

include the following: U.S. Environmental Protection Agency; U.S. Fish and Wildlife Service; U.S. Forest Service; U.S. Geological Survey; Natural Resource Conservation Service; and the U.S. National Park Service. The Baltimore District invites potentially affected Federal, state, and local agencies, and other organizations and entities to participate in this study.

7. The DEIS is tentatively scheduled to be available for public review in the winter of 1998.

Dr. James F. Johnson,

Chief, Planning Division.

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DEPARTMENT OF ENERGY

Policy and Planning Guidance for Community Transition Activities

AGENCY: Office of Worker and Community Transition, Department of Energy.

ACTION: Notice of interim guidance and opportunity for public comment.

SUMMARY: The Department of Energy today publishes for public comment Interim Guidance for Community Transition Activities that has been issued primarily for the benefit of field organizations and community reuse organizations responsible for implementing and administering a financial assistance program to alleviate the adverse impact of downsizing defense nuclear facilities on affected local economies.

DATES: Written comments (7 copies) are due on or before April 8, 1997. The interim guidance is effective March 10, 1997.

ADDRESSES: Comments must be submitted to: U.S. Department of Energy, Office of Worker and Community Transition, WT-1, 1000 Independence Avenue, SW, Washington, DC 20585.

FOR FURTHER INFORMATION CONTACT: Ms. Deborah Swichkow, U.S. Department of Energy, 1000 Independence Avenue, SW, Washington, DC 20585, (202) 586-0876.

SUPPLEMENTARY INFORMATION:

I. Background

Pursuant to the Atomic Energy Act of 1954 (AEA), the Department of Energy (DOE) owns defense nuclear facilities in various locations in the United States that are operated by management and operating contractors. As a result of the end of the Cold War, many of these facilities are undergoing work force

restructuring that often has a significant impact on local economies. The Atomic Energy Act of 1954 contains broad authority to adopt and carry out policies, subject to the availability of appropriations, for downsizing these facilities and for alleviating the adverse impacts on affected local communities. 42 U.S.C. 2201.

Section 3161 of the National Defense Authorization Act for Fiscal Year 1993, 42 U.S.C. 7274h, provides additional and specific authority for DOE to provide impact assistance to communities that are adversely affected by work force restructuring. Section 3161 further requires DOE to coordinate the provision of such assistance with programs carried out by the Departments of Labor, Commerce, and Defense. In devising a local impact assistance program under section 3161, DOE has chosen to follow the example of the Department of Defense under the Defense Economic Adjustment, Diversification, Conversion, and Stabilization Act of 1990 (Pub. L. 101-510) which is referenced in section 3161. Like the Department of Defense, DOE has developed a financial assistance program that, for the most part, consists of awards to broadly representative, community reuse organizations (CROs) who either expend or sub-award the funds for projects to stimulate the local economy under an approved Community Transition Plan developed with public input. CROs may be governmental or non-governmental organizations. If a CRO is non-governmental and applies for financial assistance, it would have to be organized under local law and be able to enter into, and assume the obligations of a DOE financial assistance agreement. Although section 3161 does not require CROs, DOE use of such organizations is consistent with the Congressional requirement to coordinate the provision of local impact assistance, as appropriate, with the Department of Defense programs under the Defense Economic Adjustment, Diversification, Conversion, and Stabilization Act.

The award and administration of DOE financial assistance agreements is subject to generally applicable regulations set forth at 10 CFR part 600. The interim guidance in this notice supplements those regulations and provides a general decision making framework to guide the exercise of discretion by DOE field organizations. Issuing policy in the form of guidance allows for greater flexibility to modify policy if the facts and circumstances warrant modification.

Various aspects of the interim guidance appeared previously in DOE's

August 24, 1994, Report on the Department of Energy's Worker and Community Transition Program. Today's notice will clarify the roles and responsibilities of DOE Headquarters, DOE field organizations, and CROs. The interim guidance is subject to revision in light of public comments received in response to this notice.

II. Description of Key Provisions

Although this notice contains policies applicable to funding decisions in DOE Headquarters, for the most part, it contains interim guidance to DOE field organizations on economic development activities of CROs, approval of CRO plans to expend funds, evaluation criteria for funding decisions, CRO performance measures and reporting.

Much of the interim guidance is self-explanatory. This document highlights policy decisions embodied in various provisions of the interim guidance that may be of interest to members of the public. First, the financial assistance is targeted on communities substantially impacted by work force restructuring plans under section 3161 for "defense nuclear facilities" which are listed in Appendix B to the interim guidance.

Second, the CROs are intended to be broadly and fairly representative of local community interests. To that end, the interim guidance contains minimum evaluation criteria at paragraph II.C.3 for approving CROs that all DOE field organizations should follow. The interim guidance also provides for application of the conflict of interest avoidance policy in 10 CFR 600.142 to all subagreements under a financial assistance agreement including, but not limited to, subcontracts, subgrants, loans, etc.

Third, the interim guidance provides for start-up, planning, administrative, and project financial assistance, and indicates the range of amounts of assistance for each type of activity. These ranges are based on experience with pilot activities financed by local impact assistance grants already awarded under section 3161. The evaluation criteria provide for consideration of cost-sharing offered by an applicant. However, cost-sharing is not a requirement because DOE does not believe Congress intended that assistance be denied for proposals from sources who are unable to offer cost sharing.

Fourth, consistent with DOE's experience in this program, the interim guidance provides for program and project assistance for sources other than CROs. These provisions are useful because some CROs prefer to serve in an advisory role in the selection of projects

rather than being a direct financial assistance recipient.

