

Commission grant awards are for \$100,000 or more, grantees must obtain prior approval from the NHPRC when cumulative transfers among direct cost categories total more than 10 percent of the total project budget (i.e., grant funds plus other funds). In addition, the Program Director of the Commission may approve the use of NHPRC grant funds for new cost categories for which Commission funds were not provided in the final approved budget where such action seems appropriate for the fulfillment of the original purposes of the grant and where the amount of funds involved does not exceed 10 percent of the amount of the award or \$5,000, whichever is less. Requests to establish these new cost categories must be made in writing and signed by the grantee institution's authorized representative. Requests that exceed this limit are subject to approval by the full Commission.

(3) *Other changes requiring prior approval.* Prior written approval from the Commission must be obtained for financial or programmatic changes in all cases involving the following: revision of the scope or objectives of the project; change of the project director or other key project personnel who have been specifically named in the grant application or award or related correspondence; and, contracting out, subcontracting, or otherwise obtaining the services of a third party to perform activities central to the purposes of the grant, unless specified in the grant proposal.

(b) *Submission of requests for changes.* All requests for approval of budget or programmatic changes must be submitted in the form of a letter signed by the grantee institution's authorized representative for the grant and addressed to the Program Director. A written response signed by the Program Director of the Commission will constitute approval for the changes.

24. Section 1206.78 is revised to read as follows:

**§ 1206.78 Grant reports.**

(a) Financial status reports and narrative progress reports are required for all grants. Standard Form 269, Financial Status Report, shall be used for all financial reports. The pamphlet, "Program Guidelines: Applications and Grants," which is provided to each grantee and is available from the Commission on request, specifies the content of the narrative progress reports.

(b) Financial reports are due annually 30 days after the end of each reporting period. Narrative progress reports are due 30 days after the end of each six-

month period. Final financial and narrative reports are due within 90 days after the expiration or termination of the grant period. Grants with a duration of six months or less require a final report only. Additional rules on financial and performance reports are found in OMB Circular A-110 and §§ 1207.40 and 1207.41 of this chapter, as appropriate.

25. Section 1206.79 is added to read as follows:

**§ 1206.79 Audits.**

Grantees are responsible for obtaining audits in accordance with either the Single Audit Act of 1984 (31 U.S.C. 7501-7), for which audit requirements have been set forth in Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments," or requirements established under OMB Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Organizations," as appropriate. Copies are available from the Commission office or from OMB at the addresses given in § 1206.68 of this part. The grantee is responsible for ensuring that the NHPRC receives a copy of the audit report for any audit performed during the grant period or for three years thereafter. A reasonable portion of grant funds, as defined in the OMB Circular, may be used to comply with audit requirements. The Commission prefers that the grantee assume such costs as institutional cost sharing.

26. Section 1206.94 is revised to read as follows:

**§ 1206.94 Compliance with Governmentwide requirements.**

In addition to the grant application and grant administration requirements outlined in this part 1206, grantees are responsible for complying with applicable Governmentwide requirements contained in OMB Circular A-110 or part 1207 of this chapter, as appropriate, and part 1209 of this chapter.

Dated: August 30, 1995.

**John W. Carlin,**

*Archivist of the United States.*

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**ENVIRONMENTAL PROTECTION AGENCY**

**40 CFR Part 52**

[PA 52-1-7109b, PA 53-1-7110b, PA 55-1-7111b, PA 61-1-7112b, PA 66-1-7113b; FRL-5272-7]

**Approval and Promulgation of Air Quality Implementation Plans; Pennsylvania; Approval of Source-Specific VOC and NO<sub>x</sub> RACT and Synthetic Minor Permit Conditions**

**AGENCY:** Environmental Protection Agency (EPA).

**ACTION:** Proposed rule.

**SUMMARY:** EPA proposes to approve the State Implementation Plan (SIP) revision submitted by the Commonwealth of Pennsylvania. This revision establishes and requires reasonably available control technology (RACT) on eleven major sources and establishes permit conditions to limit one source's emissions to below major source levels. In the Final Rules section of this **Federal Register**, EPA is approving the State's SIP revision as a direct final rule without prior proposal because the Agency views this as a noncontroversial SIP revision and anticipates no adverse comments. A detailed rationale for the approval is set forth in the direct final rule and the technical support document. If no adverse comments are received in response to this proposed rule, no further activity is contemplated in relation to this rule. If EPA receives adverse comments, the direct final rule will be withdrawn and all public comments received will be addressed in a subsequent final rule based on this proposed rule. EPA will not institute a second comment period on this action. Any parties interested in commenting on this action should do so at this time.

**DATES:** Comments must be received in writing by October 10, 1995.

**ADDRESSES:** Written comments on this action should be addressed to Marcia L. Spink, Associate Director, Air Programs, Mailcode 3AT00, U.S. Environmental Protection Agency, Region III, 841 Chestnut Building, Philadelphia, Pennsylvania 19107. Copies of the documents relevant to this action are available for public inspection during normal business hours at the Air, Radiation, and Toxics Division, U.S. Environmental Protection Agency, Region III, 841 Chestnut Building, Philadelphia, Pennsylvania 19107; and the Pennsylvania Department of Environmental Resources Bureau of Air Quality Control, P.O. Box 8468, 400

Market Street, Harrisburg, Pennsylvania 17105.

**FOR FURTHER INFORMATION CONTACT:** Cynthia H. Stahl, (215) 597-9337, at the EPA Region III address above.

**SUPPLEMENTARY INFORMATION:** See the information provided in the Direct Final action of the same title which is located in the Rules and Regulations Section of this **Federal Register**.

