

Proposals to study the effectiveness of implementing TMDLs, however, are eligible. The construction of buildings or other major structures also will not be funded under this Initiative. Proposals containing subgrant programs (also called pass-through grants) are allowed, but the subgrant portion must account for no more than 20% of the requested funding amount.

C. Eligible Applicants

Under section 104(b)(3) of the CWA, the following entities are eligible to receive grants: State and Tribal water pollution control agencies, interstate or inter-tribal agencies, other public or non-profit private agencies, institutions, organizations, and individuals. The term "State" is defined to include the District of Columbia, Puerto Rico, U.S. Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands. All non-profit watershed organizations are eligible, including those in the Agency's National Estuary Program. Watershed organizations that were selected for funding in 2003 can not apply until their previous Watershed Initiative funding is exhausted.

III. Competing for a Watershed Initiative Grant

EPA will select watersheds and the watershed grantees through a national competition. Activities proposed for funding via the Watershed Initiative are not necessarily expected to address the entire watershed, but they are expected to have been developed based on comprehensive assessments and plans for the watershed. Interjurisdictional watershed partnerships, that is, those that involve adjacent authorities, or that transcend international boundaries, are encouraged. Watershed nominations that encompass more than governmental authority will be considered interjurisdictional provided that the appropriate water agency in the adjacent jurisdiction is a partner or otherwise supports the project(s).

For practical purposes, in this context, the term "nomination" is meant to include the proposed workplan along with the required supporting materials. The "nominee" in this case is the watershed organization that is vying for the grant. Watershed nominations may include a single project or multiple projects within the watershed. Nominations will be selected based on the quality of the written materials received, and adherence to the selection criteria and goals of the Initiative. Emphasis will be placed on those proposed projects with clear, measurable environmental indicators and an executable monitoring plan.

Funding decisions will be made based on the evaluation criteria outlined in section III.C of this notice. EPA will invite only nominees whose initial proposals are selected under this Initiative to submit detailed final proposals (see section V.A).

A. Nomination and Selection Process

Watersheds must be nominated by Governors or Tribal Leaders. (For the purposes of this notice, a tribal nomination may be submitted by a Tribal Official.) Each Governor or Tribal Leader may prepare or solicit watershed proposals from eligible entities in a manner most appropriate to their State or Tribe, and nominate the most meritorious to EPA.

Governors or Tribal Leaders are invited to nominate a maximum of two State or Tribal watersheds each. There is, however, no limit on the number of inter-state or joint State and Tribal watersheds that can be nominated. For inter-state or joint State and Tribal watersheds, any of the involved Governors/Tribal Leaders may submit the nomination. Such watershed nominations must include the endorsement of all partnering State Governors or Tribal Leaders or Officials in their nomination package.

Governors and Tribal Leaders are to submit their watershed nominations to EPA (see section IV for details). All nominations will be screened by EPA staff prior to review to determine if they are eligible, complete, and in accordance with the instructions provided in this notice. If any of the required elements of the nomination package are not submitted, EPA may choose to contact the nominee.

Once received by EPA, the nominations will undergo two levels of review—one at the regional level and one at the national level. Each of the Agency's Regional Offices will convene a Review and Evaluation Panel that will assess how well the nominations meet the evaluation criteria described below. Regions 3, 4, 5, 6, 7 and 8 will convene a separate panel session to review and evaluate hypoxia plans. Hypoxia proposals not ranked sufficiently high to merit recommendation for the hypoxia funds will be placed in competition with the other nominations received for general Watershed Initiative funds. Based on the panel review and recommendation, each Regional Administrator will then forward the Region's top four candidates to EPA's Office of Water at Headquarters. Regions 3, 4, 5, 6, 7 and 8 will seek to include a minimum of one hypoxia nomination in their transmittal.

Upon receipt of the Regional recommendations, the Office of Water will convene a Technical Advisory Panel at the national level consisting of representatives from the Agency's Program and Regional Offices to review and rank the watershed nominations. Other Federal agencies may be invited to participate in this review. Again, hypoxia proposals will be evaluated and scored separately. In addition to the evaluation criteria listed below, factors such as geographic diversity, project diversity, watershed size, urban/rural mix, and cost will be considered in ranking nominations for consideration by the Administrator. The Administrator will select the watersheds to be funded.

EPA expects to announce the watershed nominations selected under this Initiative early in calendar year 2004 and to complete the grant award process, including final grant workplan negotiations through the appropriate EPA Regional Office, by spring 2004. In general, grants awarded will be one-time awards and grant recipients should use the funds within 2–3 years. Subsequent funding would involve a new call for watershed nominations and is predicated on continued appropriations. Therefore, any proposal for work beyond the initial funding period would need to be submitted through the competitive process and will not receive preferential consideration based on the applicant's previous award.

B. Required Components of the Nomination Package

In preparing nomination materials, nominees are to keep in mind the evaluation criteria by which their overall nomination, *i.e.*, interrelated individual projects, will be judged. Within these required components, nominees should address completely and to the best of their ability the criteria the Agency will be using in its evaluation as outlined in section III.C below.

Each nomination package must contain the components listed in this section. Failure to include any of this information could result in disqualification and removal from the selection process. Conversely, additional, unsolicited material is strongly discouraged and any such material submitted will not be considered.

1. Nomination Letter. A letter signed by the Governor or Tribal Leader formally nominating the watershed for consideration for funding under the Watershed Initiative must accompany each nomination package.