Fifth, the interim guidance refers to a broad array of programs that have been funded by past awards and thereby indicates the range of possibilities for future awards and sub-awards. Among the types of programs a CRO could finance are small business incubators, venture and risk capital investments, training seminars, and revolving loans funds. With respect to such loans, the interim guidance provides a termination date of five years from the first award. A terminal date is desirable to facilitate closeout under 10 CFR part 600 and to limit the period for an assistance agreement to the amount of time necessary to mitigate the effects of downsizing on the local economy.

Sixth, the interim guidance provides for development of performance measures and periodic reporting under 10 CFR part 600 to assess the effectiveness of the program (see Appendix C). While there is some burden in complying, the burden is justified by the need to determine that taxpayer dollars are being expended effectively to achieve the Congressional objective of alleviating the impact of work force restructuring on affected local communities. DOE anticipates that the information will be useful in supporting budget requests, reporting to Congress, and responding to inquiries, if any, from Congress' General Accounting Organization and DOE's Inspector General.

III. Review Under Executive Order 12866

This action has been determined not to be a "significant regulatory action" under Executive Order 12866, "Regulatory Planning and Review" (58 FR 51735, October 4, 1993).

Accordingly, it was not subject to review by the Office of Information and Regulatory Affairs of the Office of Management and Budget.

IV. Review Under the National Environmental Policy Act

Pursuant to the Council on Environmental Quality Regulations (40 CFR parts 1500-1508), DOE has established guidelines in 10 CFR part 1021 for its compliance with the provisions of the National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. 4321, *et seq.*). Pursuant to Categorical Exclusion A6 in Appendix A of Subpart D to 10 CFR part 1021, DOE has determined that this action is categorically excluded from the need to prepare an environmental impact statement or environmental assessment.

V. Congressional Notification

Pursuant to the Small Business Regulatory Enforcement Fairness Act of 1996, DOE will send a report regarding promulgation of this notice to Congress prior to its effective date. 5 U.S.C. 801.

VI. Opportunity for Public Comment

Interested persons are invited to submit data, views, or arguments with respect to the policies set forth in this notice. Seven (7) copies of written comments should be submitted to the address indicated in the **ADDRESSES** section of this notice. A copy of the comments received in response to this notice will be available for public inspection in the Department of Energy Freedom of Information Reading Room, 1E-190, Forrestal Building, 1000 Independence Avenue SW., Washington, D.C., 20585, between the hours of 9 a.m. and 4 p.m., Monday through Friday, except Federal holidays. Late-filed comments will be considered to the extent that time allows. Any person submitting information which that person believes to be confidential and which may be exempt from public disclosure should submit one complete copy, as well as an additional copy from which the information claimed to be confidential has been deleted. The Department of Energy reserves the right to determine the confidential status of the information or data and to treat it accordingly. The Department of Energy's generally applicable procedures for handling information which has been submitted in a document and may be exempt from public disclosure are set forth in 10 CFR 1004.11.

Issued in Washington, D.C., on January 17, 1997.

Robert W. DeGrasse, Jr.,

Director, Office of Worker and Community Transition.

For the reasons stated in the preamble, the Department of Energy hereby promulgates the following interim policy, as set forth below.

Interim Guidance for Community Transition Activities

Table of Contents

- I. Introduction
- II. Program Scope
 - A. General
 - B. Allowable Uses of Funding
 - C. Eligibility and Funding Recipients
 - D. Types of Assistance
 - 1. Start-up Assistance for CROs
 - 2. Planning Assistance for CROs
 - 3. Operational Assistance
 - 4. Community Transition Program and Project Assistance
- III. Roles and Responsibilities
 - A. The Secretary of Energy

- B. The Director, Office of Worker and Community Transition

- C. Department Field Organizations
- D. Community Reuse Organizations

IV. Program Planning

- A. General

- B. Development of the Community Transition Plan

- C. Department Field Organization and Office Reviews

- D. Economic Development Administration and the Peer Review Board

- E. Office of Worker and Community Transition Review and Decisions

V. Evaluation Criteria for Review of Projects and Programs

VI. Community Transition Plans

- A. Purpose

- B. General

- C. Community Transition Plan Components

- 1. Planning Analysis

- 2. Stakeholder Involvement

- 3. Prioritized Projects

VII. Performance Measures

- A. Purpose

- B. Guidance

- C. Model

- D. Areas to Address

VIII. Reviews

- A. Financial Management Reviews

- 1. General

- 2. Purpose

- 3. Procedures

- B. Program Reviews

Appendices

- A. Office of Worker and Community Transition Contacts

- B. Listing of Defense Nuclear Facilities

- C. Progress Report Format

- D. Requirement for Financial Assistance—10 CFR Part 600

INTERIM GUIDANCE FOR COMMUNITY TRANSITION ACTIVITIES

I. Introduction

The end of the Cold War has reduced the country's need for national security activities. As a result, the Department of Energy's (the Department) nuclear weapons production capacity is decreasing. The Department is accomplishing this by reconfiguring, downsizing, and closing many of its facilities. Since the Department realizes that these actions may adversely affect the communities nearby containing a substantial number of displaced workers, it will cooperate with the recognized representative of each community and execute economic development initiatives to help offset those impacts.

