States Organization and Western Governors' Association) and regional organizations (e.g. South Pacific Regional Environment Program and South Pacific Commission).

Organizationally, it would probably be desirable to have an ocean and coastal resources management committee made up of AFPI officials involved in ocean and coastal resources issues. The management committee could develop proposals for specific projects and initiatives to be considered by the Governors. Sub-committees or work groups consisting of members of the management committee as well as other officials involved in specific problem areas could be established as the need arises. Proposals for consideration by the Governors could be developed by the sub-committees and forwarded to the management committee who would submit final recommendations to the Governors.

MODE OF OPERATION

The Ocean, CZM, AND EEZ Management Program could monitor a range of ocean and coastal management issues as one of its major functions. These could include reviewing proposed Federal legislation, scanning newsletters and periodicals for new coastal and ocean resource management initiatives on a regional, national, and international level, and keep the management committee informed on such activities through tele-conferences and mailings. More intensive activity could be done on a project basis as needs arise and funding becomes available.

Priorities for both on-going activities as well as projects will be required. The management committee should, therefore, develop a set of priorities in conjunction with PBDC for recommendation to the Governors.

COORDINATION WITH OTHER ACTIVITIES

Program activities would obviously have to be scheduled to fit in with twice-yearly PBDC meetings. Moreover, as already indicated, the management committee could meet in conjunction with the annual CZM managers conference. It may also be possible for the management committee to meet in conjunction with project activities, such as the already proposed oil spill management project.

Project activities, such as the oil spill management project, should be organized to build upon work done by other organizations. In the oil spill management areas, this would be the Regional Response Team, the Petroleum Industry Oil Spill Response Organization, and local industry and governmental organizations. In fisheries, it would be the Western Pacific Regional Fisheries Management Council, the South Pacific Commission, and the Forum Fisheries Agency. Working relationships have already been established or proposed for those two problem areas and it is likely that similar arrangements could be developed with other organizations.

FUNDING

Funding for the Ocean, CZM, AND EEZ Management Program could be minimal if project and program activities are coordinated with on-going activities. Some resources would be required for additional administrative requirements, communications (including tele-conferences and mailings), as well as travel for Management Committee members not directly involved in project activities. Overall coordination of the Ocean, CZM, AND EEZ Management Program could be done by one or two part-time staff who could also be funded partly through project activities.

NEXT STEPS

A general consensus needs to be reached on the type of organization to be proposed to the AFPI Governors. Based on the recommendations of AFPI officials, PBDC will develop a formal proposal to be considered by the Governors at their November 1990 meeting in American Samoa.



GUAM ENVIRONMENTAL PROTECTION AGENCY

AHENSIAH PRUTEKSION LINA'LA GUAHAN

D-107 Harmon Plaza, 130 Rojas St., Harmon, Guam 96911 Tel. No. 646-8863/5 FAX : 646-9402

NOV 09 1990



INTERAGENCY MEMORANDUM

To: Director, Bureau of Planning
From: Administrator
Subject: Briefing Paper

Submitted herewith is the Briefing Paper on Environment Risk Assessment Proposal as requested by your Department.

If you should require further information, please give me a call.

FRED M. CASTRO

Attachment



GUAM ENVIRONMENTAL PROTECTION AGENCY



D-107 HARMON PLAZA, 130 ROJAS ST., HARMON, GUAM 96911 TEL. NO. 646-8863/5 FAX: 646-9402

AHENSIAN PRUTEKSION LINA'LA GUAHAN

BRIEFING PAPER Environment Risk Assessment Proposal PBDC Annual Meeting November 15-17, 1990 November 9, 1990

- PBDC and U.S.E.P.A., Region IX, OPINAP (Office of Pacific Islands and Native American Programs) is proposing a Comparative Environmental Risk Assessment Project for the American Flag Pacific Islands.
- The scope of this study is acceptable to the Guam Environmental Protection Agency which supports Guam as the site for a pilot project.
- Guam may have to contribute local funding of \$20,000 to \$40,000 if selected for the Project. Such level of local share of the total funding is reasonable and should be supported. Guam will well benefit from this investment in terms of refining and strengthening grant supported environmental protection programs.
- Attached information outline details of the proposal.

Attachment



"ALL LIVING THINGS OF THE EARTH ARE ONE"

Commonwealth Now!

ASSESSING ENVIRONMENTAL PROGRAM PRIORITIES IN THE AMERICAN FLAG PACIFIC ISLANDS: A PILOT PROJECT

AFPI governments are being required to take greater responsibility for enforcing more stringent federal environmental quality standards with less and less federal financial support. USEPA program priorities are driven by laws adopted in response to environmental crises on the US mainland. The added responsibilities being given to AFPI governments are hampering their ability to address the most critical environmental problems they face. Critical island environmental problems are not being solved because resources are not available.

A project could be developed to conduct a Comparative Environmental Risk Assessment in the American Flag Pacific Islands. It could consist of:

- (1) a review of local economic activity and available data on environmental problems combined with expert review by local environmental managers;
- (2) an assessment of current program priorities and federal program requirements;
- (3) an annual negotiation between AFPI environmental management officials and USEPA to reach agreement on program priorities and general direction; and
- (4) the development of an agenda for change in legislation, regulations, operations, and staff development.

A pilot project in one of the AFPI would allow governments to evaluate the comparative risk assessment approach. It may also provide the information necessary to seek the federal regulatory and legislative changes that would be required to meet environmental management needs in the American Flag Pacific Islands.

The pilot project could build on the environmental planning methods developed in the Republic of the Marshall Islands by a PBDC-University of Hawaii team in May 1990. It would consist of: a series of workshops involving a wide range of interests to identify and prioritize environmental problems; an assessment of USEPA requirements and current program activities; and the development of a series of recommendations for change. It would be a collaborative effort involving a PBDC team, the environmental management agency in one of the AFPI, and USEPA. The results of this pilot effort would be evaluated by environmental management agency heads from the other AFPI at a USEPA workshop scheduled for June or July 1991. A report and evaluation of the pilot effort would be presented to the PBDC Governors at the 1991 annual meeting.

Draft: November 14, 1990

Comparative Risk and Risk Management Assessments

WHAT THEY ARE

In many ways comparative risk assessment is just a term to describe what already happens in most areas: defining relative priorities. Within the context of environmental management, it simply means going through a structured analytical process to assess problem areas relative to the risk they present to the environment and/or public health. In general, the rigor of the analytical process is the most distinguishing factor between assessments. It can range from more-or-less qualitative judgments by knowledgeable people to sophisticated (and expensive) quantitative judgments using hard data and risk calculation methodologies. Risk management assessments consider the results of risk assessments and evaluate the real-world ability (legal, financial, political, etc.) to address the most pressing problems. Taken together, the two assessments provide a foundation upon which programs can be structured and initiatives can be launched to provide a means to address problem areas that cannot be properly attended to with current constraints.

HOW CAN THEY BE IMPORTANT

The potential benefits of incorporating comparative risk and risk management assessments into the regular environmental planning processes are several:

- o They would provide a basis for program restructuring to address the most important problem areas.
- o They would provide a basis for negotiation with USEPA on funding allocations and program requirements.
- o They could provide valuable information for seeking changes in current laws, regulations and policies at all levels of government.
- o They could provide an understandable basis for communicating environmental protection priorities and program efforts to the public and a vehicle to solicit public input.

Attachment #1 provides a flow chart depicting one possibility for incorporating comparative risk and risk

management assessments into the program planning process vis-a-vis the USEPA annual program grant-cycle. The chart suggest that the assessments would become an integral part of the process and guide it in many ways. The basic elements of the process would be:

1. Comparative risk and risk management assessments would be done, or updated, at the island and regional levels.
2. The results of both assessments would be compared to identify commonalties and areas of difference.
3. An annual negotiation would occur between the island and USEPA to reach broad agreement on the program priorities and general directions for the upcoming fiscal year. The assessments would guide these negotiations to the largest extent possible. NOTE: realistically, program requirements and activities that may not be highly ranked would also enter into the picture.
4. Annual programs would then be implemented.
5. An "agenda for change" would be developed that outlines those high priority areas that cannot be adequately addressed and the necessary changes to address them. These changes could include: modification of existing laws, regulations or policies; operational or organizational changes; staff development and training in key areas; and so forth.

PROPOSAL

Inasmuch as undertaking comparative risk and risk management assessments would be a new initiative, it seems appropriate to first attempt it on a pilot scale. The results of the pilot effort could then be evaluated and either collective or individual decisions could be made regarding the merit of continuing and expanding it.

In general the pilot effort would not be sophisticated quantitative assessment but rather a qualitative one that would draw upon available information and the judgments of people knowledgeable of the circumstances in the pilot area. The method of using a series of workshops/meetings with various groups of people representing a wide range of interests and perspectives regarding the environment would be employed to obtain basic information on environmental priorities. This basic information would then be analyzed and distilled by a core group of individuals to develop the actual assessment. The process would be similar to some of the work done in the Marshall Islands.

USEPA is currently exploring the possibility of providing direct grant support to PBDC and some direct staff support for such a pilot project. Such support appears likely, but cannot be guaranteed at this time.

In the event that adequate resources can be marshalled to undertake the pilot project, the rough project schedule should be:

November - January: Pilot area, PBDC and USEPA staff develop analytical approach and assemble data.

February - March: Workshops/meetings conducted on-site to identify and evaluate problem areas and rank them.

Pilot area, PBDC and USEPA staff perform risk management assessment.

March - May: Preparation of draft report.
Presentation to Governor.
Preparation of final report.

June: Pilot area and USEPA conclude discussions on annual agreement for FY-92 priorities.

July: Half (1/2) a day workshop for AFPI USEPA Directors/staff at 10th Annual USEPA Pacific Islands Conference.

August: FY-92 agreement and program plans finalized.

September: Pilot area, PBDC and USEPA staff finalize draft FY-92 agenda for change and present to Governor and USEPA Regional Administrator.

Final agenda prepared.

October - November: Pilot area and PBDC staff analyze results of process and present findings and recommendations to Board of Directors.

GENERAL BACKGROUND INFORMATION

Two documents are attached that provide additional background and supporting information. They are:

Attachment #1 - July 7, 1990 background paper prepared by PBDC staff.

Attachment #2 - Copy of speech given by USEPA Administrator Reilly to National Press Club.

BRIEFING PAPER

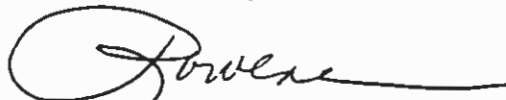
Governor's Pacific Health Promotion and Development Center

The Governor's Pacific Health Promotion and Development Center's main purpose, established by Governor John Waihee, is to provide a working consortium to develop a "unified and more comprehensive approach for targeting Pacific training, research and programs in disease prevention and health promotion" (Governor's Midyear Progress Report, May 1988).

Although the Center has served in this capacity, Senate Bill 1606 was introduced in 1989 with the intent to authorize the Center policy-making powers and the authority to administer the appropriation of \$20,000,000 throughout the Pacific jurisdictions. SB 1606 also establishes a Council that allows majority of the membership to be Hawaii representation.

The Pacific Islands Health Officers Association (PIHOA) (Guam included) expressed strong objections towards the bill which thus generated a revised version introduced as Waxman's Bill HR 5702RH. This bill changed the Council's policy-making powers to advisory status, funding appropriation from \$20,000,000 to \$10,000,000, and the Council's membership to include one health officer from each of the six (6) Pacific jurisdictions and six (6) Hawaii members to include a rehabilitation representative. This allows for even representation within the advisory council. Administration of the funding will be handled by the Department of Health and Human Services (Public Health Division). PIHOA has accepted the draft bill in its present form and has submitted recommendations for Hawaii's membership. Guam's interest is still intact.

Respectfully submitted by:



Rowena Perez Punzalan
Special Assistant to the
Governor for Health



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Governor
Joseph F. Ada
Chairman

Senator
Francisco R. Santos
20th Guam Legislature
Vice-Chairman

Alberto C. Lamorena III
Presiding Judge
Superior Court of Guam

Senator
Marilyn D.A. Manibusan
20th Guam Legislature

Senator
Madeleine Z. Bordallo
20th Guam Legislature

Mayor
Francisco N. Lizama
Mayors' Council
Representative

Attorney David Lujan
Public Member

Mr. Pete Perez
Public Member

Leland R. Bettis
Executive Director

Commission On Self-Determination

November 2, 1990

S.

Mike/John

MEMORANDUM

TO: Director, Bureau of Planning

FROM: Executive Director

SUBJECT: Briefing Paper for PBDC Annual Meeting

Attached for your review, as requested in your note of October 24, 1990 is a briefing paper on the evolving legal relationship between the United States and its affiliated flag islands.

It is my view that the topic for discussion is a misnomer, as there really is no evolving legal relationship between the USG and its island possessions. Most disturbing is the apparent position of the USG to cement its colonial powers over its possessions as the islands attempt to establish a greater measure of self-government: recent court decisions in the CNMI and the Federal TF position on the GCA stand as evidence of this fact.

I would be most interested in receiving an audio copy and/or a transcript of the discussion of this topic during the PBDC meeting. Frankly, I am puzzled that a topic by this description would be placed on the agenda for a conference of this nature. A more appropriate topic would have been the need for the United States to revolutionize its legal relationship with its affiliated islands who seek self-government.

Colonialism in the U.S. possessions has long outlived its ability to be defended. Any discussion which addresses and appears to excuse colonialism by any other name or approach is simply a disservice by an organization which serves the Governors of America's remaining non-self-governing territories.

LELAND BETTIS



BRIEFING PAPER

THE EVOLVING LEGAL RELATIONSHIPS BETWEEN THE UNITED STATES AND ITS AFFILIATED U.S. FLAG ISLANDS.

Topic For Discussion at PBDC Plenary Session
Friday, November 16, 1990
Pago Pago, American Samoa

Prepared By: Leland Bettis
Executive Director, CSD

Control over the legal relationship between the U.S. government and its affiliated flag islands (excluding freely associated states) is monopolized by U.S. law and U.S. courts. In the case of U.S. territories (Guam, American Samoa, and the US Virgin Islands), the legal relationship is very clearly framed around the territorial clause of the U.S. Constitution. In the case of U.S. affiliated Commonwealth's (Puerto Rico and the Northern Mariana Islands), U.S. Courts have essentially interpreted these entities to also fall under the territorial clause of the Constitution. While the unfettered power of the Congress to enact laws for U.S. possessions -- pursuant to the territorial clause -- has resulted in various arrangements between the U.S. government and its affiliated island states, there is little mistaking the underlying residual colonial power which the United States maintains through its legal system over such entities.

There simply is no evolving legal relationship between the U.S. and its affiliated island possessions and Commonwealths. The basis of the legal relationship as interpreted by the U.S. courts has been that unless Congress has specifically granted a power to a territory or Commonwealth, then the U.S. retains that power. The basis of this political power over the legal relationship is rooted in the turn of the century "Insular Cases."

