application directly from the applicant. Any of these documents must be filed by providing the original and the number of copies required by the Commission's regulations to: The Secretary, Federal Energy Regulatory Commission, 888 First Street, NE., Washington, DC 20426. An additional copy must be sent to Director, Division of Project Review, Office of Hydropower Licensing, Federal Energy Regulatory Commission, at the above address. A copy of any protest or motion to intervene must be served upon each representative of the applicant specified in the particular application.

David P. Boergers,

Acting Secretary.

[FR Doc. 98–16608 Filed 6–22–98; 8:45 am]

BILLING CODE 6717–01–M

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

Notice of Application Tendered for Filing with the Commission

June 17, 1998.

Take notice that the following hydroelectric application has been filed with the Commission and is available for public inspection:

a. *Type of Application:* Minor license.

b. *Project No.:* P–11616–000.

c. *Date Filed:* June 1, 1998.

d. *Applicant:* City of Portland, Michigan.

e. *Name of Project:* Portland Municipal Hydroelectric Project.

f. *Location:* On the Grand River in Ionia County, Michigan.

g. *Filed Pursuant to:* Federal Power Act 16 U.S.C. 791(a)–824(r).

h. *Applicant Contact:* Robert Masselink, P.E., Glen Hendrix, Earth Tech, Inc., 5555 Glenwood Hills Pkwy, Grand Rapids, MI 49588, (616) 942–9600.

i. *FERC Contact:* Michael Spencer at (202) 219–2846.

j. *Comment Date:* 60 days from the date of filing of the application.

k. *Description of Project:* The constructed project consists of a dam and reservoir, a forebay and powerhouse located at the south abutment containing two turbine-generator units with a total installed capacity of 375 kilowatts, and appurtenant facilities. The project will generate about 1,572 megawatt-hours per year.

l. With this notice, we are initiating consultation with the MICHIGAN STATE HISTORIC PRESERVATION OFFICER (SHPO), as required by § 106, National Historic Preservation Act, and the regulations of the Advisory Council on Historic Preservation, 36 CFR 800.4.

m. Pursuant to Section 4.32(b)(7) of 18 CFR of the Commission's regulations, if any resource agency, Indian Tribe, or person believes that an additional scientific study should be conducted in order to form an adequate factual basis for a complete analysis of the application on its merit, the resource agency, Indian Tribe, or person must file a request for a study with the Commission not later than 60 days from the date of filing of the application, and serve a copy of the request on the applicant.

David P. Boergers,

Acting Secretary.

[FR Doc. 98–16609 Filed 6–22–98; 8:45 am]

BILLING CODE 6717–01–M

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Project No. 1759]

Wisconsin Electric Power Company; Notice of Meetings

June 17, 1998.

From July 14 to July 16, 1998, the Federal Energy Regulatory Commission staff will be meeting with Wisconsin Electric Power Company (WE) and the Collaborative Team to identify and discuss non-project uses of project lands and waters and related issues concerning the Way Dam and Michigamme Reservoir Project (Project No. 1759), which is located on the Michigamme River near Crystal Falls, Michigan. The Way Dam impounds the approximate 6,400-acre Michigamme Reservoir. The Michigamme Reservoir operates as a storage basin for high spring and fall flows, which are released during periods of lower flow in the summer and winter. The meetings will be conducted at WE's office, located at 800 Industrial Park Drive, Iron Mountain, Michigan 49801. On July 14, the meeting will be conducted at 8 a.m., and on July 15 and 16, 1998, the meetings will be conducted at 9 a.m.

If you would like more information about the Upper Menominee River Basin Projects, in which the Way Dam and Michigamme Reservoir Project is part of, please contact one of the individuals:

Patti Leppert-Slack, Federal Energy Regulatory Commission, 888 First Street, NE Rm 72–33, Washington, DC 20426, (202) 219–2767, E-mail: patricia.leppertslack@ferc.fed.us

Rita Hayen, Wisconsin Electric Power Company, 333 W. Everett Street, Milwaukee, WI 53203, (414) 221–2413, E-mail: rita.hayen@wemail.wisenergy

David P. Boergers,

Acting Secretary.