Initial program guidance for the community transition program was first developed in the spring and summer of 1993, shortly after the formation of the Department's Task Force on Worker and Community Transition. In the intervening period, the community transition program has evolved. This guidance reflects the changes necessary

for the continued progress of the program. It reflects the work and input of stakeholders as well as the staff of the Department's Office of Worker and Community Transition (the Office). It replaces previous guidance on community transition activities and should be used while comments are being collected. The Office appreciates the assistance and effort of Department field organizations, site contractors, and representatives of the affected communities for their assistance in developing this guidance.

II. Program Scope

A. General

Pursuant to section 3161 of the National Defense Authorization Act for Fiscal Year 1993, the Department's community transition program is designed to minimize the social and economic impacts of work force restructuring at defense nuclear facilities by providing local impact assistance to affected communities, 42 U.S.C. 7274h(c)(6). Specific assistance programs are designed by the communities and the local Department facilities affected by the downsizing. Over the past 3 years, the Department has employed an extensive process of stakeholder and public involvement to shape policies concerning worker and community transition. This process included national stakeholder meetings on July 12-13, 1993, on November 16-17, 1993, on February 3-4, 1994, on May 25-26, 1994, on November 15-16, 1994, on April 20-21, 1995, on September 13-15, 1995, and on March 13-15, 1996, as well as specific input provided by nine community transition focus groups. It also responds to the recommendations made by the General Accounting Office in its December 1995 report to the Secretary of Energy, "Energy Downsizing: Criteria for Community Assistance Needed." Impact assistance is provided by funding Department field organization-approved proposals for activities of Community Reuse Organizations (CRO), Management and Operating contractors, and others.

B. Allowable Uses of Funding

1. Funds for community transition activities may be allocated for approved programs and projects described in community transition plans or in field project requests prepared by Department facilities for activities funded outside the community transition plans.

2. In reviewing proposals or applications, the broadest range of allowable uses of funds will be considered. However, because funding

is limited, and because other appropriations may be seen as the proper or primary source to fund certain activities, various activities may only be approved where exceptional circumstances would justify the decision. These include:

- a. Activities that could be funded from work force restructuring funds, such as employee retraining;
- b. Landlord responsibilities normally funded by the program office with landlord responsibilities at the site, including preparing personal property for disposal; decontamination and decommissioning of land and facilities; maintenance (to the extent it is not passed on to the tenant); environmental baseline-facility condition reports; administrative activities such as appraisals, title searches and environmental assessments; and
- c. Off-site construction, infrastructure, or other capital improvement projects.

3. If funding for the type of projects described in Section II.B.2, above, is being considered, the Department field organization should make early contact with the Office to determine whether the project can be funded by appropriations and, if so, what justification will be necessary.

C. Eligibility and Funding Recipients

1. General

Community transition funds will generally flow through a Department field organization to the CRO or CRO-designee. For activities funded outside the community transition plan, funds may be made available by direct contract between the Department and another party, such as the on-site contractor. Financial assistance to CROs will be provided in accordance with the requirements applicable to grants or cooperative agreements that are in 10 CFR Part 600.

2. Definition of "Defense Nuclear Facilities"

Pursuant to section 3161 of the National Defense Authorization Act for Fiscal Year 1993, "defense nuclear facilities" for the purposes of community transition assistance include the following types of facilities under the control or jurisdiction of the Secretary of Energy: Atomic energy defense facilities involving production or utilization of special nuclear material; nuclear waste storage or disposal facilities; testing and assembly facilities; and atomic weapons research facilities. Department facilities that have been determined to be defense nuclear facilities for the purposes of section 3161 are listed in Appendix B.

3. CRO Selection Criteria

The communities surrounding each site may be represented by a single CRO. The selection criteria applied by the Department field organizations in order to designate a CRO include, but are not limited to, the following:

a. The organization should be formed for the purpose of addressing the economic impacts in the affected communities as a result of the changes in the work force at a defense nuclear facility.

b. The organization should solicit and accept participation by a reasonably representative cross section of public and private sector interests.

c. The organization should have a reasonable process for soliciting public input into formulation of a Community Transition Plan and any major amendments to such a Plan.

D. Types of Assistance

1. Start-up Assistance for CROs

a. The Department field organizations should solicit applications for financial start-up assistance for CROs in a manner which provides for the maximum amount of competition feasible as set forth in 10 CFR Part 600.

b. This is one-time assistance to support the initial functions of a CRO including: Development of a public participation plan; development of scopes of work for impact analyses and a community transition plan; and development of a proposal for planning assistance.

c. Funding for start-up assistance usually does not exceed \$100,000 and may be spent over two fiscal years. It may be applied for at any time in the Department budget cycle, based on knowledge by the Department field organization that work force reductions are likely to occur within 18 months.

d. Application for the assistance should include information about how area local governments, economic development organizations, labor, and other key stakeholders will be involved with creating the CRO. Award of start-up assistance does not commit the Department to funding future CRO activities and projects.

2. Planning Assistance for CROs

a. Planning assistance for the CROs is intended to pay for administrative costs and planning studies associated with the development of a Community Transition Plan.

b. Planning assistance is expected generally to be in the range of \$250,000 to \$500,000.

c. A planning assistance application should include the following elements:

(1) The purpose and need for community transition.

(2) A description of the CRO, including its membership, functions, scope, and decisionmaking procedures.

(3) How the community transition plan will be developed. Where appropriate, an analysis of socio-economic strengths, weaknesses, opportunities and threats to the community should be included in the scope of work for the planning effort.

(4) A program plan for utilization of the planning assistance funds, including proposed scope of work and milestones.

(5) Required Federal grant application forms and financial information, as specified by the Department field organization.

