

ENVIRONMENTAL PROTECTION AGENCY**[FRL-5608-5]****Regulatory Reinvention (XL) Pilot Projects****AGENCY:** Environmental Protection Agency (EPA).**ACTION:** Solicitation of proposals for and request for comment on Project XL.**SUMMARY:** EPA is today augmenting its continuing solicitation of proposals for the Project XL (excellence and leadership) program with a specific request for proposals that feature innovative environmental technologies.**DATES:** The period for submission of proposals began on May 23, 1995 with the publication of a solicitation in the Federal Register at (60 FR 27282) [FRL-5197-9]. It is an open solicitation with no set end date, and project proponents may submit more than one project proposal. The period for submission of comments on aspects of the program discussed here shall extend for at least sixty (60) days from the date of publication of this notice. However, as the issues discussed in this notice will not necessarily be resolved by these comments, the docket will remain open to additional comments until further notice.**ADDRESSES:** Project proposals and all comments should be sent to: Regulatory Reinvention Pilot Projects, FRL-5197-9, Water Docket, Mail Code 4101, US EPA, 401 M Street, S.W., Washington, DC 20460. The docket accepts no faxes. Project proponents should submit four (4) copies of all materials sent to the docket. In addition to providing general information about the proposed project, project proponents are encouraged to comment on the relationship of their proposals to the criteria for project selection described in the Federal Register on May 23, 1995 [FRL-5197-9] and on November 1, 1995 [FRL-5322-9]. Proponents of projects are invited, but by no means required, to submit other useful materials in paper or other audio/visual or electronic formats.**FOR FURTHER INFORMATION CONTACT:** For information on projects featuring environmental technology, contact Pasky Pascual. For information on Project XL and all other aspects of this notice contact Christopher Knopes. Both can be reached at the following address: Emerging Sectors and Strategies Division; United States Environmental Protection Agency; 3202 Mall; 401 M Street, S.W.; Mail Code 2129; Washington, DC 20460. The telephone number for the Division is (202) 260-

2220. The facsimile number is (202) 401-6637. Additional information on Project XL, including documents referenced in this notice, other EPA policy documents related to Project XL, regional XL contacts, application information, and descriptions of existing XL projects and proposals, is available via the internet at "http://www.epa.gov/ProjectXL" and via an automated fax-on-demand menu at (202) 260-8590.

SUPPLEMENTARY INFORMATION:**Background**

Since publication of the Clinton Administration's Bridge to a Sustainable Future in April, 1995, the Federal government has been committed to strengthening incentives for technological innovation within its regulatory, permitting, compliance and enforcement programs. EPA's regulatory reinvention efforts—replacing prescriptive regulations with performance-based environmental management strategies, building partnerships, setting priorities based on sound science, cutting red tape, improving access to environmental information, ensuring better accountability, compliance and enforcement—are part of this commitment. Project XL, created by President Clinton on March 16, 1995, as part of his Reinventing Environmental Regulation initiative, provides a limited number of companies and other regulated entities an opportunity to test performance-based alternatives to current requirements that achieve superior environmental performance, cost savings, and greater accountability to the local community. EPA has committed to implement a target of 50 XL projects in four categories: XL for Facilities, XL for Sectors, XL for Federal Facilities and XL for Communities. Solicitation of proposals in the first three XL categories was announced in the Federal Register on May 23, 1995 [FRL-5197-9]. A similar notice for XL for Communities proposals appeared on November 1, 1995 [FRL-5322-9]. EPA has received over 50 XL proposals, has selected 15 for project development, and on July 8, 1996, approved its first XL Final Project Agreement.

In an effort to improve the potential demonstration value of XL projects, EPA is for the first time issuing an XL "request for proposals" (RFPs) of a specific type—in this case proposals that encourage innovative environmental technologies. The Agency will periodically issue additional XL RFPs for other kinds of projects that in more specific ways

address the basic XL criteria laid out in the May 23, 1995, Federal Register. XL RFPs should provide a sense of the types of proposals that are of greatest interest to EPA and other participants in national dialogue on the future of environmental policy. With this notice, EPA brings together more formally its commitment to strengthen incentives for innovative environmental technologies and its commitment to test alternative environmental management strategies in Project XL. This notice solicits proposals for the demonstration of innovative technologies in the XL program.

Areas of Greatest Interest

Environmental technologies include any technology that helps control, monitor, reduce, or remediate the environmental impact associated with economic activity. This definition covers products used for exclusively environmental purposes as well as infrastructural changes or products that ultimately minimize the impacts of industry and federal facilities on the environment. Examples of such technologies include:

- Equipment that controls, mitigates, or remediates environmental pollution;
- Tools that improve the ability to monitor environmental conditions, emissions and discharges more accurately and more frequently and that make this information available and understandable to communities and the general public;
- Information systems that facilitate the collection, analysis, and distribution of environmental data in a way that optimizes economic and environmental performance; and
- operational or process changes that reduce material inputs, reduce the use of toxic substances, or reduce energy use while maintaining equal or better productivity levels and environmental protection.

How Can An XL Project Help?

An XL project can spur the development of innovative environmental technology by.

