

Notices

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This section of the FEDERAL REGISTER contains documents other than rules or proposed rules that are applicable to the public. Notices of hearings and investigations, committee meetings, agency decisions and rulings, delegations of authority, filing of petitions and applications and agency statements of organization and functions are examples of documents appearing in this section.

DEPARTMENT OF AGRICULTURE

Alternative Agricultural Research and Commercialization (AARC) Center; AARC Center Request for Proposals

AGENCY: Alternative Agricultural Research and Commercialization (AARC) Center, USDA.

ACTION: AARC Center request for proposals.

Program Description

Purpose

The Alternative Agricultural Research and Commercialization (AARC) Center is requesting proposals to use agricultural (traditional and new crops, animal by-products or forestry) materials in industrial products or processes. The authority for the Program is contained in sections 1660 and 1661 of the Food, Agriculture, Conservation, and Trade Act of 1990, Pub. L. No. 101-624, 7 U.S.C. 5904. Potential funding for proposals to provide commercialization assistance to private companies using the Cooperative Agreements Program (Program) to assist emerging industrial products/processes involving the use of agricultural materials in non-food, non-feed, non-traditional fiber products or processes. The Board of Directors reserves the right to use only certain types of authorized assistance. Successful projects are expected to repay the AARC Center Revolving Fund through negotiated arrangements. The Program is administered by the AARC Center, which is an independent entity within the U.S. Department of Agriculture.

The objectives of the AARC Center are:

- * To search for new non-food, non-feed, non-traditional fiber products that may be produced from agricultural commodities and for processes to produce such products.
- * To conduct product and co-product/ process development and

demonstration projects, as well as provide commercialization assistance for industrial products from agricultural and forestry materials.

- * To encourage cooperative development and marketing efforts among manufacturers, private and government laboratories, universities, and financiers to assist in bridging the gap between research results and marketable, competitive products and processes.
- * To collect and disseminate information about commercialization projects that use agricultural or forestry materials and industrial products derived therefrom.

Under the Program, the AARC Center will award competitive cooperative agreements to support primarily pre-commercialization or commercialization tasks, including marketing for the development of new industrial products or processes derived from agricultural or forestry materials. All other things equal, the nearer to commercialization a product or process is the higher the likelihood of funding by the AARC Center.

The AARC Center will accept either pre-proposals or full proposals. Pre-proposals will be evaluated to determine if an idea has sufficient merit to warrant a full proposal including if it meets the AARC Center's mission, and to provide suggestions for improvement. Full proposals will require more time to complete and will be evaluated to determine if they warrant funding. The AARC Center may ask applicants submitting either pre-proposals or full proposals to make an oral presentation. All proposals will be evaluated by external reviewers, as well as by the AARC Center staff, before the proposals (along with review comments) are provided to the Board of Directors. The Board makes final funding decisions.

Available Funding

This request for proposals is being announced subject to funding from Congress for Fiscal Year 1996. The Administration's budget request to Congress was \$8 million for the AARC Center.

The AARC Center Board expects applicants to, at minimum, match the dollars requested from the AARC Center. A preference may be given to projects for which the ratio of AARC

Center funds to non-Center funds would be the lowest.

Eligibility

Proposals are invited from any private firm, individual, public or private educational institution or organization, Federal agency, cooperative, or non-profit organization. Cooperative projects involving combinations of the above organizations, especially with private sector leadership, are strongly encouraged. Since this is basically a program to commercialize new products, and since repayment is expected, it is much more likely that awards will be given to private firms. Small business entrepreneurs are preferred. The private sector partner must take the lead when an educational institution is involved.

Program Emphasis

As determined by the AARC Center Board from a series of public hearings, Congressional Hearings, workshops, and experience from the initial two rounds of proposals, each proposal should focus on products/processes using at least one of the following agricultural or forestry material categories:

Starch/Carbohydrates
Fats and Oils
Fibers
Forest Materials
Animal By-Products
Other Plant Materials used as pharmaceuticals, fine chemicals, encapsulation agents, etc

The AARC Center Board has approved funding for about 40 projects using 1993 and 1994 appropriated funds. Another 14 projects are currently under consideration for funding with 1995 appropriations. Projects include use of a broad range of agricultural and forestry materials such as: Soybean oil, soybean meal cotton lint, peanut hulls, corn husks, wheat straw, milkweed, kenaf, castor oil, rapeseed, cuphea, crambe, ethanol, mesquite, hesperaloe, lesquerella, agricultural and forestry wastes, biomass, and plant proteins. Examples of products include: biocontrol agents, medium-density fiberboard and building materials from straw, pypole, food packaging, bonded paper from kenaf, oil absorbents, fillers and yarn, spinning fibers, highway signposts and railroad ties, building and furniture composites, heating and electricity, potting mixes, biodiesel—as

replacement for petroleum, biodegradable lubricants, coatings cosmetics, detergents, personal care products, compost, carrier for crop protection materials, and cat litter.