(6) A summary of the CRO-approved public participation plan which includes discussion of access to meetings and records, community involvement, fairness of opportunity for receipt of program benefits, and avoidance of conflicts of interest.

(7) A discussion of CRO coordination with the applicable site, the Site Specific Advisory Board, and regional planning and economic development organizations and activities.

(8) Identification of any non-Department resources that will be utilized in the planning phase of the program.

(9) Any proposed program or project activities that are requested and proposed to be conducted prior to approval of the community transition plan together with the justification required for program and project assistance (see Sections II.D.4 and VI.C.3).

(10) Written designation of the CRO by the responsible Department field organization.

3. Operational Assistance

a. This is assistance to fund administrative expenses of the CRO beyond start-up and planning assistance.

b. Funding for this activity may vary based upon the CRO organization and the degree to which the CRO is supported by other funding sources. It is suggested that requests normally be part of the Community Transition Plan and provide the appropriate information requested for program and project assistance in Section II.D.4 as well as a discussion of the steps the CRO is taking to become self-supporting and a timetable for when the CRO will be self-supporting.

4. Community Transition Program and Project Assistance

a. The purpose of this assistance is to fund the activities deemed most likely to reduce the community's dependence on the Department and to mitigate the negative impacts on communities resulting from the downsizing of defense nuclear facilities. Project assistance typically will provide financial assistance for a comprehensive, multi-year community transition program—generally a 3 to 5-year program. The program may be based upon community needs and may incorporate an analysis of the socio-economic strengths, weaknesses, opportunities, and threats in the community transition plan. Components may include programs conducted directly by the CRO, contract services, and competitively-based financial assistance for economic development activities. Types of programs that may be funded include small business incubators, revolving loan funds, equity position, venture and risk capital funding, marketing of excess Department property, entrepreneurial development, technology transfer assistance, and applicable training seminars. Inclusion of these types of programs in a financial assistance award will generally require special provisions in the financial assistance instrument. For example, if a CRO institutes a revolving loan fund, the loan program should not exceed an appropriate length of time (i.e., 5 years) and all interest and principal payments must be returned to the Government. The financial assistance award should contain appropriate guidance on repayments of loans and if desired, allow for reauthorization of principal repayments to be used for payment of other costs under the financial assistance award.

b. In the past, program and project assistance has generally been in the range of \$400,000 to \$5 million per year at each site.

c. The specific format for requests for program and project assistance will depend on the applicant. For CRO requested projects or programs, the request should be included in the Community Transition Plan as described in Section VI. For funds to be managed by the site independent of the CRO, the site shall submit a letter request to Headquarters signed by the Field Manager which contains information similar to that requested for prioritized projects submitted by the CRO, together with a letter from the CRO with the CRO's comments.

d. The Lobbying Disclosure Act of 1995, Public Law 104-65, Dec. 19, 1995,

as amended by Public Law 104-99, Jan. 26, 1996, prohibits the Government from awarding financial assistance to non-profit organizations described in section 501 (c) (4) of the Internal Revenue Code of 1986 which engage in lobbying activities as defined by the Act. Therefore, such organizations are not eligible to receive awards of financial assistance.

III. Roles and Responsibilities

A. The Secretary of Energy is responsible for the overall program direction and has final approval of all community transition funding decisions.

B. The Director, Office of Worker and Community Transition is responsible for the overall management of the community transition program, including the following:

1. Authorizes actions, within approved funding levels, to mitigate impacts of reconfiguration, downsizing, and closing of Department facilities.

2. Establishes principles, policies, and procedures to implement the Department's community transition mission.

3. Develops the Department-wide community transition budget, recommends the Department field organization budget levels for community transition, and establishes the criteria to be used for community transition program funding levels at qualifying sites.

4. Determines allowable uses of Worker and Community Transition program funds within legislatively-mandated parameters.

5. Recommends, to the Secretary, approval or denial of requests for community transition assistance, after consultation with other Department elements as necessary.

6. Ensures coordination of the Community Transition Plan with the work force restructuring plans at the site.

7. Provides liaison among other program and staff offices in Headquarters for community transition issues.

8. Conducts program reviews of field implementation of the community transition program.

C. Department Field Organizations are responsible for the day-to-day administration of the community transition program. This includes responsibility for the following:

1. Working within their communities to designate the local CRO in order to perform the roles and responsibilities as described in Section III.D.

2. Assuring that CROs are entities formed for the purpose of addressing the

economic impacts in the affected communities as a result of the changes in the work force at a defense nuclear facility. CROs may be local governments, corporations or affiliations of communities and interested stakeholders.

3. Soliciting applications for financial assistance and approving the CRO for sites under their jurisdiction; assuring that all interested groups are afforded the opportunity to participate in the CRO.

4. Assuring that the provision in Appendix D concerning the standard of conduct requirements be included in each financial assistance award for economic development activities.

5. Assuring that the Department's community transition policies and guidance are carried out in a spirit of cooperation and openness.

6. Integrating the requirements of the community transition program with the requirements of other programs and activities at their sites and assuring that necessary support activities are identified and budgeted for.

7. Providing planning guidance to the CROs for program plans and reviewing and approving CRO-developed community transition plans.

8. Resolving conflicting proposed uses of the Department's assets under its jurisdiction.

9. Integrating community transition locally so that it incorporates the work and plans of the CRO with other community transition activities, if any, proposed by the site.

10. Consulting with American Indian Tribal Governments to assure that tribal rights and concerns are considered prior to the Department taking actions, making decisions or implementing programs that may affect tribes.