- Removing a specific regulatory or other barrier to the development, testing or deployment of a technology;
- Creating a general regulatory climate for a facility (e.g., a performance-based system with ambitious targets) that provides incentives for innovation;
- Fostering a test-bed for monitoring requirements that go beyond or are different from conventional requirements that favor existing measurement concepts;

- Creating cost savings through regulatory efficiency that are reinvested in innovative technology development and deployment.

XL provides the climate in which technical innovation can thrive and flourish. A company or federal facility seeking to develop processes that minimize the impact of its activities and products or other technologies that help in the monitoring of these impacts may be thwarted by a legal requirement, regulatory infrastructure, policy or other procedure that treats individual environmental problems in isolation, or that imposes a particular solution based on prior technological constraints. Project XL can provide an innovative industrial or federal facility with the site-specific flexibility needed to surmount these barriers.

By facilitating discussions among various stakeholders during project development, Project XL provides the innovative industrial or federal facility with a forum to dialogue with technology suppliers, regulators, users and customers to exchange information and generate ideas that simulate new approaches to environmentally-responsible manufacturing.

EPA is soliciting proposals that prototype technological applications that lower compliance costs, that minimize the risk of environmental liability, or that enhance operational flexibility. By demonstrating the competitive advantage that facilities obtain through the use of innovative environmental technologies, Project XL can strengthen the demand for those technologies while allowing the collective wisdom or individual facilities to determine which technology options best optimizes the twin objectives of economic and environmental performance.

Procedures for Application

Basic procedures for submission and review of an XL for Facilities, Sectors, or Federal Facilities proposal and for submission of an XL for Communities proposal are contained in the May 23, 1995, and November 1, 1995, Federal Register, respectively. Additionally, project proponents are encouraged to state why they believe the projects they are submitting are particularly innovative. EPA intends to work cooperatively with project proponents to develop and refine acceptable approaches. At the same time, the Agency and its partners in the State and Tribal environmental agencies must retain the ultimate authority to select projects based on a qualitative consideration of the project relative to XL selection criteria. Moreover, given

the limited and pilot nature of XL, projects that satisfy many or all of the criteria may nonetheless not be selected if, in the Agency's judgment, other proposed projects better serve the objectives of the program. Moreover, no person is required to submit a proposal or obtain approval as a condition of commencing or continuing a regulated activity. Accordingly, there will be no formal administrative review available for proposals that are not selected, nor does EPA believe there will be a right to judicial review.

Supplementary Information on Process Streamlining

Project XL, since its inception on March 16, 1996 by President Clinton, has been implemented by a process developed by EPA with the help of potential sponsors, stakeholders, and state and tribal environmental agencies. This process was outlined in the May 23, 1995, Federal Register and further explained in EPA's December 1, 1995, draft Principles for Development of Project XL Final Project Agreements. That process has five stages: solicitation, selection, development, implementation and evaluation. Today EPA is announcing its intent to revise the process to respond to many concerns voiced during the initial round of project negotiations. While the Agency is not yet prepared to provide a detailed account of these changes, EPA believes is important to signal our willingness to make some mid-course corrections designed to streamline and improve the XL process. These changes will be aimed at several different aspects of the process, but will include:

- Improving the quality of XL project proposals by asking project proponents to include a clear statement how the proposal meets the XL criteria, including a discussion of the regulatory flexibility requested, the environmental benefits to be achieved, and the proposed plan for stakeholder involvement;
- Defining some principles of superior environmental performance to consider when developing proposals;
- Defining some principles for including local community members and other stakeholders in the project development process;
- Management of the XL program and the project development process;
- Strengthening internal EPA management of the XL program and the project development process;
- Promoting internal cultural change among regulators toward a new, more participatory approach to environmental protection; and

- Providing national and local level stakeholders with expanded opportunities for participation and input through greater access to information and resources.

Dated: September 6, 1996.

Jon Kessler,

Acting Assistant Administrator for Policy, Planning, and Evaluation.

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ENVIRONMENTAL PROTECTION AGENCY

[FRL-5607-8]

Ozone, Particulate Matter and Regional Haze

Implementation Programs Subcommittee Meeting

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice of meeting.

SUMMARY: On September 11, 1995 (60 FR 47172), the EPA announced the establishment of the Ozone, Particulate Matter and Regional Haze Implementation Programs Subcommittee under the Clean Air Act Advisory Committee (CAAAC). The CAAAC was established on November 8, 1990 (55 FR 46993) pursuant to the Federal Advisory Committee Act (FACA) (5 U.S.C. app I). The purpose of the Subcommittee is to provide advice and recommendations on integrated approaches for implementing potentially new national ambient air quality standards (NAAQS) for ozone and particulate matter, as well as a regional haze program.

OPEN MEETING: Notice is hereby given that the Subcommittee for Development of Ozone, Particulate Matter and Regional Haze Implementation Programs will hold its next public meeting on Thursday, September 26, 1996 (from 2:00 p.m. to 7:00 p.m.) and Friday, September 27 (from 8:00 a.m. to 2:00 p.m.).

ADDRESSES: The public meeting will be held at the Norfolk Waterside Marriott, 235 East Main Street, Norfolk, Virginia 23510.

FOR FURTHER INFORMATION CONTACT: For further information on the Subcommittee for Development of Ozone, Particulate Matter and Regional Haze Implementation Programs, please contact Mr. William F. Hamilton, Designated Federal Officer, at 919-541-5498, or by mail at U.S. EPA, Office of Air Quality Planning and Standards,