In the case of Guam, all court cases of note of the past decade which in any way involve the legal relationship between the U.S. and Guam have relied on the colonial era "Insular Cases" interpretation of U.S. authority and legislation to render decisions.¹ In the case of the CNMI, the legal relationship is best characterized by devolution rather than evolution: U.S. Court decisions have vested power in the U.S. government which were not

¹. Guam v. Okada (9th Cir 1982); Sakamoto v. Duty Free (9th Cir. 1985); Ngiraingas v. Sanchez Ninth Circuit Crt. (1986); IT&E v. RCA (U.S. Dist. Crt., District of Columbia 1990).

specifically rendered the CNMI in the Commonwealth Covenant.² This legal interpretation has been contested by the government of the CNMI which has viewed the non-specified powers of the CNMI to be an inherent part of their self-government and sovereignty which the U.S. assumed as a Trustee since 1947. The U.S. Justice Department position (and one upheld by the U.S. District Court in the CNMI) is one which classifies the CNMI as a territory that is covered by the territorial clause of the U.S. Constitution.³

The only window of "evolution" in the legal relationship between the United States and its affiliated flag islands is in the area of individual rights which have been applied to all U.S. citizens. Search and seizure rights are one example of where general rights that apply to U.S. citizens have impacted the islands under U.S. control. Additionally, the Congress has extended certain rights which protect individuals (e.g. trial by jury) to territories over the years of possession. However, the fundamental legal relationship between the powerful overseeing administering Power and the small island states have remained unchanged since the first insular case of 1901.

The absence of change in the legal relationship between the U.S. and its affiliated islands since the turn of the century is itself abhorrent enough: a lack of vision at both policy and judicial levels has controlled political growth in the islands for nearly a century. More disturbing, however, is the clear intent of the U.S. government in the past two decades to cement its powerful position in its relationship with its affiliated islands as those entities attempt to secure greater self-government. As is seen in the case of the CNMI, and the U.S. Administration position on the Guam Commonwealth Act, there is a transparent policy being pursued by the U.S. government to assure that new political relationships within the American family continue to be based on the outdated colonial legal framework.

The only proposals for an evolution in the legal relationship between the U.S. and its affiliated islands have come from the islands themselves. However, thus far, Washington policy-makers have not been able to appreciate the need to bring about a truly evolving and equitable legal relationship with its small island possessions.

². CNMI v. Atalig (U.S. District Crt, CNMI 1983); Flemming v. Department of Public Safety (9th Cir 1988); Richards v. Sablan (Dst. Crt of the CNMI 1989).

³. The case of Richards v. Sablan is being appealed by the CNMI to the 9th Circuit Court of Appeals. The U.S. Department of Justice filed its Brief on the Appeal in March of 1990 clearly denoted the territorial status of the CNMI.

REGIONAL DRUG CONTROL EFFORTS

DOI REGIONAL DRUG CONTROL PROPOSAL (\$1 million)

- Guam has not taken an active role in developing proposals for inclusion in the regional proposal. Primarily this is because our funding under the BJA drug grant is sufficient to meet our needs.
- Law enforcement entities continue to advocate some type of regional drug canine training program and would like to see one established on Guam where dogs and handlers for Guam, CNMI, FSM and Belau could be trained and periodically recertified.
- The Crime Laboratory will be fully operational to analyze urine samples of criminal offenders for the presence of drugs sometime during 1991. Funding to enable testing for CNMI (cost of supplies and transporting samples, and expert witness transportation costs) should be included in the proposal, if CNMI desires to continue to use the Crime Lab's services. These are costs CNMI is presently incurring.

AUTOMATIC FINGER PRINT IDENTIFICATION SYSTEM

- Jerry Norris has suggested a meeting with Mr. Steve Vidinha who is in charge with Hawaii's AFIS's system. Mr. Vidinha appears to be strongly opposed to Guam's linkage into Hawaii's AFIS.
- To date, Governor Waihee has never formally responded to Governor Ada's repeated requests to link into Hawaii's AFIS. Ilima Piianaia, Director of the Office of International Relations referenced in his August 28, 1990 letter that the Governor had written and mentioned a letter that was to be sent within the near future, neither were received.
- It appears that it may not be feasible to establish an AFIS on Guam. GPD however has informally informed the Bureau that it still desires to pursue the establishment of AFIS and still use DOI's \$500,000 for this purpose. It has identified three companies with AFIS stand alone systems and has initiated contact with them. GPD is suppose to provide a briefing paper on whether Guam should continue to pursue the establishment of AFIS, but has not done so to date.
- GPD prefers that Guam pursue the development of its own AFIS rather than linking into Hawaii's system that we do not have to compete for time. GPD does have some legitimate concerns that should be taken into consideration should Hawaii have a change in heart. GPD

feels that the \$500 K will be sufficient to purchase the stand alone system.

- The Drug Policy Coordinating Council will begin meeting during the later part of November or early part of January in order to develop Guam's FY 1991 Strategy. The Strategy will include the DOI funds.
- The following documents follow:
 - Ilima A. Piianaia, Director, Hawaii's Office of International Relations August 28, 1990 letter.
 - GPD's briefing paper on contact with the State of Hawaii.
 - Bureau of Planning's response to Ilima A. Piianaia.
 - Governor Ada's March 14 and August 2, 1990 letters to Governor Waihee.
 - Jerry Norris' October 31, 1990 correspondence suggesting a meeting with Steve Vidinha on Hawaii's AFIS.
 - Jerry Norris' October 1, 1990 letter to Secretary Stella Guerra regarding PBDC in Regional Drug Interdiction Effort.



GUAM POLICE DEPARTMENT
GOVERNMENT OF GUAM
AGANA GUAM 96910

SEP 12 1990



MEMORANDUM

To: Director, Bureau of Planning
From: Chief of Police
Subject: State of Hawaii Office of International Relations' Letter
Regarding Automated Fingerprint Identification System

The attached point paper, with four (4) enclosures, is forwarded in response to your September 7, 1990, Routing and Transmittal Slip query.

Regarding GPD's current position on procuring AFIS, I will advise you by separate correspondence this week.


A. P. SGAMBELLURI

Attachments

GPD - BOP

9/11/90

Page 1 of 2 Pages

POINT PAPER

Subj: State of Hawaii Office of International Relations Letter
Regarding Automated Fingerprint Identification System

1. On June 4, 1990, Chief Sgambelluri faxed a letter to Chief Kawasaki, Honolulu Police Department (HPD), requesting a visit by GPD Crime Lab personnel to observe their AFIS in operation. A copy of that letter is appended as Enclosure (1).
2. On or about June 6, 1990, Mr. Steve Vindinha, Hawaii AG Office, called Sgt. Tenorio, GPD Crime Lab, to say that the requested visit would be a "waste of time . . . the system is not set up . . . no one knows how to operate it." He recommended that Sgt. Tenorio call Maj. Femia, HPD, for amplification.
3. On June 7, 1990, Ms. Rose Fejeran called to speak to Major Femia, but spoke with Lt. Dempsey because Major Femia was not in the office. Lt. Dempsey, who identified himself as the person in charge of AFIS, reiterated Mr. Vindinha's assessment and advised Ms. Fejeran to contact MORPHO (AFIS vendor) and the Pierce County Sheriff's Department (MORPHO-AFIS user) in Tacoma, Washington. A copy of Sgt. Tenorio's long-distance phone log entry is appended as Enclosure (2).
4. On June 8, 1990, Sgt. Tenorio called MORPHO and spoke with Mr. Jay Cornish. He arranged for visits by GPD Crime Lab personnel in late June and in August 1990. See Enclosure (2).
5. On June 11, 1990, Chief Sgambelluri faxed a letter to Sheriff Robbins, Pierce County Sheriff's Department, citing Lt. Dempsey's recommendation and requesting to arrange a visit by GPD Crime Lab personnel in late June and in August 1990. A copy of Chief Sgambelluri's letter is appended as Enclosure (3).
6. GPD Crime Lab personnel visited MORPHO and Pierce County Sheriff's Department on two occasions -- June 25-26 and August 13-14, 1990 -- and returned with alternate solutions to tying in with Hawaii's system. A copy of Ms. Corazon Pascua's post-visit report is appended as Enclosure (4).

GPD - BOP

9 / 11 / 90

Page 2 of 2 Pages

SUMMARY

It appears that key personnel from Hawaii's HPD, AG and Office of International Relations failed to communicate with each other. GPD did, in fact, receive a telephone call from Steve Vindinha of the AG's Office, in which he advised us that their AFIS was not ready and that we should talk to HPD. Telephonic communication with HPD corroborated the AG position and further advised us to contact MORPHO and Pierce County Sheriff in Tacoma, which we did with positive results.

Attachments: Four (4) Enclosures



F. ADA
of Guam
F. BLAS
Governor

Government of Guam
GUAM POLICE DEPARTMENT

287 West O'Brien Drive
Agana, Guam 96910
U.S. Territory of Guam



COLONEL A.P. SGAMBELLURI
Chief of Police

JUN 04 1990

Insp. Harold Kawasaki
Acting Chief of Police
Honolulu Police Department
1455 South Beretania Street
Honolulu, Hawaii 96814

Dear Chief Kawasaki:

As you may already know, Governor Waihee has granted Guam permission to link-up and have access to Hawaii's Automated Fingerprint Identification System (AFIS). I have been officially named as the Guam contact for matters related to the AFIS link-up. It is understood that Major J. Femia was designated contact person for HPD, concerning AFIS.

In line with this, on May 23, 1990, Major Femia has been contacted on the possibility of having two of our Crime Lab personnel visit HPD this summer.

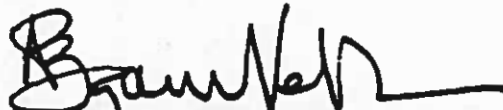
Guam has been authorized federal funding for the acquisition of an AFIS system. As part of our preparation, we would like to have Sergeant Francisco SN. Tenorio, Officer-in-Charge, and Corazon Pascua, Fingerprint Examiner, of the Guam Crime Lab, to visit your Department and observe your AFIS in operation.

The request to visit with your department would be beneficial. It would help us with the planning and evaluating a system that would suit our needs, and one that would readily interface with your system.

Accordingly, please accommodate a 2-day visit for periods 27-28 June 1990, and 13-14 August 1990, for Sgt. Tenorio and Mrs. Pascua, respectively. The desired dates coincide with stopovers in Hawaii by our personnel as they return from other training conferences in CONUS.

I am encouraged on the probability for an increase in coordination and the communication link-up through AFIS with HPD.

Sincerely,


A. P. SGAMBELLURI

COMMONWEALTH NOW

472-8911 Ext. 376/377/378 • FAX: (671) 472-4036

Enclosure (1)

6/6/90

Ma, Femia HPD

6/7/90 1001 hrs - 1017 hrs

From: 477-7526

Authorization obtained from Sgt. Tenorio

Call made by: RA Jejean (Rose Fejean) ^{will}

To: Major J. Femia (Honolulu P.D.)
(808) 943-3295 (not in)

However, talked to Lt. Deprey, person in charge of AFIS. Indicated that entire system installed however not online (contractual problems - MORPHO). Referred us to Tacoma - MORPHO and Pierce County Sheriff's Dept in Tacoma.

6/8/90 0825 - 0840

From: 477-7526

Authorization obtained from Vicki Gagne

Call made by: Sgt FSNTenorio

To: Peter S. Grant (MORPHO)
(206) 383-3617

However, talked to Jay Corriah re 6/25-26/90 ^(for FSNT)
visit. Morpho busy & other police dept
frances. Will be able to provide short term.
Evaluated questionnaire will be returned to
Guam next week.

Ok on Corriah visit of 8/13-14/90.



F. ADA
r of Guam
F. BLAS
Governor

Government of Guam
GUAM POLICE DEPARTMENT
287 West O'Brien Drive
Agana, Guam 96910
U.S. Territory of Guam



COLONEL A.P. SGAMBELLURI
Chief of Police

JUN 11 1990

Sheriff Charles Robbins
Pierce County Sheriff's Department
930 Tacoma Avenue, South
Tacoma, WA 98402
FAX (206) 591-3621

Dear Sheriff Robbins:

Recently, Guam has been authorized federal funding for the acquisition of an Automated Fingerprint Identification System (AFIS), which would have the capability to link-up with Hawaii's AFIS, manufactured by MOPPHO.

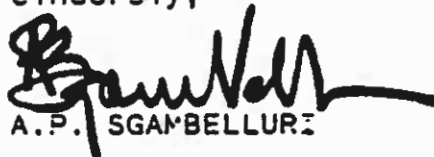
As part of the preparation for purchase, we had requested for a visit to Hawaii to view their AFIS in operation. However, to date, Hawaii's system is not fully operational. Instead, Lt. Dempsey of the Honolulu Police Department, highly recommended a visit to your department to see your AFIS at work and to consult with Mr. David Cotton, Identification Supervisor, regarding records conversion and day-to-day operation.

Accordingly, please accommodate a 2-day visit for periods 25-26 June 1990, and 13-14 August 1990, for Sgt. Francisco SN. Tenorio, Officer-in-Charge of the Guam Elite Laboratory, and Mrs. Corazon Pascua, Fingerprint Examiner, respectively. The desired dates coincide with return trips by our personnel from other training conferences in CONUS.

Upon your approval, a written acknowledgement of this request is required for our travel documentation. Please FAX your response to us at (671) 472-4036.

Thank you for your attention to this matter.

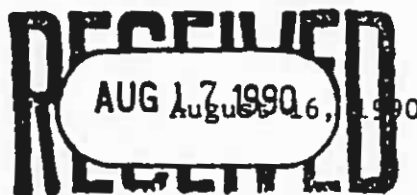
Sincerely,


A.P. SGAMBELLURI

Enclosure (3)



GOVERNMENT OF GUAM
AGANA GUAM 96911



Mike Carey
4 Action



Memorandum

SPECIAL PROGRAMS SECTION

Time: 1:30 By: J. [unclear]

To: Chief of Police

Via: Channels

DDX A/23

From: Corazon Z. Pascua

Subject: Post Training Evaluation

Ref: Automated Fingerprint Identification System

On August 6 and 7, 1990, I was in Tacoma, Washington to view the Automated Fingerprint Identification System (AFIS) in operation at Pierce County Sheriff Department and the North American MORPHO Company, distributor of the AFIS.

I was met by Mrs. Brenda Kelley, a Marketing System Specialist at MORPHO. Mrs. Kelley took me to Pierce County Sheriff Department and there I met Mr. Dave Cotton, who is the Identification Supervisor in the department. While in the Pierce County Sheriff, I had a chance to view how the AFIS works. Mr. Cotton, demonstrated how to make conversion of the ten print system, name search verification, latent print search and quality control. After spending few hours observing the personnel, Mrs. Kelley took me back to MORPHO office. There I was given the opportunity to work on the AFIS. I did the ten print conversion, name search verification, latent print search and quality control.

Before a conversion can be done, all ten prints must be classified into the Henry System primary classification. Afterwhich, they are entered into AFIS data base with all the other information regarding the subject. Name and latent print search (comparison) can be compared with over 10,000 fingerprint cards in a matter of few minutes.

On Aug. 7, I met Mr. Michael Pearson, Senior Manager, Marketing Services. Mr. Pearson discussed the three options that Guam Police Department have.

OPTION I

XL - Customized Stand Alone

a) Unlimited growth

b) Full customization

c) Full independence

Cost \$1.5 million

Enclosure (4)

OPTION II Remote to Hawaii
 a) Less expensive
 b) Dependent on Hawaii
 c) No expansion/growth limited

Cost \$150,000 - \$250,000

OPTION III XL - 100
 a) Designed growth up to maximum of 200,000
 te print cards
 b) Generic screens
 c) Full independence
 d) Can be expanded
 e) Can handle ten print up to 50 a day and
 30 latents on 16 hours

Cost \$500,000 - \$850,000

o matter what option GPD chooses, all fingerprint cards have to be converted before the system can be released to the agency. The cost of each fingerprint card conversion is \$2.00 outside of system cost.

In my opinion, Option III is the best for Guam. Because the population is less than 200,000 and XL 100 can be expanded in the event we reach the maximum capacity of the data base.

This is submitted for your information and disposition.