11. Publishing financial assistance award announcements publicly to allow maximum participation.

12. Assuring that there is no financial assistance or loan awarded to any non-profit organizations described in section 501(c)(4) of the Internal Revenue Code of 1986 which engages in lobbying

activities as defined in the Lobbying Disclosure Act of 1995, as amended.

D. Community Reuse Organizations serve to implement community transition activities. In this capacity the CRO will:

1. Coordinate local community transition planning efforts that address Department-related impacts.

2. Include a broad representation of the affected communities, with opportunity for involvement given to people and groups such as individual residents; representatives of community-based organizations; representatives of business, educational, and financial institutions; site workers and their labor organizations; local government officials; established economic and community development organizations; public interest groups; environmental groups; diversity groups; and federally-recognized American Indian Tribes.

3. Develop and submit Community Transition Plans to the appropriate Department field organization.

4. Receive Department funding and participate in the management of community transition projects.

5. Coordinate CRO activities with Site Specific Advisory Boards (SSAB) at Department facilities, particularly with regard to future site planning.

IV. Program Planning

A. General

Future funding for all activities other than start-up and planning assistance is expected to be requested through a Community Transition Plan (or a letter request for Department field organization activities). Table 1 describes the activities expected to occur at each step. The intent of this process is to provide objectivity in the selection of project and program activities to be supported. The following paragraphs will describe the major activities in some detail.

B. Development of the Community Transition Plan

Department field organizations should provide guidance to the CROs to assist

them in developing a Community Transition Plan. Based upon this guidance, the CROs should prepare a Community Transition Plan for funding.

C. Department Field Organization and Office Reviews

Upon completion of the CRO Community Transition Plan and any Department field organization projects, a field review of the Community Transition Plan and an Office review of both the Community Transition Plan and any site-sponsored projects should take place. The intent is for the Department field organization and the Office to jointly identify any needed revisions as soon as possible, thereby minimizing multiple requests for changes. At the end of the review period, there should be a plan ready for recommendation with a very high probability of approval by the Office.

D. Economic Development Administration in the Department of Commerce and the Peer Review Board

Reviews by the Economic Development Administration in the Department of Commerce and the Peer Review Board should use the criteria in Section V to compare and assess projects and programs. The recommendations may be provided to the Office of Worker and Community Transition for their consideration in the final determinations of program funding.

E. Office of Worker and Community Transition Review and Decisions

The Office will review the submitted plans, the peer review comments, and the independent review from the Economic Development Administration of the Department of Commerce. Based upon these inputs, and the Office staff review, final funding levels for the fiscal year will be recommended. After Secretarial approval and appropriate notifications, funds will be transferred to the appropriate Department field organizations for implementation of the approved program.

TABLE 1.—COMMUNITY TRANSITION FUNDING ACTIVITIES

Step	Activity
(1)	CRO develops Community Transition Plan based upon planning guidance from the Department. If appropriate, local Department field organization develops project descriptions for any Department facility/activities to be requested from the Office.
(2)	CRO submits Community Transition Plan to the Department field organization.
(3a)	Department field organization conducts review of Community Transition Plan and assists CRO in refining proposal.
(3b)	Office concurrently assists development of the Community Transition Plan and any projects from the Department field organization.
(4)	Department field organizations submit community transition plan and field project requests to the Office for review and approval.
(5)	Economic Development Administration and the Peer Review Board evaluate CRO Community Transition Plans and field projects.

TABLE 1.—COMMUNITY TRANSITION FUNDING ACTIVITIES—Continued

Step	Activity
(6)	Peer Review Board Report and Economic Development Administration Reports are submitted to the Office.
(7)	The Office conducts internal review.
(8)	The Office makes funding award decision.
(9)	The Office authorizes release of funds into Department field organization financial plan.
(10)	Community transition funds are available to recipients.

V. Evaluation Criteria for Review of Projects and Programs

The following factors will be used to evaluate all project and program funding requests in Community Transition Plans:

A. Projected job creation (communities should seek to create at least one job for each \$10,000 to \$25,000 in Federal funding received, leveraging those funds to attract other private and public funds).

B. Projected job creation for workers affected by downsizing.

C. Viability of project to induce investment/growth in production of goods and services for which the community may have or be able to develop a comparative economic advantage.

D. Ability to reduce the region's dependence on the Department.

E. Consistency with the identified strengths of the region.

F. Past performance of the applicant, if any.

G. Amount of local participation in the project, either financially or in terms of coordinated services.

H. Demonstrated cooperation with regional or state economic development efforts.

I. Ability of project to become self-sufficient.

J. Linkage of project to site cost reductions through transfer of site equipment, facilities or technologies.

K. Other unique factors such as innovative features of the proposed project, such as matching funds.

VI. Community Transition Plans

A. Purpose

1. The Community Transition Plan describes the overall strategies and, within each strategy, the actions proposed by the communities to respond to the changing missions at a Department facility. Where appropriate, it also describes the proposed programs, projects and estimated funding requested from the Department. It is the overall framework and the rationale for the local response to the downsizing at the Department facility.

2. The Plan serves an integrating function, building upon other existing

community and facility planning efforts in the region. It should describe those efforts, the lessons learned from them, and should focus on the additional, supplemental efforts the community believes are necessary and useful to respond to the changes at the Department facility. It should not duplicate other planning efforts, but would afford the community an opportunity to highlight innovations to address the impacts of downsizing.

B. General

1. Initial planning grants from the Department should be used by CROs to prepare and submit to the Office a Plan for anticipated community transition activities. This Plan should be submitted through and be approved by the appropriate Department field organization.

