would have been equal to or greater than the MOE for the previous year (FY–95). Subsequently, however, the SCAQMD submitted to EPA final documentation which shows that its actual FY–96 MOE was $76,882,860. This amount represents a shortfall of $520,712 from the MOE of $77,403,572 for the preceding fiscal year (FY–95). In order for the SCAQMD to be eligible to keep its FY–96 grant, EPA must make a determination under section 105(c)(2).

Furthermore, in its FY–97 § 105 grant application the SCAQMD projected MOE of $67,362,724. This amount represents a shortfall of $9,520,136 from the actual FY–96 MOE of $76,882,860. In order for the SCAQMD to be eligible to be awarded its FY–97 grant, EPA must make a determination under section 105(c)(2).

The SCAQMD is a single-purpose agency whose primary source of funding is emission fee revenue. It is the ''unit of Government'' for section 105(c)(2) purposes. The SCAQMD submitted documentation to EPA which shows that over the last five years emission reductions brought on by a combination of regulated and voluntary emission reductions and actions to minimize fee increases on businesses have reduced fee revenues from stationary sources from a high of $66,914,362 in 1991–1992 to approximately $49,147,500 in 1996–1997. As a result, the SCAQMD has instituted hiring/salary freezes, furloughs, and layoffs, has reduced its equipment purchases and contract expenditures, and has instituted new programs to reduce costs such as permit streamlining, computer-assisted permit processing, and privatization efforts.

Therefore, the SCAQMD's MOE reductions resulted from a loss of fee revenues due to circumstances beyond its control. EPA proposes to determine that the SCAQMD's lower FY–96 and FY–97 MOE levels meet the section 105(c)(2) criteria as resulting from a non-selective reduction of expenditures. Pursuant to 40 CFR 35.210, these determinations will allow the SCAQMD to keep the funds received from EPA for FY–96 and be awarded financial assistance for FY–97.

This notice constitutes a request for public comment and an opportunity for public hearing as required by the Clean Air Act. All written comments received by July 14, 1997 on this proposal will be considered. EPA will conduct a public hearing on this proposal only if a written request for such is received by EPA at the address above by July 14, 1997.

If no written request for a hearing is received, EPA will proceed to both final determinations. While notice of the final determinations will not be published in the **Federal Register**, copies of the determinations can be obtained by sending a written request to R. Michael Stenburg at the above address.

Dated: June 3, 1997.

David P. Howekamp,

Director, Air Division, U.S. EPA, Region 9.

[FR Doc. 97–15366 Filed 6–11–97; 8:45 am]

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ENVIRONMENTAL PROTECTION AGENCY

[FRL–5840–2]

Performance Evaluation Studies Supporting Administration of the Clean Water Act and Safe Drinking Water Act

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice.

SUMMARY: This notice announces the decision by the Environmental Protection Agency (EPA) to transfer components of the laboratory performance evaluation (PE) studies programs that the Agency has conducted to assess laboratories testing drinking water and wastewater to the private sector. Under the externalized program, EPA would issue standards for the operation of the program, the National Institute of Standards and Technology (NIST) would develop standards for private sector PE suppliers and would evaluate and accredit PE suppliers, and the private sector would develop and manufacture PE materials and conduct PE studies. The results of these studies would be made available to the study participants (participating analytical laboratories and in the case of DMRQA studies to permittees) and to those government organizations that have the responsibility for administering programs supported by the studies (e.g., state, federal agency). This decision should ensure the continued viability of the existing PE programs and should permit the eventual expansion of environmental laboratory PE studies to other media and analytes while maintaining government oversight.

FOR FURTHER INFORMATION CONTACT: Stephen W. Clark, Office of Ground Water and Drinking Water (OGWDW), U.S. EPA, 401 M Street, SW., Washington DC 20460 [telephone number (202) 260–7159]; Rick Colbert, Office of Enforcement and Compliance Assurance (OECA), U.S. EPA Ariel Rios, 1200 Pennsylvania Ave., NW., Washington DC 20044 [telephone number (202) 564–2320]; or Robert Graves, Office of Research and Development (ORD), U.S. EPA/NERL, 26 W. Martin Luther King Dr., Cincinnati, Ohio 45268 [telephone number (513) 569–7197].

SUPPLEMENTARY INFORMATION: Since the 1970s, EPA has been conducting laboratory PE studies to support the various water programs administered by the States and EPA under the Clean Water Act and the Safe Drinking Water Act. In a PE study, a participating laboratory analyzes a test sample (a PE sample) that is prepared and distributed by the entity conducting the study. In the EPA-supported PE studies, a single EPA contractor prepared test samples which were sent to participating laboratories for analysis. EPA then scored the results against statistically-based or empirically-based performance criteria to determine whether the laboratory demonstrated acceptable performance. The results were then supplied to the study participants and the government agencies responsible for reviewing the performance of said participants.

What is the Purpose of a PE Study?

PE studies are a valuable indicator of a laboratory's competency to analyze water samples. The studies are used to assess a laboratory's ability to conduct analysis and produce meaningful and reliable environmental data. In some States, the State may certify or accredit individual laboratories to conduct analysis within the State. The PE studies serve as one component of the overall federal program to assure quality in environmental measurement to implement the Clean Water Act and the Safe Drinking Water Act. EPA has also relied on the data to assess the capability of the nation's environmental laboratory community to conduct analysis for certain analytes. If EPA found that a disproportionate number of laboratories did not seem able to properly analyze the samples for a given analyte, EPA used that information to identify areas where additional method development was warranted.