CORAZON Z. PASCUA
Fingerprint Examiner



SETBISION MAMPLANEHA

GOVERNMENT OF GUAM
A DVA GUAM 96910

SEP 27 1990

Ilima A. Piianaia
Director
Office of International Relations
Office of the Governor
State of Hawaii
State Capital
Honolulu, Hawaii 96813

Hafa Adai Mr. Piianaia:

I am writing in response to your August 28, 1990 correspondence regarding the Automated Fingerprint Identification System (AFIS). It is disheartening to learn that it is not feasible for Guam to link into Hawaii's AFIS at this time. We had hoped we could interface as we currently have funding to permit the interface, which may not be available in the future. We are, however, looking into other options.

With respect to your reference to a previous response to our request, we have checked and your correspondence is the first official response we have received regarding Hawaii's AFIS. Governor Waihee's first response to our request was not received.

With respect to the last issue you raised regarding the Guam Police Department (GPD) personnel that never showed up to observe your AFIS even though confirmed arrangements have been made, I did look into this matter. It appears that there was a miscommunication. While GPD did attempt to make arrangements to observe your AFIS, Mr. Steve Vindinha, Hawaii AG Office, referred our GPD personnel to the Honolulu Police Department. The Honolulu Police Department in turn also recommended that we not observe their system and instead, highly recommended that we contact MORPHO (your AFIS vendor) and the Pierce County Sheriff's Department in Tacoma, Washington. The Honolulu Police Department was gracious enough to provide our Police Department with contact names,



Commonwealth Now!

Page 2

telephone numbers and addresses. While the Honolulu Police Department was extremely helpful, at no time were confirmed arrangements made for our personnel to go to Hawaii to observe your AFIS. Instead, arrangements were made and kept with MORPHO and the Pierce County Sheriff's Department.

I greatly appreciate your assistance in this matter.

Si Yu'os Ma'ase',


PETER P. LEON GUERRERO

cc: Jerry Norris, PBDC
Steve Vindinha, Hawaii AG
Adolf Sgambelluri, GPD



Territory of Guam

Freedom's Guam

OFFICE OF THE GOVERNOR
LUPESMAN I MAGALAN
AGANA, GUAM 9690 U.S.A.

MAR 14 1990

The Honorable John D. Waihee, III
Governor
State of Hawaii, State Capitol
Honolulu, Hawaii 96813

Dear Governor Waihee:

On behalf of myself and the people of the territory of Guam, let me begin by extending our warmest "HAPA ADAI!". I am writing in regard to your generous offer to permit Guam to link up and have access to Hawaii's Automated Fingerprint Identification System (AFIS), which you made during the 1987 Summer Meeting of the Pacific Basin Development Council which was held in the Commonwealth of the Northern Mariana Islands. Recently, Guam received a federal grant which will enable us to integrate with your AFIS. Moreover, Guam's linkage into your AFIS will enable us to realize a common goal which we share, that being to enhance our law enforcement capabilities, especially those concerning illegal drug trafficking and serious and violent crimes.

As members of the PBDC, we are both aware of the seriousness of illegal drug use and importation in our regions. By the very nature of our geographic areas, it is not uncommon for criminal elements to move from point-to-point within our region. Guam's intergration with your AFIS would be a major asset in our mutual war against crime and illegal drugs. Should your generous offer still hold, I am requesting the name of a contact person within your Office of Attorney General to coordinate the link-up with our police department. Due to the nature of this activity, I will be designating my Chief of Police as the primary point of contact for all matters related to the AFIS link-up. He can be contacted at the following:

Adolfo P. Sgambelluri
Chief of Police
Guam Police Department
287 West O'Brien Drive
Agana, Guam 96910
Tel. (671) 472-8911
Fax. (671) 472-4036

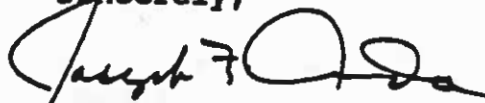


Commonwealth Now!

The Honorable John D. Waihee, III
Page 2

In closing, I would like to once again extend my gratitude and sincerest "Dangkulu Na Si Yu'os Ma'ase!".

Sincerely,



JOSEPH F. ADA
Governor of Guam



Territory of Guam
Tribute to Guam

OFFICE OF THE GOVERNOR
LORRAINE I. MADAYLAG
AGANA, GUAM 96910 U.S.A.

AUG 02 1990

The Honorable John A. Wilson, U.S. Senator
Governor
State of Hawaii, State Capitol
Honolulu, Hawaii 96813

Regarding the possibility of the

possibility of the receipt of the



Pacific Basin Development Council

Suite 325 - 567 South King Street - Honolulu, Hawaii 96813-3070
Telephone (808) 523-9325 Facsimile (808) 533-6336

Governor Peter T. Coleman
American Samoa
resident

October 31, 1990

Governor T. Daniel
Commonwealth of the
Northern Mariana Islands
on President

Governor Joseph E. Ada
adm
Secretary

Governor John Waihee
Hawaii
Executive

MEMORANDUM

To: Mr. Peter Leon Guerrero, BOP, GU

From: Jerry B. Norris

SUBJECT: CRIMINAL JUSTICE DATA INFORMATION

I just received a phone call from Mr. Steve Vidinha (Hawaii Criminal Justice Data Center (808) 548-2090)). He is the individual in the AG's office that is involved with the computer finger print system in Hawaii.

They would be pleased to meet with you when you are coming through Honolulu either heading for Pago or returning.

If we can be of further assistance in this matter, please so advise.

Happy Halloween!!!

JBN1/pn
DATE.GU



*Mike
No firm
arrangement for
Hawaii found yet
but discuss on that
I would go
L.*



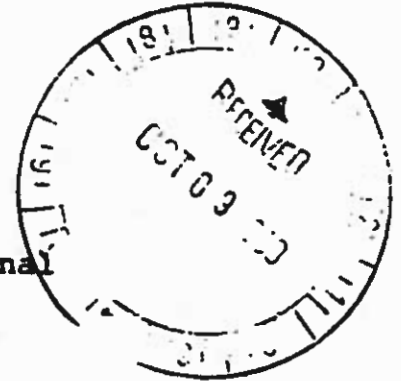
Pacific Basin Development Council

Suite 325 - 567 South King Street - Honolulu, Hawaii 96813-3070
Telephone (808) 523-9325 Facsimile (808) 533-6336

Y. Lujan
Com. 10/1/90

Mr Peter Tali Coleman
an Sumu
ent

October 1, 1990



Mr Lorenzo I. De Leon Guerrero
Governor of the
Commonwealth of the
Northern Mariana Islands
President

The Honorable Stella Guerra
Assistant Secretary
Office of Territorial and International
Affairs
U.S. Department of the Interior
18th & E Streets, NW
Washington, DC 20240

Mr Joseph F. Ada
ary

Mr John Waihee
r
urer

Dear Assistant Secretary Guerra:

The purpose of this letter is to respond to the discussion that you and I had several weeks ago concerning the role of PBDC in the regional drug interdiction effort.

The discussions of a regional drug effort first came about in August of 1988. The Board of Directors were having their Annual meeting in Honolulu. Governor Ada raised the issue by way of discussion on a regional narcotics intelligence information system. Governor Waihee suggested that, working with the Attorneys General of the American Flag Pacific Islands, a regional [drug] policy and implementation action plan be drawn up. An abstract of the minutes from that meeting as well as a document generated by Governor Ada is enclosed.

PBDC staff, as directed by the Board, held a series of meetings, first with the regional Attorneys General and then with those designated by the four Governors as the PBDC Drug Work Group. Copies of minutes and other data have been provided to your office.

In March of 1989 the Board, while meeting in their Winter session, directed a letter to Secretary Lujan requesting his assistance in three areas. The first area was dealing with funding

lost when the Omnibus Drug Initiative Act of 1988 was passed. This had to do with a definition of "state status"; the second area concerned future funding under the OTIA; the third area concerned a request for assistance for a regional drug initiative effort. A copy of the letter and the appropriate portion of the minutes are also enclosed.

During the Annual Meeting of 1989 the Board continued to address the issue of a regional effort. Ms. Linda Chock of the Hawaii Office of Attorney General reported on past and current efforts of the work group. The Board directed that a letter be prepared for Secretary Lujan concerning possible funding for current and future activities. Portions of the minutes and a copy of the letter are also included.

As you know, we attended and staffed the PBDC Work Group at the mid-May meeting in Washington, D.C. and provided a staff member to attend several meetings in American Samoa to assist them with their island specific meeting--working toward the regional effort. With the exception of travel and per diem which was provided by OTIA for Ms. Joyce Ingram Chin, a PBDC contract worker, all of this has been accomplished with PBDC funding and resources.

In our several discussions you asked what role PBDC might play in the regional drug effort. Perhaps much of what we have done so far would be a good guide for current and future activities. We have been directed by the Board on several occasions, to develop a regional drug plan (aka regional drug plan; an effort; and action implementation plan, etc.). In order to accomplish this task, we have met with the AFPI Attorneys General; the Board has created a PBDC Drug Work Group; we have come up with four areas of special interest (see minutes of 1989 Annual Meeting); we have identified resources available from the State of Hawaii; we have identified several areas of mutual interest to all of the islands and we have kept the issue on the front burner for the Governors.

In more specific terms, I would see our role in calling and organizing regional meetings; providing documentation from those meetings; monitoring island specific and regional drug efforts; involvement in actual hands on training in a number of areas; the gathering and dissemination of information and providing alternative policy positions for Board review and approval and action.

There seems to be a concern that we are trying (or would try) to run the entire operation. This is not our intent at all and based on my knowledge of the Board and its members, we would not be allowed to "takeover". We simply would be part and parcel of the total effort. There are times when the staff (and the

Board for that matter) need to work together to explore options and to develop a framework and a strategy. This is a useful and needed type of activity and is not a preventative measure to keep the Federal folks out. In the same vein, there are times when the Federal family needs to meet together without islanders involved.

In general terms, we can also help in providing continuity between administrations when Governors change and keep some sort of continuity as key staff change in each administration. We also can process narrative and financial reports so that each island doesn't have to use their staff time and resources. Reports from one contact point instead of three will probably be more timely. Finally, we can keep on top of the islands, making sure that their efforts and activities are consistent with each other and that meetings happen when they are suppose to and that information is distributed in a timely manner.

One final point. The drug effort has to be a cooperative one which involves health, education, intelligence, law enforcement and the courts. The problem is not just one enforcement. I believe we can assure that all of the elements of the respective island's governments are involved and that we can identify resources both in Hawaii and in other States that can be of major advantage to the islands. We also work very closely with organizations in the South Pacific which are actively involved in drug interdiction efforts and we can help build a bridge between the domestic and international communities in this effort.

I hope that this identifies the role of support that PBDC can play. I think we have done a good job so far with limited resources and that we can continue to play an important role in partnership with OTIA and other members of the Federal family.

I would appreciate your thoughts and comments on this matter when you have a few moments. Thank you for allowing me to share some thoughts with you.

Sincerely,

JERRY B. NORRIS

JERRY B. NORRIS
Executive Director

JBN4/ca
DRUGS.OTIA
ENCLOSURES

bcc: Lt. Craig Keener, AS
bcc: Mr. Edward C. DeLeon Guerrero, CNMI
bcc: Ms. Linda Chock, HI
bcc: Mr. Peter Leon Guerrero, GU
bcc: ~~Ms.~~ Miki Leon Guerrero, GU *to enc*
bcc: Ms. Lari Koga, HI

Brown Tree Snake Action Brief

During the last quarter of FY '89, the following actions were conducted utilizing portions of the \$190,000 OTIA funds: Biologists from the Aquatic and Wildlife Resources Division of the Department of Agriculture, Government of Guam, attended the Technical Consultation Workshop on the Brown Tree Snake held in August in Honolulu, Hawaii. Positions for three additional DAWR staff members (Wildlife Biologist, Biological Technician, and Biological Aide) have been identified and interviews are expected to begin soon and a portion of the equipment required for the initiation of a control and containment program on Guam has been ordered.

Barrier design and research (both mechanical and electrical) continues and certain configurations appear promising for deployment in certain situations in the near future. An area that has been identified for these applications is a tract in Northwest Field of Andersen Air Force Base. An immediate benefit of these exclusion techniques will be enhanced reproductive success of the Endangered Mariana Crow, but the long-term goal is the evaluation of the efficacy of these techniques for larger exclusion projects.

Two additional sites have been identified for localized control and containment procedures: Won Pat International Airport and Cocos (Dano) Island. These were chosen for two different, but related reasons. The airport was chosen because of the known ability of Brown Tree Snakes to be transported via air traffic to other islands in the Pacific Community. Current work on population characteristics of Brown Tree Snakes indicates a high density population adjacent to the airport. Both hand-collection and recently developed trap technology will lessen the threat that these snakes pose for our island neighbors. Cocos Island was chosen because it remains the last snake-free section of Guam and still supports large numbers of once abundant birds. Techniques (such as trapping and shipping management) will be employed that minimize the threat of future infestation on Cocos Island. Information, techniques, and management strategies that evolve from these two sites will be applied to future control projects and eventual eradication on a larger scale.

Should additional monies become available in FY '92, efforts on Guam could be greatly expanded beyond the scope currently proposed.

Procedures and techniques that are envisioned include the acquisition and training of dogs for the interdiction of snakes in cargo and luggage for both surface and air transportation; the development of a fumigant/toxicant for use in cargo situations; the development of a method of biological control; and the development improved barriers and exclusion technology. A significant portion of the above could be contracted to existing agencies with the appropriate expertises. For example, the U. S. Fish and Wildlife Service could be utilized for improved exclusion technology, the U. S. Department of Agriculture for toxicant/fumigant development, the National Institute of Health for biological control, and Guam Customs and Quarantine for dog interdiction.



8

University of Guam
COLLEGE OF AGRICULTURE AND LIFE SCIENCES
UOG Station, Mangilao, Guam U.S.A. 96913
Cable: "UnivGuam" Telex: 721 6275

AGRICULTURAL EXPERIMENT STATION

October 25, 1990



MEMORANDUM

To: Director
Bureau of Planning

From: Associate Director
Agricultural Experiment Station
College of Agriculture & Life Sciences
University of Guam

Subject: PBDC - Melonfly eradication Program - Letter of September 25, 1990

Melonfly eradication on Guam and the rest of the Mariana Islands should come out as one of the top priorities in the PBDC Annual meeting in November 15-17, 1990.

Recently the Japanese program on melonfly eradication in the Ryuku Islands achieved successful results in some islands and they are confident of eradicating it from all the islands.

We did not have any correspondence on melonfly in the recent months.

In the 6th SPC Regional Technical Meeting on Plant Protection held at Auckland, New Zealand during February 12-16, 1990, a recommendation was passed for USDA to consider melonfly eradication on Guam.

Attached herewith is a publication about JICA (Japan International Cooperation Agency). We could request assistance from JICA for melonfly eradication and other agricultural programs. However, the request has to be made by the Governor.


R. MUNIAPPAN

Attachment

cc: Dean
College of Agriculture and Life Sciences
University of Guam

AN EQUAL OPPORTUNITY EMPLOYER



United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240



81
Niki/South

OCT 11 1990

Mr. Jerry B. Norris
Executive Director
Pacific Basin Development Council
Suite 325
567 South King Street
Honolulu, Hawaii 96813-3070

Dear Jerry:

Thank you for your letter of September 26 regarding the melon fly eradication project.

In response to a request from the Commonwealth of the Northern Mariana Islands, we are providing technical assistance funds to hire an entomologist. This individual will be developing a local plan for control of the melon fly. If the plan requires assistance from the U.S. Department of Agriculture, we will provide coordination with the Agricultural Research Service or other relevant agencies.