Evaluation Criteria

The AARC Center's primary interest, in this request for pre-proposals/proposals, is in providing assistance in pre-commercial activities to move new industrial products from agricultural and forestry materials into the marketplace. The AARC Center Board seeks projects that will have market impact. This includes expanding use of agricultural or forestry materials in industrial products especially those that expand markets for farmers, create jobs, spur rural development, provide environmental and/or conservation benefits, and improve trade. Emphasis will be given to those proposals whose products are closest to commercialization and have positive impact on rural employment and economic activity.

Proposals and pre-proposals will be evaluated on four primary criteria: management team capability, business and marketing soundness, technical factors, and expected time and magnitude of impacts if successful. Examples of types of information that will enter the decision process on each of the primary categories of criteria include:

Management:

- Capability of the management team
- Amount of matching funds (cash) committed
- Awareness of the financial resources needed to successfully market the product
- Clear identification of project milestones
- Private sector leadership to commercialize the product or process

Business:

- Potential profitability
- Clear identification of customers
- Structure of the market in terms of size, number, leading competitors, and reaction of competitors to a new product
- Amount and nature of the value added to the agricultural or forestry material
- Ability to replicate in other parts of the country
- Key issues and government policies or regulations that might impact success
- Applicant's ability and willingness to repay the AARC Center for the risk investment made by the American taxpayers

Technical:

Relation to previous work
Technical requirements of the product—industry standards or guidelines
Technical and market testing needed
Government approvals or permits required
Major technical hindrances
Innovative techniques and patents
Ability to achieve technical claims
Present stage of development

Impacts:

- Volume of agricultural or forestry material used
- Number and quality of jobs (especially in distressed rural areas expected to be created—type, rural/urban, timeframe)
- Potential positive and negative environmental impacts from production to consumer disposal of product
- Proposed product's implications for helping improve farm income, especially the family farm
- Resource conservation effects such as replacement of stock resources, crop diversification, soil erosion, water use, etc
- Estimated impact on export/import trade balance, commodity support programs and rural economic activity

Other Considerations

With respect to projects carried out with private researchers or commercial companies, the enabling legislation provides that information submitted by applicants incident thereto will be kept confidential. Project information including applications is specifically excluded from release under the Freedom of Information Act, except with the approval of the person providing the information or in a judicial or administrative proceeding in which such information is subject to protective order. However, the information will be reviewed by three reviewers who will be held to confidentiality. Board members are required to exclude themselves from consideration of a proposal where a conflict of interest exists.

Intellectual property rights, such as patents and licenses, shall remain with the owner unless other arrangements are negotiated as part of the agreement. Inventions made under an award under this Program shall be owned by the awardee in accordance with 35 U.S.C. 200–204 and 37 CFR 401.

No agreement may be entered into under the program for the acquisition or construction of a building or facility.

All applicants must file a declaration of compliance with 31 U.S.C. 1352 regarding limitation on the use of

appropriated funds to influence certain Federal contracting and financial transactions either prior to or simultaneous with the submission.

Due to limited funds, the AARC Center may not be able to fund all projects meriting support, and awards will be based on merit using the review evaluations and the Board's judgement.

Applicants who submitted a proposal or pre-proposal previously must reapply to be considered for Fiscal Year 1996 funding.

Future Proposals

In the future and until further notice, the AARC Center Board will accept proposals or pre-proposals at any time on AARC Center forms. The Board will meet at least twice a year to select proposals for funding.

Submissions

To be eligible for this round of AARC Center Board decisions, both pre-proposals and full proposals must be received at the AARC Center office by October 1, 1995. One of the following addresses should be used, as applicable:

Regular U.S. Mail

USDA AARC Center, AG Box 0401, 14th & Independence Ave. SW., 0156 South Building, Washington, DC 20250-0401.

Overnight Delivery

USDA AARC Center, 0156 South Building, 14th & Independence Ave., Washington, DC 20250-0401 Tel: 202-690-1633.

For More Information

Proposals must be submitted on forms provided by the AARC Center—either pre-proposals or full proposals. Contact the AARC Center by letter using the addresses above or fax number 202-690-1655 to receive a packet containing the instructions and forms. Specific questions should be directed to Patricia Dunn: Phone 202-690-1634.

Done at Washington, DC, on June 23, 1995.

W. Bruce Crain,

Director, AARC Center.

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BILLING CODE 3410-2B-M

Agricultural Research Service

Notice of Intent to Grant an Exclusive Patent License

AGENCY: Agricultural Research Service, USDA.

ACTION: Notice of Intent.

SUMMARY: Notice is hereby given that the U.S. Department of Agriculture,