[FR Doc. 98–16610 Filed 6–22–98; 8:45 am]

BILLING CODE 6717–01–M

ENVIRONMENTAL PROTECTION AGENCY

[FRL–6113–5]

Solicitation of Additional Pilot Projects Under Project XL; June 12, 1998

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice; solicitation of additional pilot projects under project XL to ''Reinvent'' Environmental Regulations and Policies.

SUMMARY: Project XL, which stands for ''eXcellence and Leadership,'' is a national pilot program that provides a unique opportunity to test innovative ways of achieving better and more cost-effective public health and environmental protection. Under Project XL, EPA offers flexibility in its regulations, policies, procedures, processes and guidance, as well as other benefits to encourage companies, communities and other project sponsors to develop and test ''cleaner, cheaper and smarter'' alternatives to the current system. As of May 1998, seven pilot projects are being implemented and 20 more are in development. Several project sponsors have already achieved a number of significant benefits by participating in XL, including substantial cost savings, increased operational flexibility, better stakeholder relationships, increased environmental protection, and the ability to adapt processes and products more quickly to changes in consumer demand.

One company, for example, in just the first year of its pilot project, was able to consolidate a number of routine reports into two per year and use alternative means to meet air pollution control technology requirements. In addition, the company was able to achieve substantial environmental improvements while saving nearly $176,000 in operating costs. The company is also expecting to avoid $10 million in future capital spending.

Another company—also just in its project's first year—has avoided millions of dollars worth of production delays by eliminating 30–50 permit reviews while substantially increasing recycling, reducing solid and hazardous

waste, and applying stricter air pollution controls. For other examples, please refer to Project XL's Web site at: www.epa.gov/ProjectXL

In developing innovative proposals, project sponsors, regulators, and stakeholders alike must be willing to make resource and time commitments commensurate with designing and implementing new approaches in a multi-stakeholder environment. For some projects, resource commitments have been significant. However, as current project sponsors are eager to attest, the reward lies in the outcome: superior environmental results for the facility and the community, and substantial operational and financial benefits for the project sponsor. The Agency, its co-regulators, and other XL partners have been and are continuing to work hard on streamlining the proposal development process and reducing ''transaction costs.'' EPA has learned a great deal from the first set of proposals that has gone through the process, and as one of the lessons learned, urges potential project sponsors to discuss their idea with Agency and State staff as early as possible. Substantive and process issues can then be raised and addressed early before substantial time and resource investments have been made.

This **Federal Register** document is organized into four sections which have the following purpose: Section A—to clarify the role of regulatory and policy flexibility in XL pilot projects; Section B—to solicit additional ideas for experimental projects under XL (please note that no funding is associated with this solicitation); Section C—to stimulate ideas through a list of optional Project XL themes (note that the suggested themes are entirely optional, and have the sole purpose of conveying a sample of general areas of innovation EPA and others in the regulated and environmental community are interested in exploring under Project XL); and Section D—to describe key elements of good XL proposals that increase EPA receptivity and make the review process easier and faster.

EFFECTIVE DATE: June 23, 1998; an open solicitation with no set end date; project sponsors may submit more than one proposal.

FOR FURTHER INFORMATION CONTACT:

(1) For XL projects for private and federal facilities, states, and industrial sectors: Contact Christopher Knopes, Office of Reinvention Programs, United States Environmental Protection Agency, Room 1029, 401 M Street SW, Mail Code 1802, Washington, DC 20460. The telephone number for the Office is (202) 260–5754; the facsimile number is (202) 401–6637.

(2) For XL projects for communities: Contact Kristina Heinemann, Office of Sustainable Ecosystems and Communities, USEPA, 401 M Street SW, Mail Code 2182, Washington, DC, 20460. The telephone number is (202) 260–5355; the facsimile number is (202) 260–7875.

(3) Additional information on Project XL, including documents referenced in this document, other EPA policy documents related to Project XL, EPA regional contacts, application information, and descriptions of existing XL projects and proposals, is available via the Internet: For private and federal facilities, states, and sectors at ''http:// www.epa.gov/ProjectXL''; and for communities at http:// www.epa.gov/ProjectXLC. Faxed information is also available via an automated fax-on-demand menu at (202) 260–8590 both for XL facilities and communities.