Mrs. Knoblock, Acting Director, Technical Assistance, fully briefed me on the discussion relating to the melon fly after the Winter PBDC meeting. She said that both Governor Waihee and Governor Ada placed a high priority on this project. Governor Ada indicated that some local funds may be available for a melon fly project. To date, we have had no further communication with Governor Ada on this issue. He may, however, be talking directly with Governor Guerrero.

Thank you for the additional information. I enjoyed having breakfast with you and Mike during my stop over in Honolulu.

Sincerely yours,

Stella Guerra
Assistant Secretary
Territorial and International Affairs

WJ/RS
*Immediate and mid-term impacts of significant shipping movement into the Pacific;

PA
*Joint PBDC/University of Guam/University of Hawaii oil mitigation research project (\$440,000 per year for five program years - Governors Ada and Waihee to take joint lead);

*Assessing Environmental Program Priorities in the AFPI (as discussed with Governor Ada at our meeting last week - would hope the Governor would take lead on this issue);

*Final report on OIG Audit of PBDC and non-allowable costs;

~~*Need to move USDA/OTIA into fly eradication program;~~ OTIA has dropped the issue from its priority list and has cut the funding to PBDC for Ray Lett who carried the ball in D.C.

*Meeting with the (Pacific) Governors Pacific Health Promotion and Development Center Officers regarding the \$20,000,000 appropriated for health care in the AFPI and FAS. This funding should be coming down this next month or so.

General: I would also suggest that informal staff discussions concerning the Sea Grant and PIN issues might be of benefit so that we don't get "end runned". Perhaps a position recommendation for the full Boards' considering endorsing a Guam Sea Grant program would be worth discussing, but we would need some lead time on this issue to make sure all is in place. We might also wish to suggest a Board position on the PIN issue (See Enclosed).

It should also be noted that given the air scheduled into Pago Pago from Honolulu, most Board members would probably be taking the Thursday, November 15th Hawaiian Airlines flight into American Samoa which departs Honolulu at 2:15 p.m. and gets in at 7:20 p.m. The Board meeting will start the next morning and run into Saturday so I don't see much of an opportunity to have the normal TAC Review meeting unless we all go in several days early.

I really think that this meeting is important or I would not have suggested it. Please advise as to the possibility of your attendance. As I noted earlier, we will not have a meeting unless all islands are represented.

Many thanks and please let me know as soon as possible re attendance.

JBN2/ca
TAC.GU
ENCLOSURE

ONIO S. QUITUGUA
DIRECTOR



SE A.E. MANIBUSAN
DEPUTY DIRECTOR



AGANA, GUAM 96910

Director's Office 734-3942/43
Aquatic & Wildlife Resources 734-3944/45
Agricultural Development Services 734-3946/47
Forestry & Soil Resources 734-3948
Animal & Plant Industry 734-3940/49

ili

*The vice president
has one of the departments
I am under the table*

October 30, 1990



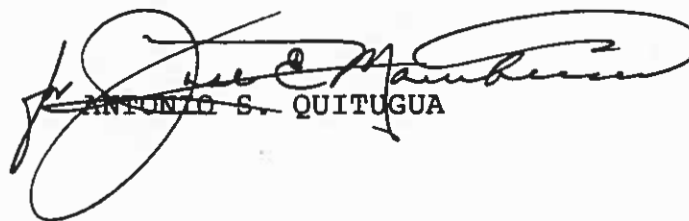
Memorandum

To: Director, Bureau of Planning
From: Director, Department of Agriculture
Subject: Melon Fly Eradication Project

The melon fly is the most destructive pest of various cucurbits and other crops in the Commonwealth of the Northern Marianas Islands as well as here in Guam.

A successful melon fly eradication campaign would be of immense value to the agricultural communities of Commonwealth of the Northern Marianas Islands and Guam.

We should seek involvement with Commonwealth of the Northern Marianas Islands in the melon fly eradication effort.


ANTONIO S. QUITUGUA



Commonwealth Now!



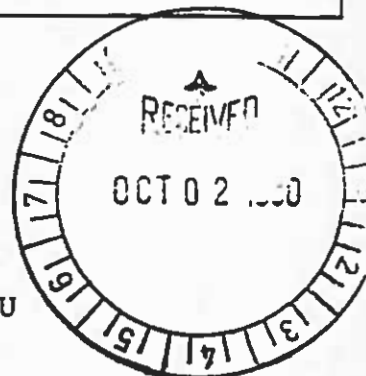
Pacific Basin Development Council

Suite 325 • 567 South King Street • Honolulu, Hawaii 96813-3070
Telephone (808) 523-9325 Facsimile (808) 533-6336

Y

Governor Peter Tali Coleman
American Samoa
President

September 25, 1990



Governor Lorenzo I. De Leon Guerrero
Commonwealth of the
Northern Mariana Islands
President

MEMORANDUM

To: Mr. Peter Leon Guerrero, BOP, GU

From: Jerry B. Norris

Subject: FLY ERADICATION PROGRAM

Governor Joseph F. Ada
Sam
Secretary

Governor John Waihee
Hawaii
Chairman

I am in receipt of yours of September 21, 1990 regarding topics for the Annual Meeting agenda. It came in the day after the TAC met, but out of the six topics, five had been placed on the draft agenda already. Depending on the staff output today, you will either receive the draft agenda before this missive or afterwards.

On the draft I have suggested that Governor Ada be lead for the EPA evaluation topic since we discussed it with him when we were in town and then have both Governor Ada and Waihee take lead on the oil spill activities. There will be letters forthcoming from President Simone of UoH and Governor Waihee on that effort shortly. There was a bit of a glitch with a couple of University types here, but between Ilima and yours truly and through the efforts of Dr. Simone and Governor Waihee, they were sidetracked. The problem served a useful purpose in the sense that both the President and the Governor are now aware that some mending and some education needs to be done.

With regards to fruit fly issues we have a bit of a problem. OTIA decided to cancel the MOU that we had with them on the issue of agriculture two months ago. Mr. Ray Lett was our contract employee under the MOU and without OTIA funding we had to let him go. We have tried to keep up with the discussions on the higher USDA level, but have been unable to gain much information. We will continue to try and break through but I have a suggestion you might wish to consider.

Jerry B. Norris
Executive Director

MR. PETER LEON GUERRERO
September 25, 1990
Page 2

You will recall that at the 1989 Annual Meeting in Honolulu Governor Ada moved with Governor Waihee seconding that the issue of the fly eradication be given a high priority. You will then recall that there was detailed discussion with the USDA Plant Protection and Quarantine Associate Administrator Mr. Richard Bacheus at the Winter Meeting on the subject.

At both meetings, OTIA was present. While Stella only made opening comments and then left, both Ms. Nancy Boone and Mr. David Heggstad remained through the Annual Meeting in Honolulu. The same happened at the Winter Meeting in Washington, D.C. except that OTIA's presence was Ms. Darla Knoblock. Certainly at the Winter Meeting it was clear that Governor Ada (and to a certain extent Governors Guerrero and Waihee) saw this as an important issue. That apparently never trickled down (up) to OTIA powers.

Assistant Secretary Guerra was in town earlier this week and I asked her about the fly issue. She advised that she did not know that it was a priority of the Governor(s). I had previously checked with Ms. Darla Knoblock and Mr. Philip DeLongchamp and they both said it was not a priority of OTIA. Stella said that a letter on the issue of the fly would trigger interest on the part of OTIA. The letter could come from Governor Ada or from us.

Not that OTIA has any experience in this area, but often times Feds talking to Feds can at least identify where the problems might be.

If you feel a letter from Governor Ada would be more appropriate, all of the background information is in Tab G of the Winter Meeting Agenda book or we could draft the letter. If you feel it would be more appropriate to have the initial communications from and to save Governor Ada for a more forceful letter if nothing comes down the pike in the short-term, that could work as well.

Please let me know of your thoughts by the end of next week. I just talked to Ray Lett and we still have a little credit with him and he will nose around later this week and we will pass on what he has discovered...if anything.

Sorry you missed a swing through Honolulu this time. Hope the election activity is going well.

JBN3/pn
ERADICATION.FLY



CULTURAL EXPERIMENT STATION

University of Guam
COLLEGE OF AGRICULTURE AND LIFE SCIENCES

UOG Station, Mangilao, Guam U.S.A. 96913
Cable: 'UnivGuam' Telex: 721 8275

November 1, 1990

MEMORANDUM

To: Director, Bureau of Planning

From: CALS, UOG, (R. Muniappan)

Subject: Melonfly Eradication Presentation at the PBDC Meeting

Please find the draft for presentation in the PBDC Annual Meeting.

Should you require further information, kindly let me know.



R. MUNIAPPAN

cc: Dean

RM:ambg

DRAFTFor PDBC Meeting

Melonfly is a serious pests of vegetable and fruit crops in the Marianas. Also, it is an important quarantine pest. Because of its presence in Guam and the Commonwealth of the Northern Marianas, no locally produced fruits and vegetables could be exported to Japan or other Micronesian Islands.

Quarantine regulations also forbid transshipment of fruits and vegetables from U.S. mainland to Micronesian islands transshipment through Guam. Also, the presence of melonfly on Guam and the Northern Mariana islands causes thousands of dollars worth of pesticides to be used for protection of crops in these islands. This in turn results in endangering the environment with poisonous chemicals.

In general, presence of melonfly is one of the serious impediments to the development of agriculture in these islands.

In the winter PBDC meeting Mr. Richard Backus, Deputy Administrator, Animal and Plant Health Inspection Service, USDA informed us that "everything possible was being done by the APHS staff to develop options for a program to eradicate the melonfly from Guam and the CNMI". Also, he mentioned that his department will communicate with Ministry of Agriculture, Forestry and Fisheries (MAFF) in Japan for this possibility of obtaining sterile melonfly from Japan. It is our understanding that Japan has successfully eradicated melonfly in some islands in the Okinawa prefecture.

Assistant Secretary Stella Guerra in her letter dated October 11, 1990 indicated that the Department of Interior will be providing an Entomologist to CNMI to develop a local plan for control of the melon fly. This is a

small but helpful offer in the right direction. However, we would like to see that melonfly is eradicated from the Marianas as quickly as possible as the agricultural development in this region depends upon this program to a major extent. We would like to see a cost estimate prepared, a program of execution developed, needed permits obtained, funding allocated and the program implemented in the very near future.

Melonfly eradication has been one of our top priorities in PBDC, however, we have not moved forward much in this direction.

I would like to urge that we give the utmost priority to get the job done.

JOSEPH ADA
Governor of Guam

10 S. QUITUGUA
DIRECTOR



J.E. MANIBUSAN
y Director



AGANA, GUAM 96910

Director's Office	734-3942/43
Aquatic & Wildlife Resources	734-3944/45
Agricultural Development Services	734-3946/47
Forestry & Soil Resources	734-3948
Animal & Plant Industry	734-3940/49

November 08, 1990

Memorandum

To: Director, Bureau of Planning
From: Director, Department of Agriculture
Subject: Status Report on Melon Fly Project

The Department of Agriculture has been monitoring the melon fly population on Guam for the past 4 years. One hundred seventy five (175) plastic steiner traps baited with cuelure were placed in scattered locations throughout the island. The melon flies caught in these traps were counted twice a month. Results of this survey revealed that the melon fly population was highest during the rainy season (July to October) and coincided with the availability of host crops, such as cucumber, squash, melon, tomato, string beans, eggplant, papaya and wild mormordica.

The melon fly population is apparently well entrenched on Guam and has curtailed the production of many crops. Because of this, the Department of Agriculture has sent a letter to the Governor of Okinawa expressing our interest in reviewing Okinawa's melon fly eradication effort (copy attached). Okinawa is using the current eradication technology of raising and releasing irradiated sterile male melon flies. When the sterile laboratory bred male melon flies mate with the wild female melon flies, no progeny will develop and thus the melon fly population will be eliminated. As yet, we have not received a response from the Governor of Okinawa.

ANTONIO S. QUITUGUA

Attachment



SEP 24 1990

The Honorable
Junn Ushitar
Governor of Okinawa
1-Chome, Okinawa-City
Okinawa - P.R.P.
Japan

Dear Governor Ushitar:

I am writing to solicit your assistance in the eradication of the Melon Fly on the island of Guam. It is our understanding that Okinawa is successful in its eradication program using sterile flies. Guam is infested with the Melon Fly and in order to provide a stimulus for our farmers to continue with farm operations, we must find ways to eradicate this pest.

I have met and discussed this matter with the Agricultural Board of Commissioners of the Guam Department of Agriculture. They have recommended that we get first hand information on your programs possibly by visiting your facilities. In this light, I am requesting your consideration to allow the Board and staff members of the Department of Agriculture the opportunity to travel to Okinawa for information gathering purposes.

We look forward to hearing from you real soon regarding this matter. With warm regards and Bafa Adai.

Sincerely yours,

Joseph F. Ada
JOSEPH F. ADA
Governor of Guam

JNNAPUT/gcm

cc: Agriculture
9-19-90



*h
mhi*

University of Hawaii at Manoa

Pacific Business Center Program
College of Business Administration
2404 Maile Way • Honolulu, Hawaii 96822
Telephone: (808) 956-6286

October 12, 1990

The Honorable Peter Tali Coleman
Governor
Territory of American Samoa and
President, Pacific Basin Development Council
Office of the Governor
Pago Pago, AS 96799

FAX: (684) 633-2269

Subject: Pacific Basin Development Council (PBDC) Meeting

Dear Governor Coleman:

I would like to ask you to consider placing me on the Pacific Basin Development Council agenda (in order to speak to the board) at the proposed meeting to be held November 15-17.

In mid-August, I called the PBDC office to inquire as to when the next meeting would be held. On August 31, Jerry Norris responded that although the dates were not formally set, it would appear to be November 15-17. In response to my request to speak to the Board, he replied via fax, "The agenda appears to be tight at this point as there will be meetings with at least one other regional organization."

As you are aware, the Pacific Business Center Program (the "Center") is also a "regional organization." We provide management and technical assistance, utilizing University of Hawaii resources, to the Territories of American Samoa and Guam, the Commonwealth of the Northern Mariana Islands, and the State of Hawaii. In addition, we provide the same services to the remaining American Affiliated Pacific Islands (AAPI). Therefore, the Center is providing economic development assistance on a "micro level" to the entire region. This year, as in the past, the Center's staff has worked with almost 400 small businesses throughout the Pacific Island region. I use the term "micro level" for we are indeed working at the ground level, one-on-one with small businesses struggling to succeed and new businesses pursuing opportunities in private sector development and job creation. Based upon every model of which I am aware, it is small businesses in the private sector that offer the best hope for sustained and meaningful economic development for the region. The success of our clients is a source of great pride and satisfaction to us here at the Center.

THE HONORABLE PETER TALI COLEMAN
OCTOBER 12, 1990
Page 2

For the past two years I have not been invited to speak to the Board of the PBDC. This is an unhappy departure (for me) from the past. I would very much appreciate the opportunity to give to you and the other Governors a brief update on the Center's activities. In addition, I would hope to learn of your concerns, respond to any questions and receive your guidance. There are few opportunities in which the four Governors are all together, and it is not often possible to obtain your valuable input simultaneously in an open forum.