2. While each community faces unique transition challenges and will develop a plan specific to its situation, there are common topical areas that should be addressed in all Plans. The following paragraphs offer guidance on what the Office considers critical components of a Community Transition Plan. These are elements to be addressed in the Plan, not necessarily an outline of the developed Plans. The continued allocation of the Department's limited financial and other available resources will be contingent upon the completion of the Plan and its contents. Both short-term and long-term objectives may be included.

C. Community Transition Plan Components

1. Planning Analysis

a. An analysis should be performed to establish the primary and secondary community impacts likely as a result of planned site restructuring. From a baseline established from local information sources, project the likely impacts on such primary factors as net job loss, changes in unemployment, loss of wages and disposable income, and business closings. Secondary impacts could include such factors as decreases in taxes and other user fees, loss of business and sales volumes, decreases in property values and other factors.

Impacts on education, cultural activities, recreation, the environment and other socio-economic factors should also be considered. From an analysis of these impacts, develop a set of issues.

b. A critical part of the Community Transition Plan is the analysis of strengths, weaknesses, opportunities and threats (SWOT analysis) to the community. This can be performed with planning assistance funds, or existing studies can be used. With the SWOT analysis as a framework, set out an overall vision for the community and identify the programs and projects to be established, including the degree to which the programs and projects address the issues.

2. Stakeholder Involvement

Stakeholders should have the opportunity to participate in the planning process. Identify stakeholders providing input to the Plan, describe method of input, and common areas of interest. A communication strategy should also be a component of insuring proper representation and community input into the planning and implementation process. This should also include CRO coordination with the applicable site and other groups, such as: any Site Specific Advisory Boards; regional planning and economic development organizations and activities; labor; the business community; academic communities; and American Indian Tribal Governments.

3. Prioritized Projects

Develop a list of prioritized projects or programs based on the above considerations with an overall project budget and schedule for completion of each. The following items are suggested topics for discussion for each project:

a. The primary goal of transition initiatives is the creation of jobs through the retention, expansion, and creation of businesses, and through other measures, to offset the economic impacts of the Department's work force restructuring actions. The Plan should identify likely benefits to workers displaced by the Department and the area's work force in general.

b. Amount, type, timing, and continuity of funding available from non-Department sources such as the U.S. Department of Labor's Job Training Partnership Act and the U.S. Department of Commerce's Economic Development Administration. Also include any state and local funding, and any private development sources, such as venture capital, financial institutions, revenue bonds, seed capital, revolving loans and other private funds. The use of these funds should be set out relative to any Department funding provided.

c. Coordination with other community programs.

d. Performance measures for each project.

e. A proposed scope of work, timeline, and reporting schedule (generally, quarterly) of proposed activities, accomplishments, and expenditures.

f. Required Federal grant application forms and financial information, as specified by the Department field organization.

g. Any anticipated preferences or non-traditional competition elements of the program, and their relationship to program objectives.

h. A discussion of CRO coordination with units of Federal, state, local, or tribal governments. Demonstration that proposed projects will augment and not duplicate current community efforts.

i. Plans, if any, to support CRO operating and program costs following completion of the project grant (e.g., self-sustaining mechanisms, local or non-Department support, revenue/income generation, future Department funding, or transfer of programs to other organizations).

j. Identification of any time-sensitive opportunities, or other pertinent background information.

k. If multi-year funding is anticipated, show how this year's increment related to prior-year activities and what will happen if future year funding is reduced or eliminated.

VII. Performance Measures

A. Purpose

1. Performance measures represent a mechanism that the CROs and the Department can use to monitor performance. They do this by providing a means for: (1) determining how well a project is being executed; (2) indicating when corrective actions are required; and (3) documenting success.

2. Performance measures establish a mechanism for program assessment. It is suggested that the CROs use the results of their performance measures for self

assessment purposes. The Department field organization and Headquarters staff should use the same results for purposes of external oversight.

3. Performance measures should be used to allow the Department to provide objective and defensible indications to the Congress and to the American people that the Department's economic development program is effective.

4. Finally, since the intent of performance measures is to evaluate program execution, performance measures need not be developed for start-up or planning assistance.

B. Guidance

1. The CROs are responsible for developing performance measures based on this guidance and on their unique circumstances, goals, and objectives. The final measures should be negotiated with the appropriate Department field organization and, ultimately, approved by the Office.

2. Many CROs may have similar objectives. The Office encourages, but does not require, developing consistent performance measures in such cases and also encourages sharing best-practices and lessons-learned to the maximum extent possible.

3. Performance measures should not focus on minor aspects of performance, rather, they should comprehensively measure critical aspects of performance for any enterprise.

4. Performance measures and objectives should not be so difficult that they cannot be achieved through a reasonable amount of effort, nor shall they be excessively easy to achieve.

5. Performance measures shall be periodically assessed by the CROs and the results reported to the Department field organization and the Office.

6. When a performance measure is no longer providing useful information, it should be eliminated or replaced.

7. Performance measures shall be measurable in a numerical fashion to the maximum extent possible. Where numeric measurement is not possible, performance measures shall be evaluated against a clearly defined set of criteria.

8. In cases where grant requests are small (i.e., less than \$300,000), a less stringent requirement for performance measures may apply.

9. On a quarterly basis, the CROs should submit a progress report to Department Headquarters via the appropriate Department field organization. The quarterly progress reports should contain, among other things, updated information on the CRO's performance measures. The

progress report format may be found in Appendix C.

