

The NewsRoom

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Minerals Management Service Approves Alaska's CIAP Plan

Paves Way For Up To \$80 Million In Funding

Anchorage, Alaska – The State of Alaska will receive up to \$80 million through the Coastal Impact Assistance Program (CIAP) implemented by the Department of the Interior's Minerals Management Service (MMS).

"Alaska plays a vital role in supporting our Nation's offshore energy program," said MMS Director Randall Luthi. "The Coastal Impact Assistance Program provides a means of sharing oil and gas revenues with local communities that are engaged in the hard work of supplying America's energy needs."

The CIAP was established under section 384 of the Energy Policy Act of 2005 and authorizes the Secretary of the Interior, through MMS, to distribute \$250 million annually to six states – Alabama, Alaska, California, Louisiana, Mississippi and Texas – all Outer Continental Shelf (OCS) oil and gas producing states, in fiscal years 2007 through 2010.

The Act requires that all CIAP funding be used for projects and activities for the conservation, protection, or restoration of coastal areas, including wetlands; mitigation of damage to fish, wildlife, or natural resources; planning assistance and the administrative costs of complying with CIAP legislation; implementation of a federally-approved marine, coastal, or comprehensive conservation management plan; or mitigation of the impact of OCS activities through funding of onshore infrastructure projects and public service needs.

The funding for Alaska will be shared between the state and eight eligible boroughs. During the first two years of the program, \$ 2.5 million will be distributed for each of the fiscal years 2007 and 2008. For the last two years of the program, funding will rise dramatically, to between \$30 and \$40 million for each of fiscal years 2009 and 2010. The funding levels are determined by the amount of revenue generated by OCS activities, with the first two years based upon FY 2006 revenues and the last two years based upon FY 2008 revenues. Alaska's funding levels rose significantly as a result of Chukchi Sea Sale 193, held in February 2008.

The allocation of CIAP dollars will be divided with 65 percent of the funding going to the State of Alaska and 35 percent going to eligible boroughs. The amount that each borough will receive is dependent upon a formula within the EAct establishing the Coastal Impact Assistance Program. See below table for borough distribution.

Eligible Boroughs	% Allocation
Anchorage	16.23%

Bristol Bay Borough	0.08%
Kenai Peninsula	7.00%
Kodiak Island	8.62%
Lake & Peninsula	4.07%
Matanuska-Susitna	3.70%
North Slope	32.57%
Northwest Arctic	27.73%
Total Alaska	100.00%

Alaska is the second of the six eligible states included in the program to receive approval of its final plan. The approval of Alaska's plan allows the state to submit grant proposals for CIAP projects. MMS will post Alaska's Grant Program Announcement on www.grants.gov. The announcement provides instructions and guidance on the submittal process for CIAP grant applications. Funding is made available to the State and eligible boroughs when the grants are awarded.

Alaska's plan currently contains 51 projects covering all four years of the program. The plan, however, was developed before the results of Chukchi Sea Sale 193 were known. As a result of the significant rise in CIAP funding Alaska will receive in 2009 and 2010, the State will be amending its plan to consider a much broader array of projects. Additional information about possible future CIAP projects may be obtained by contacting the Alaska Division of Coastal and Ocean Management, Alaska Department of Natural Resources.

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