I believe you have been briefed by your Chief of Staff of the difficulties I encountered this past summer. A statement to the effect that:

"American Samoa and the Commonwealth of the Northern Marianas have expressed reservations about the program at the February 1990 meeting of the Pacific Basin Development Council in Washington, D.C., both governments indicated that they did not know what the program or its direction actually does."

was made to four key and high ranking officials here at the University. That statement was attributed, by those officials, as coming from PBDC Executive Director, Jerry Norris. Mr. Norris purportedly made the statement in response to an inquiry by Dr. Bob Kiste of the University. My quote comes from the notes of Dr. Kiste provided to the Dean of the School of Hawaiian Asian and Pacific Studies, Dr. Mark Juergensmeyer who verbally attributed them to Jerry Norris when he relayed them to the other high ranking officials in May. I spoke to your Chief of Staff about this matter on my visit to American Samoa in mid summer. He assured me that should I have problems with the Governor of American Samoa, I would hear from you personally. The doubts about the Center's effectiveness, created by Mr. Norris, placed our Program in jeopardy, extracted enormous resources from our work with clients and seriously affected staff morale.

To my mind, Jerry Norris should not let his personal differences with me interfere with the flow of information from our Center to the PBDC Board. My past participation at PBDC Board meetings has been well received, and I hope that it might continue. If we are not measuring up to the PBDC's expectations, perhaps it is because we have not had the opportunity to participate in the meetings where our program was being discussed by the Governors. It is difficult for me to believe that the Governors do not "know what we do" because I try to meet with them all several times each year when I visit their islands. I assure you that should I be invited to speak at the meeting, I will not create a scene or speak publicly against Jerry, but I would appreciate the opportunity to discuss his comments regarding our program privately with the Governors, with or without him present.

THE HONORABLE PETER TALI COLEMAN
October 12, 1990
PAGE 3

I am mailing you and the other Board members the narrative portion (without exhibits) of our recently published Five-Year Plan. Many hours were spent on this effort. I hope the Governors will review it and provide comments to me. The Plan encompasses the Center's development efforts and goals for the entire region, and the possible expansion of the program to Western Samoa and the Kingdom of Tonga as well as to other Pacific Nations. The Plan was reviewed and approved by the University of Hawaii's administration.

Lastly, I would mention our Annual Report recently published, a copy of which is being mailed today. We surveyed our clients this past year regarding the quality of service being provided by the Center. The opinions of our clients regarding our efforts with them gave us great satisfaction. The results of the survey are contained in the Annual Report. They clearly indicate that the Center is well respected, appreciated and is doing fine, professional work in the eyes of our many clients. This gives me and my staff great satisfaction for, after all, the clients are our reason for being.

I look forward to hearing from you, Governor Coleman. I am planning to attend the PBDC meeting and would welcome an invitation to address the PBDC Board. I will also address the Chamber of Commerce on November 15 and meet with our clients. I can adjust my schedule to meet with the PBDC Board. I thank you in advance for your courtesy and for your continuing support for the Pacific Business Center Program.

Sincerely,



Angela L. Williams
Director

ALW:pl
Enclosures

cc: Board Members, PBDC ✓

P.S. Just today I received, via fax, from Jerry Norris a response to my request to speak at the November meeting. Although it is dated September 21, it just arrived here this afternoon. I have responded with portions of this letter to the criteria he says I need to meet to be placed on the agenda. I look forward to seeing you all in November!

Pacific Business Center Program

FIVE YEAR DEVELOPMENT PLAN

(Revised July, 1990)

Prepared by:

**Angela L. Williams
and
John Kawamoto**

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11. Clients and Types of Assistance Provided
12. Newsletters

EXECUTIVE SUMMARY

Dr. Paul Yuen, Vice-President for Academic Affairs, requested the Director of the Pacific Business Center Program to prepare a five year development plan to enable the University to make the appropriate decisions regarding the Program. This plan has been developed to comply with the specifics of the request. Overall, the document is based upon the concept that planning is deciding in advance what to do, how to do it, when to do it, and who is to do it.

The mission of the Pacific Business Center Program is to provide direct management and technical assistance to businesses, government agencies, and community development organizations in the State of Hawaii and all of the American Affiliated Pacific Islands (AAPI). The Program accomplishes its mission by providing business consultation and by linking the resources of the University of Hawaii to the island communities within its service area. The Program takes a "circuit rider" approach to participating AAPI jurisdictions by having field business development specialists visit each participating jurisdiction four times a year.

The Program's mission is in accord with the community service aspect of the mission of the University of Hawaii and its land grant tradition. Relatedly, the University has incorporated a focus on Asia and the Pacific as a part of its strategic plan. The Program supports this emphasis.

The Program has experienced substantial growth in the past six years. In 1984 it was restricted to serving only Hawaii. Since then its service area has expanded to include all of the AAPI. Staff now number seven full-time employees and six part-time students.

Funding for the Program is derived from several sources. A primary grant of \$220,000 for fiscal year 1990-91 has been received from the Economic Development Administration of the U.S. Department of Commerce. Each of the participating AAPI jurisdictions has committed to providing matching grants of \$15,000, for a total of \$120,000. The University has provided a matching grant of \$87,840. In addition, the Program receives funds totalling \$58,000 from the Office of Territorial and International Affairs of the U.S. Department of Interior for the salaries of three graduate assistants to serve the AAPI and contract consulting services for the Republic of Palau. The Program also receives revenue from clients for specific services. These client fees are used to contract with faculty and students to provide those services.

The opportunity exists for additional funding and expansion to non-AAPI jurisdictions in the Pacific. Interest in receiving Program assistance has been expressed by leaders from Tonga and Western Samoa, as well as a government official from the Solomon Islands. Funding may be available from these jurisdictions, as well as the Asian Development Board and the Agency for International Development. However, in the short-term, a decision has been made to stabilize

operations and formalize operating procedures in response to recent Program expansion. In the long-term, it appears that further expansion of the Program is constrained only by the resources within the University.

One of the major issues which has faced the University administration is the organizational placement of the Program. Although currently placed in the College of Business Administration (CBA), other alternatives have been considered. The major alternatives include moving the Program to the School of Hawaiian, Asian and Pacific Studies or the Office of Technology Transfer and Economic Development. It is recommended that the Program remain in the CBA since this situation allows maximum access to the business resources, which are critical to the services provided by the Program.

I. MISSION

The mission of the Program is to provide direct management and technical assistance to businesses, government agencies, and community development organizations in the State of Hawaii and all of the American Affiliated Pacific Islands (AAPI). The mission is in accord with the University's public service function and its land grant tradition. The Program accomplishes its mission by providing business consultation and by linking the resources of the University of Hawaii to the island communities within its service area. The Program is a "University Center" funded substantially by the federal government, the various jurisdictions of the AAPI, and to a lesser degree by the State of Hawaii through its University. Over the next five years it is anticipated that the program may expand its service area to include more and more of the Pacific region. Such expansion will be done gradually, adding only two countries at a time and requiring minimal, funding from the State of Hawaii.

The University of Hawaii has determined to place a major focus on Asia and the Pacific as an overall strategy since the University can use its comparative advantage in this area to attain national and international prominence. According to the University's strategic plan, "The United States and the State of Hawaii will increasingly look toward the Pacific and Asian Basin for social, economic, technical, and cultural exchange signaling the University to play a larger role in assisting with these developments and opportunities."¹ In short, the University is seeking to expand its presence in the region. The Pacific Business Center Program supports this effort.

In line with the University's public service responsibility and its Asian and Pacific thrust, the Pacific Business Center Program is the University's most visible economic development outreach program directly assisting Hawaii and the American Affiliated Pacific Islands. (The AAPI consist of the Territories of Guam and American Samoa, the Commonwealth of the Northern Mariana Islands, the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau.) For almost six years the Program has provided assistance throughout the region utilizing faculty and students of the University. These activities not only benefit the various communities, but provide faculty and students with unique opportunities to apply their knowledge to real world situations.

Relatedly, the Program enables both faculty and students to learn about the AAPI firsthand. This is in consonance with the University's emphasis on international education. According to President Simone, "Our first purpose in pursuing international education is, therefore, to encourage among our students a

¹ "A Strategy for Academic Quality: 1985-95," p.7.

broad understanding of other cultures."²

In response to a request by the Acting Vice-President of Academic Affairs, Dr. Paul Yuen, the following information is provided to enable the University of Hawaii to determine the appropriate organizational placement and priority of this program within the University system. (See Appendix 1: Yuen memo)

II. ENVIRONMENT

A. Business Environment

The business environment in Hawaii is in many ways different from the overall business environment in the AAPI jurisdictions, yet in many ways similar. In Hawaii the business sector can be characterized as relatively large and complex, whereas in the AAPI it is small and developing. Yet, both Hawaii and the AAPI share similar economic problems such as their distance from major markets and limited natural resources. And both Hawaii and the AAPI are dependent upon small business for economic expansion.

In the course of a few decades Hawaii has been transformed from an economy dependent upon large-scale agriculture to one based upon tourism. Efforts are currently being made to diversify the economy by encouraging high technology businesses and others based upon knowledge and information. Many leaders in Hawaii agree that, in order to participate fully in the emerging "Pacific Age" and the global economy, Hawaii must develop a sophisticated local economy that can compete successfully with the large economies of other jurisdictions. Presumably, this desired economy will be one which is information rich, an economy in which businesses require and have the ability to access detailed information about potential customers, products, and services.

To provide a few measures of business activity, the gross state product in 1988 was about \$21 billion. In 1989 there were 3,780 incorporated businesses, an increase of 581 over the previous year. In 1986 a total of 1,071 firms began operations, whereas in 1987 that figure was 997. The failure rate of all Hawaii businesses in Hawaii was 179 in 1988, and 176 in 1988.

Historically, the economic success of Hawaii has been largely dependent upon its relationship with the United States. While this relationship can

² Simone, Albert J., "Internationalizing Higher Education: Our Common Challenge and Commitment," Proceedings for Presidents' Symposium on Internationalizing Higher Education: Asia and the Pacific Rim, June 7-9, 1989.

be expected to continue indefinitely, the various AAPI jurisdictions cannot expect their respective relationships with the United States to continue. For example, as U.S. trust territories, the FSM and RMI received large amounts of financial assistance. Now that they have become independent nations, they continue to receive economic assistance through their respective Compacts of Free Association. However, this assistance is scheduled to decrease, ultimately falling to zero when each of the Compacts expire twelve years from now.

The economies of all AAPI jurisdictions are heavily dependent upon U.S. assistance. In certain cases such as the FSM and RMI, this assistance can be expected to terminate in the future. For other AAPI jurisdictions, the future of such assistance is uncertain at best. As such, virtually all of the AAPI governments have now established economic development as their principal priority. These governments have determined that private sector development is critical now, when assistance is available. Later, such development will in all probability be very difficult, if not impossible.

As is the case with emerging nations, accurate data about businesses in most of the AAPI are not readily available.

B. Other Organizations

1. Business Development Organizations

In Hawaii a number of agencies provide various types of business assistance. The efforts of these various agencies include entrepreneurial training, business consulting, information dissemination, financing assistance, political action, and promoting specific products. These agencies include the following:

- (a) The Business Service Center is the service agency of the Chamber of Commerce. It offers a wide range of business services for Hawaii's small business community, including loan package preparation, financial analysis, and business planning.
- (b) The Small Business Administration (SBA) is an independent federal agency designed to assist, counsel, and champion American small businesses. The agency performs an advocacy role and also provides financial assistance, management counseling, and training. Sponsored by the SBA, the Service Corps of Retired Executives (SCORE), counsels approximately 35 clients per month in Honolulu.
- (c) The Small Business Development Center Program is sponsored in part by the SBA. Its small staff provides direct

management assistance and counseling to present and prospective small business owners.

- (d) The Business Action Center was established by the State Department of Business and Economic Development as a "one-stop" shop designed to streamline the permit application process for the business community.
- (e) The Honolulu Minority Business Development Center is a business resource center where ethnic minorities can receive the professional services of a national accounting firm at reduced rates.
- (f) The Alu Like Business Development Center offers classroom training, individualized assistance, and research facilities to potential, new, and expanding Hawaiian-owned businesses.
- (g) The Economic Development Corporation of Honolulu is a private, not-for-profit organization designed to attract new business and investments to Honolulu from outside Hawaii to create jobs and expand and diversify Honolulu's economic base through new business development.

In the AAPI the number of agencies providing business assistance is minimal compared to Hawaii. Many jurisdictions have designated a particular government agency to be responsible for encouraging economic development. In addition, the SBA is operational in certain areas, and chambers of commerce have also been established in certain areas.

2. Organizations with a Pacific Focus

Just as there are both public and private sector business development agencies, there are also many public and private sector organizations having a Pacific focus. The various scopes of these organizations include academics, technology, economics, and goodwill. Some of these organizations are the following:

- (a) The School of Hawaiian, Asian and Pacific Studies (SHAPS) at the University of Hawaii incorporates ten centers, such as those for Buddhist Studies, Chinese Studies, and Hawaiian Studies. Designed to enhance the international and intercultural dimension of the university curriculum, SHAPS offers both undergraduate and graduate degrees.
- (b) The Pacific Islands Development Program (PIDP) engages in cooperative research, education, and training to help meet

the special development needs of the Pacific islands region. PIDP is supported by the East-West Center and grants from a number of participating governments.

- (c) The Pacific Studies Program at Hawaii Loa College is an undergraduate program designed to give students an appreciation of the Pacific region and to develop the skills and knowledge for success in Pacific-related careers.
- (d) The Pacific Basin Development Council (PBDC) is a non-profit organization that addresses and articulates the economic and social development concerns of its member Pacific jurisdictions. PBDC assesses economic and social development needs, engages in related research, disseminates information, and promotes cooperation among relevant entities.
- (e) The Micronesia Institute is a private organization designed as a resource to the peoples of Micronesia to promote their long-term well-being. Programs range from medical and humanitarian relief to business education and programs for students.

III. BACKGROUND

While universities have compiled impressive records over the centuries, in recent history it has been recognized that the great universities can no longer remain in ivory tower aloofness from people and public life. Their wealth of talent, accumulated knowledge, and resources must be brought to bear on the rising number and complexity of problems.

State land grant institutions have long recognized their responsibility for community service, including advancing the economic development of their respective states and the nation, along with instruction and research objectives. In this regard, the University of Hawaii was originally established as a land grant college under the umbrella of the Morrill Act of the Federal Congress.

When the college was later elevated to a university, Act 203, Session Laws of Hawaii, 1919, stated, "The purposes of the University are to give thorough instruction and conduct research in, and disseminate knowledge of agriculture, mechanic arts, mathematical, physical, natural, economic, political and social sciences; literature; history; philosophy; and such other branches of advanced learning as the Board of Regents may from time to time prescribe . . ." (emphasis added)

A community service role for the University of Hawaii has existed from its start. The agricultural extension service is probably the best known of the "information dissemination" function programs. However, since the University's beginnings, society has experienced many changes, and the University is challenged to evolve to remain relevant in the modern world.

In recent years there has been widespread recognition that the future prosperity of any society is dependent upon appropriate forms of economic development. While economic development alone is not sufficient, it is necessary to ensure prosperity.

In the mid 1960's, the Economic Development Administration (EDA) of the U.S. Department of Commerce, created the University Center Program to encourage the States to utilize the vast resources within their universities to assist in economic development, specifically the creation of jobs. Today there are over 60 University Centers in the United States that continue to receive funding from the EDA. However, Centers have always been "expected to attain a level of self-sufficiency which would permit EDA to withdraw its resources."³ According to EDA Program Guidelines:

"Universities sponsoring Centers are to be committed to their success. They are to use the Centers as vehicles through which university policies and programs in the area of economic development are given tangible expression, and through which the resources of the University are linked to other public and private resources to promote economic development. They should provide strong financial support of the Center. The Center should be allowed to conduct its operations as a semi-autonomous agent of the University, free of unnecessary, bureaucratic constraints. The Center director should be accountable directly to a high-ranking official of the University for the Center's performance."⁴

The University of Hawaii received its initial University Center grant from the EDA in July, 1979. During the first two years the University of Hawaii struggled to develop a practical program of outreach to business and community development organizations. For the next two years the Program was coordinated by Jerry B. Norris, the Executive Director of the Pacific Basin Development Council (PBDC), who used the federal funds to conduct studies. The PBDC is a regional economic development organization composed of the Governors of Hawaii, American Samoa, and Guam, and the Northern Marianas. However, in 1983 the EDA determined that the Program was "renegade" and decided to

³ EDA Program Guidelines.