EPA has been conducting three PE study programs to support nationwide implementation of water programs:

Water Supply (WS) study program, which includes chemistry, microbiology, and radiochemistry PE studies, supports implementation of the Safe Drinking Water Act. Under the Safe Drinking Water Act, laboratory certification programs are administered primarily by States (and, in very limited instances, by EPA). Many State drinking water laboratory certification programs have required ''successful'' participation in EPA's Water Supply (WS) PE study

program as an element for laboratory certification by the State.

Water Pollution (WP) study program, which includes chemistry PE studies, tests laboratories' abilities to analyze for common surface water quality pollutant parameters and supports 25 to 30 State wastewater and other environmental laboratory certification programs. Many States conduct laboratory accreditation programs in support of the National Pollutant Discharge Elimination System (NPDES) permitting program under the Clean Water Act. Though participation in the WP is not federally compelled, many States require laboratories to participate in EPA's Water Pollution (WP) PE study program as a basis for accreditation under State laws.

Discharge Monitoring Report Quality Assurance (DMRQA) study program, which includes inorganic chemistry and whole effluent toxicity (WET) PE studies, is used as one tool for ensuring the quality of monitoring data submitted by National Pollutant Discharge Elimination System (NPDES) permittees. Historically, EPA administered the DMRQA studies through NPDES ''major'' permittees, who would transmit the DMRQA test samples to the same laboratories that conduct compliance monitoring for such permittees. Beginning in FY 1996, NPDES permittees were instructed to notify their laboratories to request and receive the necessary samples directly from the EPA. NPDES permittees are required to participate in the DMRQA study under the authority of Clean Water Act section 308. Thus, though laboratories are not directly required to participate, participation is effectively or indirectly required by market forces.

Why is EPA Externalizing the PE Study Function?

In the past, EPA conducted the PE studies with no cost to the participating laboratories. As part of the Government's efforts to save resources and to externalize those activities that are not inherently governmental functions and that can be conducted by the private sector, the Agency reassessed its continued operation of the programs.

EPA had considered numerous options for externalizing the PE studies program. EPA explained these options in the **Federal Register** at 61 FR 37464—37471 (July 18, 1996). After considering the comments received, the Agency decided on a program where EPA would issue standards for the operation of the program, the NIST would develop standards for private sector PE suppliers and would evaluate and accredit PE suppliers, and the private sector would develop and manufacture PE materials and conduct PE studies. In addition, as part of the program, the PE providers would report the results of the studies to the study participants and to those organizations that have responsibility for administering programs supported by the studies (e.g., State and EPA for WS and WP studies; EPA for DMRQA studies). The Agency believes that this option (Option 2 of the proposed Options) would best serve the public interests.

When Will Externalization Occur?

EPA and NIST anticipate that NIST would begin to take applications for accrediting private sector PE suppliers beginning in the summer of 1998. The agencies further anticipate that the first class of commercial sector PE providers would be accredited by the January of 1999 and, accordingly, ready to begin to service laboratories with PE studies shortly thereafter. Therefore, the final studies conducted by EPA would include: DMRQA 18 (aquatic toxicity samples to be shipped June 1998; chemistry samples to be shipped July/Aug 1998); WP 40 (samples to be shipped July/Aug 1998); WSM 30 (microbiological samples to be shipped April 1998); WS 41 (chemistry samples to be shipped May/June 1998); Radiochemistry study entitled, ''Gamma in Water Performance Evaluation Study'' (samples to be shipped Nov 1998).

What Would Change in PE Studies?

The new PE Studies program would serve the same purposes as did the previous PE Studies program. Though the mode of operation would change, the information and data supplied to the States (and EPA Regions) would not. Under the new structure, EPA would remain the Standards Setting Authority for the Water PE Study program. [For explanation of terms, see 61 FR 37464–37471.] EPA would work with NIST to establish the operational and technical standards to be used for accrediting private sector PE Study Providers and would oversee compliance with the national standards. NIST would publish the accreditation standards. Both standards setting functions would be closely coordinated with the National Environmental Laboratory Accreditation Conference (NELAC).

NIST has indicated that its National Voluntary Laboratory Accreditation Program (NVLAP) would serve as the PE Study Provider Accreditation Body. NIST intends to collect a fee from PE Study Providers to recover costs associated with the NIST accreditation program. NIST would also develop primary reference standards, which NIST would sell to PE Study Providers.

The private sector and/or States (who, in some cases, currently conduct their own PE studies) would have the opportunity to become accredited PE study providers. The private sector PE Study Providers would: produce and value assign the PE materials according to NIST protocols; distribute the PE samples to participating laboratories; analyze client lab measurement data; calculate acceptance limits according to procedures established by EPA; and report results (in the appropriate format and detail) to the participating laboratories, appropriate state authorities, EPA, and NIST.

Under the new system, States would have several options for obtaining the PE study data for laboratories subject to their accreditation program. Three such options include: States may require laboratories to participate in a specific private sector PE programs and have the results sent to the State by the PE study provider; States may elect to serve as PE study providers themselves (as some States do now); or States may permit a laboratory to participate in any accredited PE study and have the results sent to the State. In all cases, States would be able to receive all the information that was previously provided by the EPA. The only additional costs that States should experience as a result of these changes are those associated with purchasing PE studies from the private sector for their own laboratories.

Dated: May 28, 1997.

Robert Perciasepe,

Assistant Administrator for Water.

Dated: May 27, 1997.

Robert J. Huggett,

Assistant Administrator for Research and Development.

Dated: May 30, 1997.

Steven A. Herman,

Assistant Administrator for Enforcement and Compliance Assurance.

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ENVIRONMENTAL PROTECTION AGENCY

[FRL–5839–8]

National Drinking Water Advisory Council, Occurrence and Contaminant Selection Working Group; Notice of Open Meeting

Under section 10(a)(2) of Public Law 92–423, ''The Federal Advisory Committee Act,'' notice is hereby given