SUPPLEMENTARY INFORMATION: President Clinton announced on March 16, 1995, a portfolio of reinvention initiatives to be implemented by the Environmental Protection Agency as a part of its efforts to achieve greater public health and environmental protection at a more reasonable cost. Project XL is one of these reinvention priorities. Through a series of site-specific agreements with project sponsors, EPA expects to gather data and experiences that will help the Agency make improvements in the current system of environmental protection. Project XL conducts experiments in four areas: facilities, sectors, federal facilities, and communities. State projects are also welcome.

XL projects directly benefit the local environment, participating facilities—both public and private—and their communities. But the benefits of Project XL extend beyond its participants, because EPA, working with state environmental agencies, intends to incorporate successful approaches into the current system of environmental protection.

Much information on Project XL has been provided in previous **Federal Register** documents. In Project XL's first **Federal Register** document on May 23, 1995 (60 FR 27282), EPA described Project XL as a program that offers a balanced set of benefits to the environment, the regulated community and the public, and issued a general solicitation for proposals. In that document, Project XL also defined the following eight criteria by which proposals are selected for participation. The criteria help evaluate whether the project can:

- Produce superior environmental results;
- Produce benefits such as cost savings, paperwork reduction, and operational flexibility;
- Garner stakeholder involvement and support;
- Achieve innovation and multi-media pollution prevention;
- Be transferable to other facilities, sectors, communities, etc.;
- Be feasible (technically and administratively);
- Identify monitoring, reporting, accountability, and evaluation methods; and
- Avoid shifting the risk burden.

A successful project sponsor must also have a solid record of compliance. For more detailed descriptions and definitions of these criteria, please refer to the **Federal Register** documents of May 23, 1995 (60 FR 27282) and April 23, 1997 (62 FR19872).

Because community-based XL projects differ from projects sponsored by other public or private-sector facilities and sectors, EPA addressed the distinction in a separate **Federal Register** document on November 1, 1995 (60 FR 55569). In addition to the criteria listed above, the November 1, 1995, **Federal Register** document included several unique criteria for XL community-sponsored projects. XL for Communities encourages projects that:

- Build capacity for community participation;
- Create economic opportunity; and
- Promote community planning.

In another **Federal Register** document on September 11, 1996 (61 FR 47929), EPA supplemented the general solicitation with an invitation for projects specifically aimed at creating innovative environmental technologies. EPA retains a strong interest in proposals in this area.

An April 23, 1997, **Federal Register** document (62 FR 19872) more clearly defined the criteria of superior environmental performance, regulatory flexibility, and stakeholder involvement. In addition, the document identified several more potential project themes that are important to pursue in the context of testing innovations for 21st century environmental protection. It also included revisions to the process by which an idea becomes an XL project. Emphasis is placed on pre-proposal planning and communication with stakeholders, on EPA's improved internal management of project reviews, and on the need for a close partnership with the states.

Since Project XL is continuously evolving, EPA is always open to and

welcomes comments on the various aspects of the program.

(A) The Role of Flexibility in XL Pilot Projects

Flexibility is an important and essential component of Project XL. As an incentive to undertake an XL project, EPA is offering project sponsors flexibility in regulations, policies, guidance, procedures and processes, provided the flexibility does not violate statutory requirements. Please note that regulatory flexibility is only one kind of flexibility offered as a benefit. It can be granted through site-specific rules that replace otherwise applicable requirements; existing waiver mechanisms; alternative permits; and generally applicable interpretive statements. Other tools may be identified on a case by case basis as projects are developed. (For more details, please refer to the **Federal Register** document of April 23, 1997 (62 FR 19872). Cost savings and burden reduction are other examples of incentives and benefits to a project sponsor. Communities may be particularly interested in visibility and recognition for innovative ideas and superior environmental performance that can result from participation in Project XL. To date, XL has implemented projects that take advantage of each type of flexibility and benefit offered.

In summary, XL is about testing new approaches which:

—May require regulatory flexibility or involve changes to policy, guidance, procedures, or processes; and

—Test a different way of doing something, even if EPA already has the authority to do so under the current system, but is not doing it.

Whenever a project also meets the other applicable XL facility or community decision criteria, EPA will aggressively offer the necessary flexibility to produce superior environmental performance and promote greater accountability to stakeholders.