⁴ Ibid.

terminate the grant to the State of Hawaii unless it hired staff and reoriented the program to conform to the guidelines for University Centers. During the fall of 1983, the College of Business Administration prepared a grant proposal to the EDA to resolve the inconsistencies and redesign the Program to fit EDA guidelines.

In 1984, the College of Business Administration hired a full-time director, Ms. Angela Williams. In consultation with regional EDA staff in Seattle, the new Director began operations by first serving the people within walking distance of the University, then slowly expanding the Program within the State of Hawaii. During 1984 and 1985, the Program concentrated 100% of its effort on serving clients in the State of Hawaii.

In 1985, the governors of the PBDC requested the Program director to consider expanding the Program's activities to their geographic areas. PBDC funded one exploratory trip to each of the American Flag Pacific Islands (AFPI, consisting of Guam, American Samoa, and the Northern Mariana Islands) for Ms. Williams to meet with economic development leaders. She also traveled to Washington, D.C., to request matching funds to enable the program to expand to the American Flag Pacific Islands. Initially, EDA was unwilling to provide for the additional staff, travel, and communications expenses the Program would incur in its outreach efforts. However, in 1986, Ms. Williams succeeded in securing funding from EDA. Along with \$12,500 matching funds each from American Samoa, Guam, and the Northern Marianas, the increased federal funding enabled the Program to hire an additional business development specialist. Hawaii's cash contribution to the program via the College of Business at this time was less than \$15,000.

In January 1986, President Reagan signed the Compact of Free Association with the Federated States of Micronesia, thereby enabling the programs of the EDA to be made available there. Later that year, the Republic of the Marshall Islands also became a "freely associated" state. During the 1987 grant year, under the direction of Dean David Bess, and with funds provided from the College of Business Administration, the Program explored the feasibility of expanding its services to each of these nations.

These efforts proved worthwhile, for on April 1, 1988, the Program made its programs available to the Republic of the Marshall Islands and the States of Yap, Chuuk (formerly Truk), Kosrae, and Pohnpei of the Federated States of Micronesia. The Republic of the Marshall Islands and all four of the Federated States of Micronesia contributed \$15,000 each to match equal supplemental funding from EDA, thereby enabling the Program to expand its program. The Program hired two additional field representatives, each taking responsibility for three island jurisdictions, traveling to theirs quarterly, and spending at least five days in each location.

In 1989, under a contract from the Office of Territorial and International Affairs (OTIA), U.S. Department of Interior, the Program offered for the first time its

services to the Republic of Palau (Palau) thus making the Program services available in all of the American Affiliated Pacific Islands. To serve Palau, the Program hired a consultant from the College of Business Administration on a half time basis who has made four trips to Palau.

As early as the fall of 1987 the University administration expressed its intent to institutionalize the Program by requesting additional positions from the Legislature for the newly formed Office of Technology Transfer and Economic Development (OTTED), and then allocating three of the permanent positions to the Program. Although the State Legislature created eight positions for OTTED, the transfer of the positions from OTTED to the College of Business Administration (CBA) was denied by the Senate Committee for Higher Education. All Program positions continue to be classified as temporary. To maintain the Program during 1989-90, the OTTED transferred \$54,000 to the Program. The CBA provided an additional \$26,277, for a total of \$87,840. For the 1990-91 fiscal year (April 1, 1990 to March 31, 1991), the University President has committed \$87,840 as a match to the EDA grant of \$220,000.

The Program has experienced significant growth over the six year 1983-89 period, graphically indicated in Appendix 2.

IV. PROGRAM OBJECTIVES

Without clear objectives, managing is haphazard and random. The Program has had, since its inception, very clear objectives. They are listed in every grant proposal submitted by the University to the EDA, and these objectives have become the basis for refunding from year to year.

Program objectives for the State of Hawaii, the American Flag Pacific Islands, and the Freely Associated States have always been very similar in nature since all of these regions face similar problems and opportunities. In the past, because the Program had three separate grants which were submitted at different times and authored by different staff, some slight differences existed. Those used in 1989-90 are in Appendix 3.

However, the grant proposal for the 1990-91 fiscal year consolidated the three separate grants, and at the same time set forth one set of program objectives for all areas served. These objectives are in line with the goals of all University Centers which are to encourage the utilization of the vast resources within their universities to assist in economic development, specifically the creation of jobs.

- Facilitate the utilization of the faculty, staff and graduate student resources of the University of Hawaii to provide general management and technical assistance to private and public sector clients.

- Provide direct scientific, technical, and management assistance to new and existing businesses to assist them in dealing with problems that limit their growth or threaten their survival.
- Stimulate the diversification of local economies within the service area by assisting private business in their efforts to rationalize their operations and take advantage of opportunities for growth and expansion.
- Support and encourage the industry development programs of the governments of the political jurisdictions within the service area.
- Provide individual business people and community development representatives the opportunity to meet with and contract for assistance from specialized consultants from the University of Hawaii and to gain access to its unique equipment and facilities.
- Facilitate new business starts and expansions by evaluating proposals, conducting feasibility studies and locational and marketing analyses, assisting clients to develop business plans, and assuring effective implementation of such plans by maintaining ongoing relationships with client firms.
- Provide business assistance to women entrepreneurs striving to assure that at least 20 percent of the Program's clients are women business owners and managers.
- Serve as a resource, if called upon, to assist with the review of federally funded projects in the service area and provide evaluation of the feasibility of EDA projects.
- Provide faculty and graduate students with opportunities for conducting applied research in various organizational and locational settings.

V. RESOURCES

A. Financial Resources

The Program consolidates its outreach services to Hawaii and to the AAPI in a singular program of business assistance. This is an efficient use of resources because knowledge relevant to one area is easily transferable to all service areas. As islands in the Pacific, Hawaii and the AAPI share similar problems which impact upon economic development. Furthermore, many of the situations faced by businesses in Hawaii and the AAPI are similar. For example, small business is the key to economic development both in Hawaii and the AAPI since, overall, small business rather than big business is responsible for current economic expansion and job creation. The financing and management problems encountered by small businesses

in Hawaii are not much different from those in the AAPI. Finally, Program staff know the faculty, their areas of expertise, and their particular skills and interests. This knowledge is directly transferable from one service area to another.

In addition to a conceptual management rationale for retaining both Hawaii and AAPI components together in the same program, there is a more practical funding reason. In brief, should the Hawaii component be separated from the AAPI component, the current level of federal funding would be at risk. Funding would be jeopardized because of EDA's stated policy of reducing funding except in extreme cases.

EDA funding of Hawaii services at the present level exists only because the Program serves the AAPI. Without this component, such funding would be reduced or eliminated. According to the Federal Register:

"EDA's policy is to provide basic support of \$100,000, annually, for five years and \$50,000, annually, for the sixth and seventh years. No basic funds are provided after the seventh year of EDA support. For centers initiated prior to FY 1982 (October 1, 1981). EDA's funding will be reduced in FY's 1988, 1989, and 1990 by 20, 40, and 50 percent, respectively, from the FY 1987 funding level. No funding will be provided in FY 1991. Exceptions to these policies may be made in unusual circumstances, such as when no other qualified institution exists to provide services to an area with extreme economic distress." (emphasis added)

Hawaii's Program was first funded in 1979, and is now eleven years old. Hawaii's Program is the exception to reduced funding only because of the "extreme economic distress" faced by the AAPI. The State of Hawaii's extraordinarily low unemployment is a major factor. Unless the Program continues to serve the other Pacific Islands, the University will not be eligible for any EDA funding. Therefore, it could be argued that all of the EDA funding should be allocated for support of the AAPI.

To provide an overview of funding, in fiscal year 1990-91 the EDA provides a grant of \$220,000 for the operations of the Program. Each of the participating eight AAPI jurisdictions provides a matching grant of \$15,000, for a total of \$120,000. The University also provides a matching grant, in the sum of \$87,840. For a graphic overview of how grant money

⁵ Federal Register, Page 1448 attached as Appendix 4.

was allocated in 1989-90 see the pie chart in Appendix 5.

The Program also receives revenue from clients through contracts to provide specific services. In turn, faculty or students are contracted by the Program to provide the desired services to the clients. Most of the contracts range from \$500 to \$3,000.

The Program also has a contract with the Office of Territorial and International Affairs (OTIA) of the U.S. Department of Interior. Through this \$58,000 contract, consulting services are provided to Palau and graduate students are hired to serve the AAPI jurisdictions. (OTIA funds are not available for Hawaii.) Of the total, \$22,500 is designated for hiring up to four students, and the remainder is designated for a consultant to be contracted to serve Palau and related expenses.

It should be noted that, under the current funding pattern, University funds are considerably leveraged. The Program is able to attract from external grant sources alone about four times the amount that the University provides for Program operations.

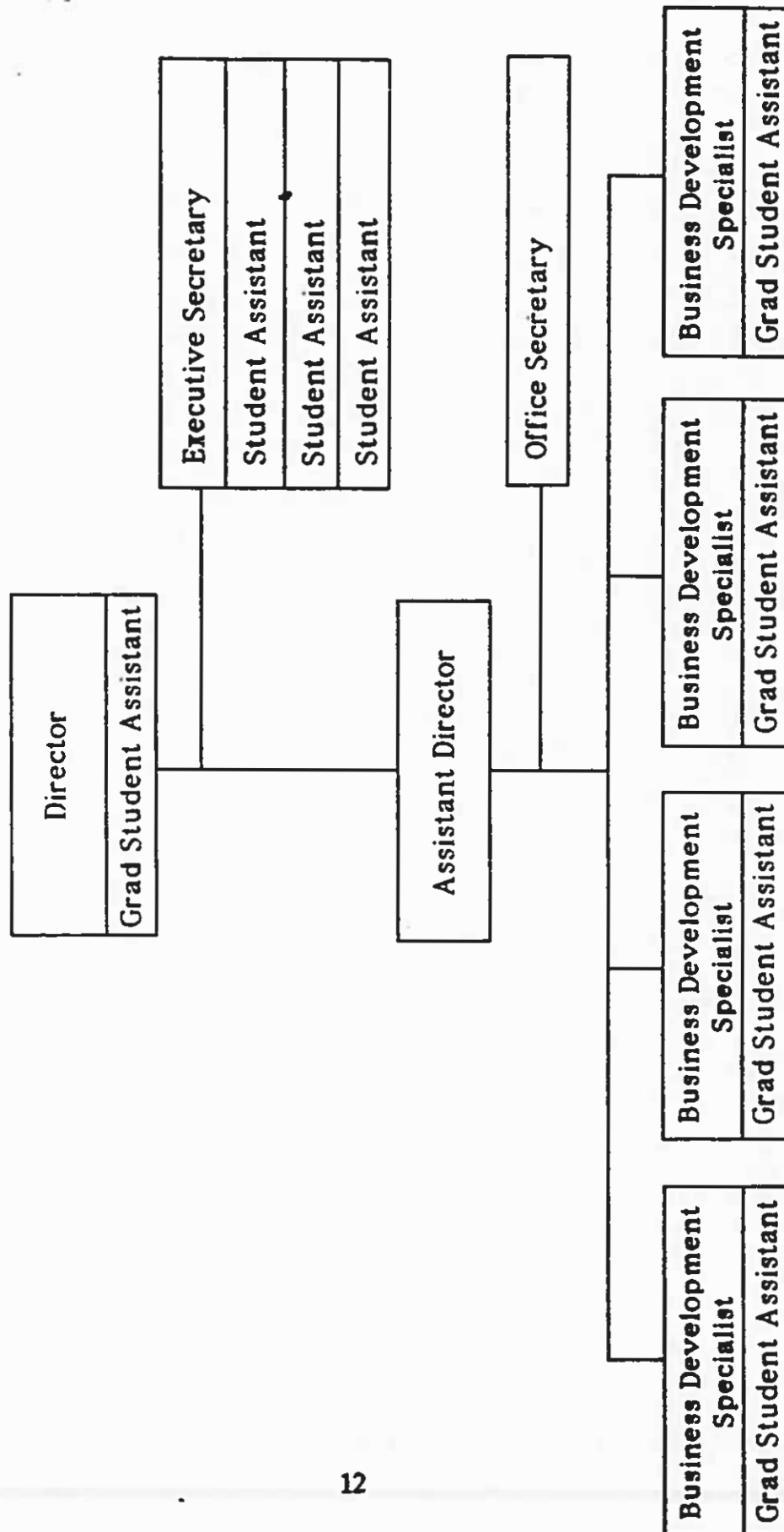
B. Program Staff Resources and Their Activities

The Program uses its resources by taking a "circuit rider" approach to providing Program services, visiting each political jurisdiction it serves at least four times a year to work with local business owners, managers and government officials for a week or more at a time. The field business development specialists (see Appendix 6: Descriptions of Staff) work out of offices provided by the local governments but perform much of the actual work in the business offices and on project sites of the clients. These "circuit-riders" are provided with a portable computer and printer to aid them in accomplishing their tasks and to allow them to work interactively with clients on business and financial planning and other tasks.

Field business development specialists are selected primarily upon the basis of their knowledge of and familiarity with Pacific island cultures. Their ability to establish good working relationships with clients is critical to the success of the Program. Also important is a knowledge of how businesses operate, along with business skills and techniques.

The Program director (see Appendix 6: Descriptions of Staff) and staff concentrate on ensuring that the resources of the Program are equitably allocated as intended by the several funding sources. Although it is virtually impossible to be precise in this matter, the director attempts to allocate her time as follows: 50% to administrative duties, 10% to Hawaii, and 5% to each of the eight AAPI jurisdictions. The assistant director's time is allocated as follows: 50% to administrative duties, 40% to Hawaii clients, and a total of 10% to clients in the AAPI.

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One field representative's time is allocated as follows: 40% to Hawaii, and 30% to each of two AAPI jurisdictions. The other two field representatives' time is allocated as follows: 30% to each of three AAPI jurisdictions and 10% to Hawaii clients or editing the newsletter. The time for the consultant hired with OTIA funding for Palau is allocated 100% to Palau. Two full-time clerical employees' time is allocated to each jurisdiction in proportion to the cumulative totals of the professional staff. The program also utilizes graduate students for research assistance and undergraduate students for clerical assistance. See the following page for the Program's organizational chart. (See Appendix 7 for a graphic description of how the staff resources of the Program are allocated.)

C. Student and Faculty Resources and Their Activities

One of the greatest contributions the Program makes is to the students of the University. The Program has given them the opportunity to gain practical real-world experience prior to their graduation. More than half the Program's projects have been completed by students. Several graduate MBA students have remarked that their real learning took place while working for the Program on such projects as business plans, market research, and feasibility analysis. Likewise professors benefit greatly - not only from learning more about the Pacific, but because so many of the Program's projects require teams from different academic units, collegiality is greatly enhanced.

For purposes of clarification, several vignettes describing the involvement of faculty and students in Program projects are provided.

A construction company in the CNMI wanted to have a brochure developed that was different, new and fresh in appearance. The Program contracted a Master of Fine Arts student, Kelley Hestir, who was sent to Saipan to design and execute the brochure. The company paid her way, and she completed the project alone, including photography, layout, design, and narrative. The client was very satisfied with the final product. The student learned about Micronesia firsthand and earned some money to pay for her continuing education.