C. Model

Per the above guidance, the individual CROs should be tasked with developing performance measures for their particular enterprise. The Office recognizes that:

1. The various CROs will have different missions, objectives, and priorities; the CROs are best equipped to determine what constitutes a good measure of performance for their particular situation.

2. The CRO missions are dynamic, and, therefore, their objectives may change from time-to-time. As a consequence, what constitutes a good performance measure today may not be appropriate tomorrow; therefore, the CROs should be allowed the flexibility to alter their performance measures, with the Office's concurrence, to more closely align with changing missions and objectives.

3. The CROs should have latitude in regard to the substance and nature of their performance measures. However, it is suggested that they follow generally recognized principles for developing and measuring performance. By employing a performance measurement system, the Department will be able to assess and describe the effectiveness of the program. This will assist in determining appropriate levels for the program in future years and will help each site and each CRO assess the effectiveness of its program.

D. Areas to Address

The following paragraphs delineate the types of issues that should be considered when developing a performance measurement program.

1. *Job creation:* The act of creating jobs that did not previously exist in a defined marketplace, especially jobs that will assist displaced workers from the affected site. Communities should seek to create at least one job for each \$10,000 to \$25,000 in Federal funding received, leveraging those funds to attract other private and public funds.

2. *Job retention:* Holding in place the existing work force and providing substitute employment for at-risk or displaced workers within a defined geographic area.

3. *Regional development:* Enhancement of the attributes of a geographic area to promote the commonly-held and understood assets of that region.

4. *Business start-ups:* New commercial or industrial enterprises, legal entities, partnerships, etc.

5. *Expansion of existing businesses:* The ability to hire more workers and to increase the demand for goods and services ultimately stimulating the economy (e.g., increase revenues, broaden the tax base).

6. *Economic diversification:* Any activity within a defined geographical area that makes the area less dependent upon Department business.

7. *Training:* Providing skills and classes necessary to prepare workers to maintain the skills required to continue in one's current position or alternative job.

8. *Commercialization:* The act of making assets (e.g., technologies, use of facilities or equipment) under Department control available for third party use or for use by the M&O contractor for non-Department business activities.

9. *Facility reuse:* The reuse of Department facility real estate and fixtures including buildings, land, and facilities that are not needed for the Department's traditional missions.

10. *Leveraging:* The ability of the CRO to commit non-Department resources as a match for Department funds requested. Leveraging should be indicated as a ratio of non-Department to Department resources, e.g., if a CRO requests a \$100,000 grant and commits \$50,000 in non-Department matching funds, the leveraging factor would be 1:2.

11. *Matching funds:* Defined as non-Department resources committed to CRO programs. Matching funds may include the following:

a. Cash—funds committed to projects to pay for various program activities,

including personnel, equipment, materials, supplies, facilities, etc.

b. In-kind—contributions other than cash committed to program activities. In-kind contributions may include personal time, donated facility space, equipment loans or value of discounted services.

12. *Personal property transfer:* The transfer of Department-controlled equipment, supplies, and intellectual property to another entity—can involve transfer of title, licensing or leasing of the property.

13. *Community relations:* Broad-based solicitation and encouragement of public awareness and participation in decision-making processes.

14. *Administration, Outreach and Finance:* Business systems and processes incorporated to manage the development and implementation of the community transition program, including community involvement and fiscal responsibilities (e.g., contractual compliance, auditing, the raising and expending of monies, granting credit, and making investments).

VIII. Reviews

A. *Financial Management Reviews*

1. Generally, the Department field organizations should apply the requirements of Departmental financial assistance policies and procedures which are set forth in 10 CFR Part 600. Those sections of the CFR provide guidance in the various aspects of financial assistance management including general administrative requirements, reports and records, making changes in the grant scope, and auditing requirements.

2. Purpose

Careful monitoring of program implementation is necessary due to the level of public involvement in community transition activities. The Office is responsible for establishing appropriate standards to assure proper accounting for the use of community transition assistance funds.

3. Procedures

a. Conduct financial management reviews of Department field organization community transition programs on an as-needed basis. Specific areas of review are: Financial reporting; accounting records; internal control; budget control; allowable cost; source documentation; cash management; and project accounting.

b. The Office should track completed grants and close-out reports that address audit findings.

B. *Program Reviews*

The Office plans to conduct programmatic reviews of Department field organizations to assess accomplishments, determine progress and identify issues needing study. These reviews should be performed on a frequency and at locations as determined by the Office Director, and should be coordinated with the management of the Department field organization being reviewed. The Office should not review the CROs, except when accompanying a Department field organization during its review. It is the general goal of the Office to review each Department field organization that is implementing a community transition program at least once every year.

Appendix A

Office of Worker and Community Transition Contacts

Director:	
Bob DeGrasse	202-586-7550, FAX 586-8403.
Deputy Director:	
Terry Freese	202-586-5907, FAX 586-8403.
Program Communications:	
Pat Parizzi	202-586-7550, FAX 586-8403.
Work Force Planning:	
Lyle Brown	202-586-0431, FAX 586-1540.
Laurel Smith	202-586-4091, FAX 586-1540.
Debby Swickow	202-586-0876, FAX 586-8403.
Work Force Restructuring:	
Terry Freese	202-586-5907, FAX 586-8403.
Labor Relations:	
Lyle Brown	202-586-0431, FAX 586-1540.
Deborah Sullivan	202-586-0452, FAX 586-1540.
Community Transition:	
Bob Baney	202-586-3751, FAX 586-1540.
Mike Mescher	202-586-3924, FAX 586-1540.
Laurel Smith	202-586-4091, FAX 586-1540.
Debby Swickow	202-586-0876, FAX 586-8403.
Public Participation:	
Laurel Smith	202-586-4091, FAX 586-1540.
Natasha Wieschenberg	202-586-5830, FAX 586-1540.