#### List of Subjects in 40 CFR Part 52

Environmental protection, Air pollution control, Hydrocarbons, Incorporation by reference, Intergovernmental relations, Nitrogen dioxide, Ozone, Reporting and recordkeeping requirements.

**Authority:** 42 U.S.C. 7401-7671q.

Dated: July 18, 1995.

**W. Michael McCabe,**

*Regional Administrator, Region III.*

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## FEDERAL COMMUNICATIONS COMMISSION

### 47 CFR Part 36

[CC Docket No. 80-286; FCC 95-282]

#### Establishment of a Joint Board

**AGENCY:** Federal Communications Commission.

**ACTION:** Notice of proposed rulemaking.

**SUMMARY:** The Federal Communications Commission has adopted a notice of proposed rulemaking (Notice) inviting comment on proposals to revise the assistance mechanisms contained in the jurisdictional separations rules applicable to Dial Equipment Minutes ("DEM") weighting and the Universal Service Fund ("USF"). The Commission invited comment on whether DEM weighting should be phased out or, if it is retained, whether it should be merged with the USF or otherwise reformed. The Commission also proposed three basic approaches to revising the USF, by either reforming the current mechanism, which bases assistance on the carriers' reported costs, or introducing a system basing assistance on proxy factors, or allocating the fund among the States, which would design their own distribution programs, according to the Commission's guidelines. The Commission referred the proposals to the Federal-State Joint Board in this proceeding for a recommended decision. In addition, the Commission issued a Notice of Inquiry ("NOI") seeking comment regarding: the need for further rulemaking to develop a program

to reduce the USF in competitive markets through least-cost bidding, and the appropriate long-range treatment of universal service issues.

**DATES:** Comments are due October 10, 1995; Reply Comments are due November 9, 1995.

**ADDRESSES:** Federal Communications Commission, 1919 M Street NW., Washington, DC 20554.

**FOR FURTHER INFORMATION CONTACT:** Jon Reel, (202) 418-0834, or Deborah A. Dupont, (202) 418-0873, Common Carrier Bureau, Accounting and Audits Division.

**SUPPLEMENTARY INFORMATION:** This is a summary of the Federal Communication Commission's Notice of Proposed Rulemaking in Amendment of Part 36 of the Commission's Rules and Establishment of a Joint Board, FCC 95-282, CC Docket No. 80-286, adopted and released July 13, 1995. The Commission has made the full text of the Notice of Proposed Rulemaking available for inspection and copying during normal business hours in the Commission's Reference Center, Room 239, 1919 M Street NW., Washington, DC 205543, and will publish it in the FCC Record. The full text of the Notice of Proposed Rulemaking may also be purchased from the Commission's duplicating contractor, International Transcription Service, 2100 M Street NW., Suite 140, Washington, DC 20037, telephone number (202) 857-3800.

#### Synopsis of Notice of Proposed Rulemaking

In this Notice, the Commission seeks comment on proposed improvements to two subsidies intended to promote universal service at reasonable rates in high-cost, predominantly rural areas: dial equipment minute ("DEM") weighting,<sup>1</sup> and the Universal Service Fund.<sup>2</sup> Changes in technology, market structure, and regulatory policies prompted the Commission to reevaluate these programs, with particular concern that the programs not act as *de facto* barriers to entry in the emerging competitive local exchange market. Commenters are asked to evaluate the proposals in the light of four basic principles. First, assistance should be targeted to support only those providers or users who need it; second, the programs should promote efficient investment and operation; third, the programs should not impose excessive costs on interstate carriers and ratepayers; and fourth, the rules should not impede competitive entry or disrupt

normal market forces. The Commission refers the proposals to the Federal-State Joint Board in this proceeding for a recommended decision, as required by the Communications Act of 1934, as amended.<sup>3</sup>

#### Proposals for Revision of the DEM Weighting Rules

The Commission's rules for allocating equipment costs between the federal and state jurisdictions divide the cost of local switching equipment based on relative dial equipment minutes, or DEM, of use. LEC study areas with 50,000 or fewer access lines "weight" (i.e. multiply) the DEM for their interstate switching costs—thus allocating a higher percentage of their overall switching costs to the interstate jurisdiction—on the theory that smaller LECs, because they cannot take advantage of economies of scale, have higher switching costs. Technological developments, however, may have diminished the importance of switch size to the point where the subsidy should be gradually eliminated, and the Notice requests comment on this option.

If DEM weighting is not eliminated, the Notice requests comment on two possible approaches for its reform. First, the switching costs used for DEM weighting could be combined with the loop costs that determine USF assistance, thereby creating a single, need-based subsidy. Second, if DEM weighting is kept separate from the USF, it could be modified in one or more of the following ways: (1) establish a high-cost test for LECs to qualify for DEM weighting, (2) determine DEM weighting factors on the basis of average local switch size, or (3) keep the existing program, but determine the level of assistance through use of a sliding scale. The Notice requests comment on all these measures, with particular emphasis on whether small LECs actually have higher switching costs per unit of traffic than large LECs.

#### Proposals for Revision of the Universal Service Fund

The Universal Service Fund was adopted in 1984 to support exchange carriers ("LECs") in study areas with above-average loop costs.<sup>4</sup> The Notice seeks comment on several approaches for reforming the USF, any of which would be compatible with the use of a high-cost credit system. Distributing USF assistance through high-cost credits—money credited on a

<sup>3</sup> 47 U.S.C. 410(c).

<sup>4</sup> Amendment of Part 67 of the Commission's Rules and Establishment of a Joint Board, 96 F.C.C. 2d 781 (1984).

<sup>1</sup> See 47 CFR 36.125 (1994).

<sup>2</sup> See 47 CFR subpart F (1994).