In 1987 when Hurricane Tusi struck the small American Samoa island of Manu'a, the Lt. Governor's Office in Hawaii volunteered University faculty to provide technical assistance without pay. The Center Director, knowing the extensive scope of work, initiated a Sudden and Severe Economic Distress Grant application to the Economic Development Administration. The grant enabled students and professors from the University to have their air fare, per diem, and modest wages paid for their trips. Three architectural students and one marine biology student were contracted for the project. The architecture students prepared all of the site plans for the reconstruction of the homes in a timely manner. The marine biology

student was able to survey the damage to the reefs and fisheries and provide assistance to the American Samoa Office of Marine and Wildlife Resources. Because the hurricane had virtually wiped out the island, these students were forced to sleep on the beaches with the islanders, who fed and cared for them. Students benefitted by having a unique opportunity to learn about the Samoan culture and use the technical skills they learned at the University.

Gilbert Kohnke, and MBA student, travelled to Kauai to help client Susan Wilson prepare the financial statements for a business plan. She wanted to start a small restaurant in the old former Hanalei School building, which was being renovated. He stayed in her guest house free of charge. She rented a car for him and paid him a small fee. The student worked 10 hours a day on his computer and enjoyed his first trip to Kauai. The client was exceptionally pleased with his performance.

In Yap, Waab Transportation Company General Manager, Bill Acker, needed a new computer system because his business had far outgrown existing computer system. He requested that the Center conduct a needs analysis and design the appropriate software for his stevedoring business. The Center contracted a computer instructor from the Community College system, Karen Wilson, who stayed on site for several weeks. Although she was not able to solve all of his problems, she learned about the real world problems of designing a management information system. She also learned about the Yapese culture in the process.

The Yap Legislature asked for assistance on a number of projects including the inventorying of Yap's sea shells to evaluate the potential of a shell trade for Yap. Professor Allison Kay of U.H. Department of Zoology and her student assistant, Thomas L. Smaley, traveled to Yap and stayed for several weeks. During that period they identified 500 kinds of shells, which is low compared to other areas of the Pacific. They recommended against the export of shells, and recommended conservation of the reef. As a result, Yap decided not to begin a shell trade and to maintain its shell resources. Professor Kay was credited with the very first inventory of the shells of Yap and completed a published research paper on the subject.

The Government of Kosrae requested assistance in the design of label for a product it was producing in its newly built fish processing plant. In the process of reviewing the requirements for the label, there were indications that the product was not being processed correctly. It was feared that consumption of the product might result in food poisoning. After examining the product, Dr. Wayne Iwaoka of the UH flew to Kosrae, and reviewed the processing operations. Fish processing was terminated because of the discovery of contamination by harmful bacteria.

VI. PROGRAM STRATEGY

Without a strategy, any organization is like a ship without a rudder. Most business failures are due to a lack of strategy, an inappropriate strategy, or the unsuccessful implementation of a reasonably good strategy. A deliberate program of planned growth is proposed herein to take advantage of opportunities which are available.

While an overall plan for growth is proposed, in the short-term the Program staff decided at a retreat in January, 1990, not to expand its geographic area during the 1990-91 fiscal year. This strategy was chosen so that the Program, which has grown rapidly over the past six years, could concentrate on establishing itself within the University system and improve its internal operations. Program goals were identified as follows:

A. Short Term "No Growth" Strategy (1990-91)

- (1) Create a sense of permanence for the Program and reduce uncertainty about its continuation by securing a firm budgetary commitment from the University to provide base funding for the Program. Ideally, this would include the creation of three permanent positions, specifically those of Director, Assistant Director, and Secretary, to assure that administrative and clerical functions will be maintained. With assured funding, the Program would be allowed to shift its focus from that of maintenance to one of expansion to other Pacific Island nations by seeking funding from external sources. (see Appendix 8: Program Change Request)
- (2) Formalize operating procedures appropriate for the expanded Program, focusing on systematizing work flow among staff. The Assistant Director will finalize a policies and procedures manual.
- (3) Provide ongoing staff development for professional growth. Individual staff will be encouraged to take classes to develop specialized skills.
- (4) Establish closer relationships with, and seek the advice of, the Pacific Island Leaders whose jurisdictions are served by the Program. In accordance with EDA guidelines, efforts are currently being made to create this board.
- (5) Establish closer relationships with schools, colleges programs, and other units within the University such as the School of Hawaiian, Asian, and Pacific Studies (SHAPS), the Office of Technology Transfer and Economic Development (OTTED), and the Pacific Islands Development Program. Attempts will be made to establish an intra-University advisory board for the Program.

- (6) Accommodate two more staff members of the Small Business Development Center (a Satellite Center Director and a Secretary) as previously proposed and approved by the CBA and the Small Business Administration in 1989. They are scheduled to start September, 1990. (See Section VIII for more information.)

B. Mid-Term "Growth" Strategy (1991-95)

- (1) The major growth strategy of the Program's Director is to expand its service area to include the non-American Affiliated Pacific Islands. The Program Director has met with and corresponded with leaders from South Pacific island nations, eleemosynary organizations, and several economic development agencies, including the Asian Development Board (ADB) and the Agency for International Development. Discussions with ADB and leadership from the Kingdom of Tonga and Western Samoa indicate the Program may be invited during the summer of 1990 to extend its services to these nations during 1991-1994. Funding for this expansion might come from the ADB without any financial requirement from the University other than a waiver of its overhead. Other non-AAPI jurisdictions have also inquired about possible PBCP assistance (see Appendix 9: Letters of Inquiry).
- (2) Create and fund the three permanent positions described in VLA.1 above.
- (3) Increase program staff to provide more comprehensive service to each of the jurisdictions. Currently, three field representatives must each serve three jurisdictions. However, needs in these areas far outweigh the capacity of the field representatives to provide services. Increasing staff by two persons would allow each of the field representatives to serve two AAPI jurisdictions and one field representative to serve Hawaii alone. This expansion would have to be funded by the islands themselves unless other funds at a rate of about \$50,000 annually per additional field representative (for salary and fringe benefits for the field representative, wages for their graduate assistant, and other related expenses such as those for office supplies and long-distance telephone calls) were to be made available in response to the Governor's and Legislature's or the University's Pacific initiative.
- (4) Expand the Program to include management and technical services to the Soviet Union. This is a long-term goal which may be attainable in 1993 or 1994. Recognizing that the conditions in that country are still uncertain at this time, recent events in the Soviet Union indicate that an uncommon opportunity for the University may become available in the near future. In this regard, Dr. Fujio

Matsuda, RCUH Director, and State Senator Anthony Chang have encouraged the Program Director to seek opportunities to assist the Soviet Union, especially its far eastern region bordering the Pacific Ocean. Relatedly, President Simone recognized potential opportunities when he asserted, "We must remember also the vast changes that have taken place in the Soviet Union...[T]hose of us in the world's universities can provide tremendous expertise and leadership."⁶ And President George Bush said, "What we are seeing now in the Soviet Union is indeed, dramatic. The process is still ongoing, unfinished. But make no mistake, our policy is to seize every opportunity to build a better relationship with the Soviet Union."⁷

The recognition of opportunities is a critical dimension of strategic planning. Should the Program expand its service area, it will need one field representative with support staff for every two service areas. The additional budget for salaries, fringe benefits, and travel might unfold as follows (increases not shown for salary increases and inflation):

ADDITIONAL BUDGET:	<u>1991</u>	<u>1992</u>	<u>1993</u>
Field Representative @\$60,000	\$60,000	\$120,000	\$180,000
(including fringe and travel)			
Graduate Assistant @\$10,000	<u>\$10,000</u>	<u>\$ 20,000</u>	<u>\$ 30,000</u>
	<u>\$70,000</u>	<u>\$140,000</u>	<u>\$210,000</u>

C. Long Term

In the long-term, expansion of the Program is constrained only by the resources within the University system which are available for use by potential clients. However, as a University program, the future of the Program is determined by University administration, the Board of Regents, and the State Legislature.

⁶ Dr. Albert J. Simone, "Internationalizing Higher Education: Our Common Challenge and Commitment," Proceedings for Presidents' Symposium on Internationalizing Higher Education: Asia and the Pacific Rim, June 7-9, 1989.

⁷ President George Bush, Surviving Together, Spring 1990, page 6.

VII. TOTAL PROJECTED BUDGET 1990-1995

Budgeting is the formulation of plans in numerical terms for a given future period, in this case 1990 to 1995. The following pages of spreadsheets present estimated budgets over the next five years in absolute dollars and proportion of total budget. Please note that the budget for 1990-91 shows a University of Hawaii contribution of \$101,949 rather than the \$87,000 already committed by Dr. Simone. This discrepancy exists because the Program hopes the President will reconsider, as he indicated he might, and provide additional University funds to enable the staff to receive a 5.6% raise. EDA funding cannot be increased, and a request to increase AAPI funding will be made for the 1991-92 fiscal year. The last raises were awarded April 1, 1989. Staff moral is affected by the prospect of no raises when all other University staff did recently receive raises.

FIVE YEAR ANNUAL BUDGET PROJECTIONS

ESTIMATED 1990 - 1991 BUDGET

	RDA	AAPI ISLANDS	UH STATE GEN. FUND	CLIENTS FEES*	OTHER SOURCES	ALL SOURCES
PERSONNEL	146,700	92,000	11,935	0	21,870	272,505
FRINGE BENEFITS	26,716	16,754	2,174	0	0	45,644
TRAVEL	0	0	74,000	20,000	11,193	105,193
SUPPLIES	0	0	6,400	0	360	6,760
CONSULTANTS	0	0	0	130,000	21,360	151,360
OTHER (TEL/POSTAGE/PRINTING)	2,584	2,357	7,440	0	1,167	13,548
TOTAL DIRECT	176,000	111,111	101,949	150,000	55,950	595,010
INDIRECT	44,000	8,889	0	0	2,798	55,687
COLUMN TOTAL	220,000	120,000	101,949	150,000	58,748	650,697
PERCENT OF TOTAL	33.81%	18.44%	15.67%	23.05%	9.30%	

- Clients fees are received from clients and are paid to faculty and students contracted for specific projects, and are therefore not available for anything else.

ESTIMATED 1991 - 1992 BUDGET

	RDA	AAPI ISLANDS	UN STATE GEN. FUND	CLIENTS FEES*	OTHER SOURCES	ALL SOURCES
PERSONNEL	146,700	101,430	19,637	0	92,964	360,731
FRINGE BENEFITS	26,716	17,700	3,577	0	0	47,993
TRAVEL	0	0	77,700	22,000	11,753	111,453
SUPPLIES	0	0	6,784	0	378	7,162
CONSULTANTS	0	0	0	143,000	22,428	165,428
OTHER (TEL/POSTAGE/PRINTING)	2,384	6,976	3,620	0	1,225	14,225
TOTAL DIRECT	176,000	125,926	111,318	165,000	128,748	706,992
INDIRECT	44,000	10,074	0	0	2,938	57,012
COLUMN TOTAL	220,000	136,000	111,318	165,000	131,686	764,004
PERCENT OF TOTAL	28.80%	17.80%	14.57%	21.60%	17.24%	

* Clients fees are received from clients and are paid to faculty and students contracted for specific projects, and are therefore not available for anything else.

ESTIMATED 1992 - 1993 BUDGET

	BDA	AAPI ISLANDS	UH STATE GEN. FUND	CLIENTS FEES*	OTHER SOURCES	ALL SOURCES
PERSONNEL	66,697	101,430	140,028	0	164,112	472,267
FRINGE BENEFITS	12,208	17,700	25,485	0	0	55,393
TRAVEL	81,585	0	0	24,200	12,340	118,125
SUPPLIES	7,123	0	0	0	397	7,520
CONSULTANTS	0	0	0	157,300	23,549	180,849
OTHER (TEL/POSTAGE/PRINTING)	8,387	6,796	0	0	1,287	16,470
TOTAL DIRECT	176,000	125,926	165,513	181,300	201,682	850,624
INDIRECT	44,000	10,074	0	0	3,083	57,159
COLUMN TOTAL	220,000	136,000	165,513	181,300	204,770	907,783
PERCENT OF TOTAL	24.23%	14.98%	18.23%	19.99%	22.56%	

- * Clients fees are received from clients and are paid to faculty and students contracted for specific projects, and are therefore not available for anything else.

ESTIMATED 1993 - 1994 BUDGET

	BDA	AAPI ISLANDS	UH STATE GEN. FUND	CLIENTS FEES*	OTHER SOURCES	ALL SOURCES
PERSONNEL	66,697	111,826	143,689	0	235,317	557,529
FRINGE BENEFITS	12,208	20,365	25,340	0	0	57,913
TRAVEL	81,585	1,393	2,686	26,600	12,957	125,221
SUPPLIES	7,123	360	0	0	417	7,900
CONSULTANTS	0	0	0	173,000	24,727	197,727
OTHER (TEL/POSTAGE/PRINTING)	8,387	6,796	0	0	1,351	16,534
TOTAL DIRECT	176,000	140,740	171,715	199,600	274,769	962,824
INDIRECT	44,000	11,260	0	0	3,239	58,499
COLUMN TOTAL	220,000	152,000	171,715	199,600	278,008	1,021,323
PERCENT OF TOTAL	21.54%	14.88%	16.81%	19.54%	27.22%	

* Clients fees are received from clients and are paid to faculty and students contracted for specific projects, and are therefore not available for anything else.

ESTIMATED 1994 - 1995 BUDGET

	RDA	AAPI ISLANDS	UN STATE GEN. FUND	CLIENTS FEES*	OTHER SOURCES	ALL SOURCES
PERSONNEL	66,697	117,417	152,858	0	306,583	643,555
FRINGE BENEFITS	12,208	21,383	26,878	0	0	60,469
TRAVEL	81,585	2,192	6,170	29,250	13,605	132,802
SUPPLIES	7,123	360	374	0	438	8,295
CONSULTANTS	0	0	0	190,000	25,963	215,963
OTHER (TEL/POSTAGE/PRINTING)	8,387	6,796	759	0	1,418	17,360
TOTAL DIRECT	176,000	148,148	187,039	219,250	348,007	1,078,444
INDIRECT	44,000	11,822	0	0	3,401	59,223
COLUMN TOTAL	220,000	160,000	187,039	219,250	351,408	1,137,697
PERCENT OF TOTAL	19.34%	14.06%	16.44%	19.27%	30.89%	

- Clients fees are received from clients and are paid to faculty and students contracted for specific projects, and are therefore not available for anything else.

VIII. SMALL BUSINESS DEVELOPMENT CENTER (SBDC)

This section is provided in accordance with Dr. Yuen's request, which specified that the development plan include information about the relationship between the SBDC and the Program. The Program Director has worked for the past six years with the Small Business Administration to ensure that the University of Hawaii secured federal funding for the SBDC. Although in most states the SBDC and the University Center Program are housed together, encouragement from Senator Daniel Inouye and Chancellor Kormondy of University of Hawaii at Hilo resulted in it being placed at the Hilo campus. Satellite Centers are, however, to be placed on each of the major islands, with the Oahu Satellite Center placed in CBA under the supervision of the Program director. (See the organizational chart on page 12 and Appendix 10 -- the portion of the SBDC proposal which describes how the SBDC will interface with the Program.) At this time, the College of Business Administration is arranging for space for the Satellite Center Director and secretary on the 4th floor of A tower.