Community Transportation Field Contacts

Paul Dickman, Albuquerque Operations Office	505-845-4313, FAX 845-5508.
Gary Stegner, Fernald Environmental Management Site	513-648-3153, FAX 648-3073.
Ken Osborne, Idaho National Engineering Laboratory	208-526-0805, FAX 526-8789.
Dave Porco, Miamisburg Area Office	513-865-3649, FAX 865-4489.
Darwin Morgan, Nevada Operations Office	702-295-3521, FAX 295-0154.
Bob Hamilton, Oak Ridge Operations Office	423-576-7723, FAX 576-6363.
Gene Pressoir, Pinellas Area Office	813-541-8062, FAX 541-8370.
Mike Dabbert, Portsmouth Gaseous Diffusion Plant	614-897-5525, FAX 897-2982.
Mark Coronado, Richland Operations Office	509-376-3502, FAX 376-8142.
Mike Bolles, Rocky Flats Office	303-966-2473, FAX 966-6633.
Sam Glenn, Savannah River Operations Office	803-725-2425, FAX 725-1910.

Appendix B.—Listing of Defense Nuclear Facilities

The list below reflects facilities receiving funding for Atomic Energy Defense activities of the Department of Energy, with the exception of activities under Naval Reactor Propulsion. It is recognized that these facilities have varying degrees of defense activities, ranging from a total defense dedication to a very small portion of their overall activity. This may cause certain difficulties in implementing the intent of the section 3161 legislation. Regardless, this listing will be used by the Office for possible application of funding received for defense worker assistance and community transition purposes.

- Kansas City Plant
- Pinellas Plant
- Mound Facility
- Fernald Environmental Management Project Site
- Pantex Plant
- Rocky Flats Environmental Technology Site, including the Oxnard Facility
- Savannah River Site
- Los Alamos National Laboratory
- Sandia National Laboratory
- Argonne National Laboratory
- Brookhaven National Laboratory
- Lawrence Livermore National Laboratory
- Oak Ridge National Laboratory
- Nevada Test Site
- Y-12 Plant

- K-25 Plant
- Hanford Site
- Idaho National Engineering Laboratory
- Waste Isolation Pilot Project
- Portsmouth Gaseous Diffusion Plant
- Paducah Gaseous Diffusion Plant

Appendix C.—Quarterly Progress Report: (Date)

Project Title: (a name selected by the site for the specific activity or activities—e.g.; incubator loan fund; entrepreneurial training. The site and the CRO will determine the best method for project definition, consistent with the way funds were requested and approved.

DOE Site Contact: (name of DOE Field or Area Office point of contact)

CRO Contact: (name of CRO point of contact [if different from the project manager])

Project Manager: (name, address, and phone number of the primary applicant of the project under review)

Project start date: (date funding recipient is authorized to proceed by the field office)

Expected completion date: (Date funding recipient is expected to complete the project)

Description of project: (a short narrative description of the project.)

Funding History: (a record of the project funding. *Committed* means funds released to a field organization by the Office of Worker and Community Transition [the Office]; *obligated* means monies released to

the CRO or other recipient by the field organization; and *costed* means expended by the CRO or other recipient.)

Status of the office funds	Cumulative amount
Committed by the Office.	
Obligated by the field organization.	
Costed by the recipient.	
Unobligated by the field organization.	

For the Office funding, identify the cumulative amount committed by the Office; the cumulative amount obligated by the field office; the amount unobligated; and the amount costed by the recipient. For leveraged funds, identify each source and the cumulative amount from that source.

Funding source	Cash	In-kind

Accomplishments: (project outcomes to-date: report on performance measures identified and jointly agreed to by DOE field and the CRO)

PERFORMANCE MEASURES

Category	Scheduled date	Projected outcome	Actual date	Progress to-date (or to the end of the project)
(e.g., create new businesses)	9/94	Start-up 2 businesses	12/94	3 new businesses.
(e.g., create new jobs)	9/94	20 jobs	10/94	30 jobs.

Date (Joint signature) DOE Field Office
Date (Joint signature) CRO

Appendix D.—Requirement for Financial Assistance—10 CFR Part 600

Section 600.142 of 10 CFR Part 600 contains a requirement for recipients of financial assistance to maintain written standards of conduct governing the performance of employees engaged in the award and administration of contracts. Since organizations involved in economic development activities may engage in activities other than contracting, in which potential conflicts of interest may arise (e.g.,

providing loans to local businesses), the following provision should be included in all financial assistance awards to such entities:

The requirements of 10 CFR 600.142 should be applied to the activities of employees, agents and consultants of financial assistance recipients whenever these activities involve decisions about the award of DOE funds, regardless of the type of agreement or arrangement to be supported by DOE funds (e.g., lease, loan, contract, etc.).

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BILLING CODE 6450-01-P

Federal Energy Regulatory Commission

[Project No. 11499-000 Tennessee]

Armstrong Energy Resources; Notice of Public Scoping Meetings

February 3, 1997.

The Federal Energy Regulatory Commission (FERC) and the Tennessee Valley Authority (TVA) are reviewing a proposal from Armstrong Energy Resources to construct and operate the 1,500-megawatt Laurel Branch Pumped