The Program director has met with the SBDC statewide director in Hilo to share knowledge and resources to ensure the success of the Oahu Satellite Center. Although the names of the "Small Business Development Center" and the "Pacific Business Center Program" are similar and they both assist businesses, their activities are different in that University Centers (the Program is one) are required to utilize the resources of the University, while the SBDC primarily uses its own staff and only rarely uses outside consultants who are university related, i.e. either faculty or students. The SBDC provides only minimal federal funds for consultants, a total of \$16,000 for the entire state for the entire year.

SBDC's are not permitted to charge for their work so the Satellite Center Director will be providing almost all of the assistance directly. The Satellite Center Director will be assisted by the resources of the Program to ensure Hawaii clients are well served. One of the main reasons the Statewide Center was placed in Hilo was that Oahu was well served by the Program. Therefore, to make the Program a "strictly Pacific Island Program" as some have suggested, to the neglect of Oahu and the rest of Hawaii would leave Oahu, the home of 75% of the State's businesses less than "well served."

Housing the SBDC Oahu satellite office next to the offices of the Program will enable each to complement the other. State of Hawaii clients will have increased access to free consulting services, thereby releasing the Program staff to do their primary job, that of linking university resources to solve problems. Highly technical work will continue to be conducted by faculty contracted by the Program.

It appears that the University community is responsible to resolve the issue of how the SBDC Oahu satellite office and the Program will interface in the future. It should be noted that the SBDC in Hawaii was funded on the condition that it not replace an existing organization that already provides a similar service.

Additionally, SBDC's are supposed to be located where the largest number of businesses in the State can access them.

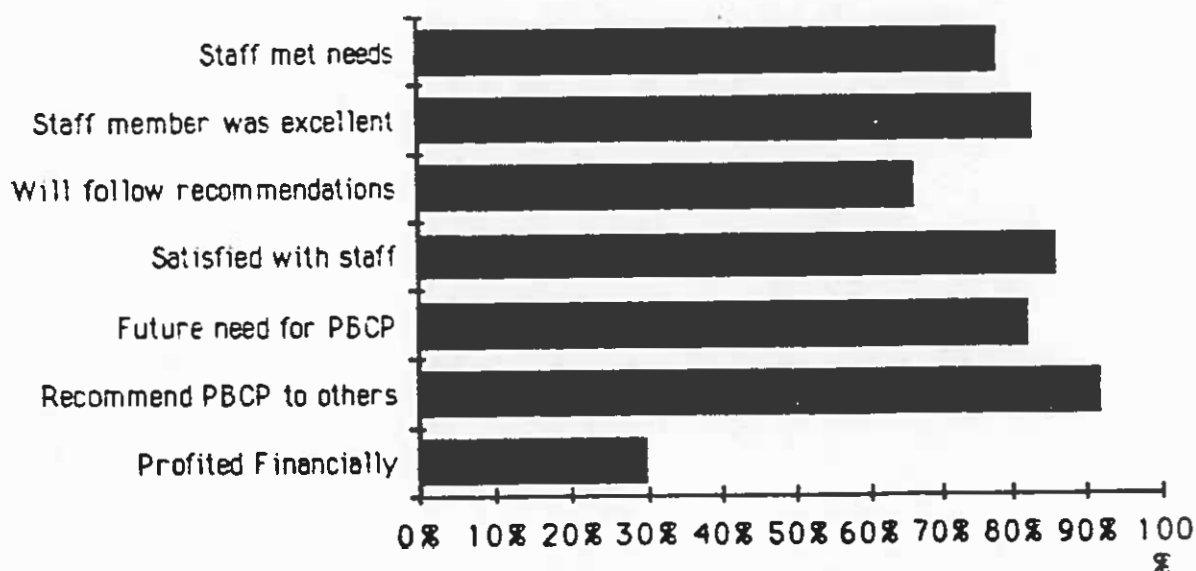
IX. PROGRAM EVALUATION

The evaluation of any economic development program is problematic. This is a situation not unique to Hawaii, but faced by anyone attempting to encourage economic development. The impacts of any economic development program cannot be measured using purely scientific methodology because it is impossible to maintain for comparison both a control and an experimental situation. In short, while reason and judgement may be applied to determining the effects of an economic development program, there will always be room for some uncertainty.

The Program has always stressed service to its clients since its primary function is to provide assistance to businesses and community development agencies. In this regard, for the past three years, a survey of clients has been done.

In April, 1990, a questionnaire was distributed to 356 active clients in Hawaii and the AAPI. The responses received from 167 clients (46% response rate) have been reviewed and summarized to determine how they felt about the services and assistance they received. More than three-fourths (78%) of the respondents agreed that the staff person with whom they worked met their needs, and 86% were satisfied with the staff and the work done for them. In fact, 83% of the clients felt that the staff had done an excellent job in assisting them. The

PERCENT OF CLIENTS WHO AGREE WITH STATEMENT



recommendations presented to these clients were well received, as two-thirds of the group agreed that they would follow these recommendations. Additionally, about one-third of the respondents anticipate financial profit resulting from the assistance received. A large number of clients (82%) expect a future need for Program services, and 92% would recommend Program services to others.

Services to clients ranged from business consultation by field business development specialists to the economic evaluation of eight government projects by a team of ten different faculty funded by the Yap State Government. (See Appendix 11: Clients and Assistance Provided to Them.) In addition, many more people were served by the Program indirectly through workshops and referrals to other agencies. Last year the Program conducted three workshops with a total of over 125 attenders.

The Program also publishes a monthly newsletter which is distributed to almost 1,500 readers. The mailing list for the newsletter consists of clients, government leaders, University faculty and students, and others who request it.

The newsletter represents a public relations effort for the University of Hawaii. There are few newspapers in the region, and Program clients continually express appreciation for receiving it. It is written in a style that many islanders appreciate, and it describes opportunities for them which they would otherwise miss. For example, the newsletter recently included a one-paragraph story about the sailing cargo ship, the "Edna," owned and operated by Hawaii client Nancy Griffith. It was reported that she was looking for trade routes. Wallace Jennings, a client in American Samoa read the article and contacted her. He requested that she carry cargo between Tutuila and Manu'a, which had not received any ocean cargo in over three months. In July 1990 she began the service. Wallace Jennings stated that the newsletter has helped him and many others hear about opportunities. (See Appendix 12 for copies of six recent newsletters.)

Last year the Program attached questionnaires to the newsletter to learn more about our readership and how the newsletter is received. An overwhelming 80% of the 240 readers who responded to the questionnaire rated the monthly newsletter as "outstanding or very good." Many praised it for the news about the Pacific in general, finding about the people they know, and for providing information on the Program's activities and staff. One-third of the readership keeps the newsletter for later reference; over half pass on their copy to one or more people or display it for others to read. Very few discard it (less than 10%). Forty percent of the readers are private business people, 33% are government workers, and 21% are University faculty and staff.

X. PROGRAM LOCATION AND ADMINISTRATION OF THE PROGRAM AND ITS RELATIONSHIP TO OTHER UNIVERSITY UNITS

The Program is currently administratively placed in the CBA. Physically, it is located in seven offices on the fourth floor of "A" tower in the Business

Administration building. For the past three years, consideration has been given to moving the Program from the CBA to the School of Hawaiian, Pacific and Asian Studies or to the Office of Technology Transfer and Economic Development. Prior to making a decision, consideration should be given to the federal funding agency's guidelines.

University Center directors are mandated by EDA to report "directly to a high ranking official of the University."⁸ Ideally the Program director should report to the President or a Vice President, and the Program's matching funds should come from that office.

For comparison purposes, more than half of University Centers located in at least 60 universities across the United States are housed in Business Colleges or Schools. Of the remainder, many are placed in Agriculture Extension Offices, and some in engineering schools. It makes no difference to the Economic Development Administration as long as they are:

"...tailored to the Economic and Institutional needs and problems of the areas they serve. Among the kind of services centers may provide are: technical assistance, feasibility and other kinds of studies, training, applied research, loan packaging, etc. Among the types of clients served or individual entrepreneurs, retail, service and/or manufacturing firms, public bodies and non-profit community development organization. Centers are to establish and carry out programs which are catalytic and compliment those of other institutions engaged in promoting economic development. This is to assure that the Center's particular capabilities -- and the resources of the University -- are employed to the maximum advantages."⁹

The following are the major alternatives which have been considered for the placement of the Program.

A. Remain in the College of Business Administration

Currently, Dr. David Bess, Dean of the College of Business Administration (CBA) is the Principal Investigator for the Program. Since most of the assistance requested by clients is focused on business, placement in the CBA, both organizationally and physically, has facilitated access to

⁸ EDA Program Guidelines.

⁹ EDA Program Guidelines.

professors and students who can provide needed business expertise.

Additional advantages of housing the Program in the CBA building are that it is conveniently located on campus near other resources such as Hamilton Library and that the Program's public image as a "business" agency is enhanced. Furthermore, the office space is available and convenient. The staff members have private offices, a requirement for the confidentiality of client and counselor.

Since its inception, CBA has helped to fund the Program. However, because the Program is university-wide in its scope and draws approximately one-half of its resources from the faculty of other schools and colleges, Dean Bess has argued for several years that its University matching funds should be derived from the University as a whole rather than a particular unit.

B. Move to the School of Hawaiian, Asian and Pacific Studies

As previously mentioned, the School of Hawaiian, Asian and Pacific Studies (SHAPS) has been mentioned as an alternative location for the Program. An advantage of being located in SHAPS is the proximity to experts knowledgeable of the Pacific. SHAPS may provide opportunities to expand the services of the Program throughout the entire world, with particular emphasis on the non-American Affiliated Pacific Islands, as well as Asia, including the Soviet Union.

However, it should be noted that there is a decided disadvantage to relocating the Program to SHAPS. When informed of the possibility of the relocation, a high level government official¹⁰ in the AAPI commented that it would change the perception by those being served by the Program from a results-oriented "business" program to a research-oriented "academic" program. He noted that through the years there have been many projects in the Pacific Islands sponsored by the University of Hawaii and other postsecondary institutions, most without any observable long-term results for the subjects of the study. Many Pacific Islanders who have been involved with these projects now look upon them with a certain amount of disfavor, and even the word "studies" has come to have unsavory connotations. While the perception may not be valid, should the Program be relocated to SHAPS, it could be victimized by this perception.

It should also be noted that, while the Program emphasizes a Pacific island orientation, the requests for assistance from islanders are for management and technical assistance. What they need is help with business and access

¹⁰ Conversation with the Honorable Marcelino Actouka, Secretary of Research and Development, FSM, March 30, 1990.

to information.

Related to the issue of relocating the Program to SHAPS is the larger issue of determining which Programs and/or Centers will ultimately be relocated there. Since SHAPS is organized geographically, and since Universities are traditionally organized by academic discipline, specific criteria should be established for inclusion or exclusion from SHAPS. Certain Programs may clearly belong in SHAPS, but for other Programs, the distinction may not be as clear.

On the other hand, President Simone has suggested that the Program might benefit SHAPS¹¹. It would give SHAPS an applied research component. It would also give it immediate entree into all of the American Affiliated Pacific Islands and enhance its image as an organization committed to supporting private sector development in the region, currently the number one priority of many island leaders.

C. Move to the Office of Technology Transfer and Economic Development (OTTED)

Since the Program supports economic development, it has also been suggested it might be located at OTTED. Mr. Dan Ishii, the OTTED director has been helpful to the Program and is still holding two permanent positions which would solve one critical problem facing the Program.

OTTED does not provide consulting services utilizing faculty and students, and therefore the Program would enhance its ability to deliver services to the public of the State of Hawaii. However, OTTED does not focus on the American Affiliated Islands, and locating the Program there may send an inappropriate message to the AAPI. In addition, the OTTED staff are currently located on Kapiolani Boulevard, far from the University. There are plans for locating OTTED in the Manoa Innovation Center (MIC) to be built in the North Campus, but this location is also distant from critical University resources. Furthermore, the Program currently has almost 15 positions (including students) and space at MIC will be limited.

D. Other Alternatives

1. Joint Program: SHAPS & CBA

As yet another alternative, an innovative suggestion was made to create a joint Principal Investigator relationship between SHAPS and CBA. Conceptually, the Program would be able to benefit

¹¹ Conversation with Dr. Simone, November 30, 1989.

from the complementary expertise in both of these units. However, both Principal Investigators must be in close agreement about how the Program should be operated, and administrative mechanisms must be established to ensure a well-coordinated effort.

2. Report to Vice President for Public Relations

Three years ago the Program director attempted to have the Program report directly to the Vice President for Public Relations, then Dr. Joshua Agsalud. Although the proposal was not approved then by President Simone, it may be reconsidered.

3. Pacific Islands Development Program, East-West Center

The East West Center was established in 1960 by the U.S. Congress with a mandate to foster better understanding and relations between the peoples of the United States and the Asia-Pacific region. The Pacific Islands Development Program (PIDP) is supported by the East-West Center and grants from the United Nations Information Agency (USIA), United Nations Development Program (UNDP), and several island nations. The purpose of PIDP is to help meet the special development needs of the Pacific islands region through cooperative research, education, and training. A major objective of the Program has been to provide quality in-depth analytical studies on specific priority issues as identified by the Pacific island leaders. These goals are not unlike those of the Pacific Business Center Program.

There are several important differences between PIDP and the Program. The Program is based at the University of Hawaii and serves the State of Hawaii and the American Affiliated Pacific Islands. It is action oriented and responds to the needs and requests of individuals, no matter how small the business may be. PIDP is based at the East-West Center and serves, for the most part, the NON-American Affiliated Pacific Islands. It is research oriented, and responds to the needs of island LEADERSHIP rather than private individuals.

A merger of the Programs would enable them to complement each other. Such a merger would allow it to serve the leadership and the private sector, the American Affiliated and the NON-American Affiliated jurisdictions. The potential for benefits exists.

The Economic Development Administration, however, might be forced to withdraw its funding (\$220,000) should the Program be moved to the East-West Center. To explore this option more fully would require the legal staff of the EDA to review the Charter of

the East-West Center and the contractual arrangements between the University of Hawaii and the East-West Center. The current funding provided by EDA is "University Center" funds and as such must be provided to an institution of higher education. The question becomes whether or not the East-West Center is officially tied to the U.H., as well as whether or not the East-West Center wants the Program, and if the University wants to let it go.

The Pacific Island leadership has indicated that it would be advantageous to it for the Programs to work more closely together.

The administrative placement of the Program will surely affect its future. There may be benefits to moving the Program from the College of Business Administration to another unit or to establish a mechanism of shared responsibility. However, any benefits which may be discussed are only speculative. An actual transfer may result in negative consequences which may not be anticipated. Since the Program has been successful in the College of Business Administration, a conservative approach would indicate maintaining the Program in its present location.

Remaining in the College of Business Administration does not and should not preclude coordination with other University units. In fact, the Program has pursued this approach. Since the founding of the Office of Technology and Economic Development (OTTED) in 1988, the Program director has met with director of OTTED, Mr. Dan Ishii to coordinate activities. Program staff are working on several projects with OTTED, and the Program director anticipates working even closer with OTTED in the coming year.

Since the Dean of SHAPS is relatively new to the University of Hawaii, there has been less opportunity to coordinate activities between the Program and SHAPS. However, the Dean of SHAPS and the Program director have met, and the Program has provided some assistance to SHAPS in developing a data base of University activities in Hawaii, Asia, and the Pacific.

In conclusion, the Program should be placed administratively where it will be most effective, for that will be in the best interest of the University. Of course, there are positive and negative consequences associated with each proposed alternative. However, an emphasis on continuing the effectiveness of the Program while at the same time minimizing the potential for future difficulties seems to indicate that the Program should remain physically and administratively in the College of Business Administration.