(B) Solicitation of Additional Ideas for Pilot Projects

EPA encourages private and public sector facilities, sectors, states, local governments, and communities to use this opportunity to sponsor projects that can truly reinvent the way they conduct environmental management. EPA is also interested in having stakeholders not directly connected with regulated facilities come forward with XL proposal ideas or co-sponsor projects with companies, local governments, or other community organizations. Project XL offers environmental leaders and average performers alike a tremendous opportunity to think ''outside the box'' of our current system and to find solutions to obstacles that limit environmental performance.

To stimulate new XL project ideas, EPA is publishing the optional project themes listed in the next section. Because the total number of projects is limited to 50, it is vital that each project test new ideas with potential for wide application and broad environmental benefits.

EPA is promoting XL projects, both for facilities and communities, which test the following:

- Broader concepts, e.g. projects defined on a geographic basis; projects involving a larger number of facilities; projects which demonstrate Community-Based Environmental Protection (CBEP); projects with a broader, more comprehensive scope. This does not exclude smaller, more incremental, yet significant ideas;
- New strategies, e.g., market-based incentives, paperwork reduction, and environmental information and management systems;
- New tools and technologies, e.g. performance measurement tools and innovative environmental technologies; and
- Approaches for dealing with new environmental challenges, such as control of non-point sources, urban sprawl, and ecosystem protection.

(C) List of Optional New Themes for XL Projects

The potential themes listed below are entirely optional and have the sole purpose of conveying which general areas of innovation EPA and others in the regulated and environmental community are interested in exploring under Project XL. In category I below, EPA is suggesting a number of fairly detailed, program-specific themes. In category II, several ideas are listed that have been suggested by outside organizations as worth testing under Project XL and are not explored at the same level of detail. This should in no way discourage consideration of these less developed themes.

In considering XL projects for selection, EPA makes a determination of whether a proposal presents a new approach that EPA wants to test. Proposals which address any of the themes in category I below have the advantage that the Agency has already made that determination. While these proposals must still meet the XL criteria for facilities or for communities and go through a review and negotiation process like other proposals, EPA is committed to streamlining the processing of proposals submitted under any of the themes in category I.

It is important to emphasize again, that this list of themes in no way precludes any other innovative ideas to be tested under Project XL facilities and XL communities, as long as they meet the XL criteria, have a solid compliance record, and can produce ''cleaner, cheaper, and smarter solutions.''

The themes are organized into two broad categories, as summarized below:

Category I: Themes Developed by EPA

Testing New Strategies

(in alphabetic order:)

1. Air: Existing Preconstruction Requirements for Major Sources of Air Pollution in Attainment Areas
2. Air: U.S.-Mexico Border Emissions Trading
3. Environmental Management Systems (EMS)
4. Hazardous Waste: Reduction of Persistent, Bioaccumulative, and Toxic (PBT) Chemicals in Hazardous Waste
5. Permitting
6. Superfund Cleanup: Innovative Contracting Approaches
7. Superfund Cleanup: Partnering with Industry to Enhance Completion of Cleanup at Hazardous Waste Sites
8. Superfund Cleanup: Sustainable Reuse—''Recycling'' of Superfund Sites
9. Sustainability of Natural Ecosystems
10. Water: Environmental Performance Measures for Waste Water Pretreatment Programs

Developing New Tools and Technologies

(in alphabetic order)

11. Air: Continuous Monitoring Units for Radionuclides
12. Air: Leak Detection Technology
13. Air: Maximum Achievable Control Technology (MACT) for the Coke Oven Push and Quench Process
14. Multi-media Pollution Prevention: Using the Pollution Prevention (P2) Assessment Framework to Assess Manufacturing Processes

Category II: Themes Suggested by External Organizations

The first group of themes below include brief descriptions, while the ideas in the second group were suggested merely as topics to be explored: (in alphabetic order):

- Administrative Paperwork Reduction
- Community-Based Water Protection
- Concentrated Animal Feeding Operations

- Hazardous Waste: Land Disposal Restrictions Regulations
- Market-Based Approaches
- Multi-facility and Multi-media Projects
- Multi-media Pollution Prevention: Using ''Green Chemistry'' To Make Manufacturing Processes ''Greener''

Other ideas suggested by external organizations that the Agency considers worthy of further exploration:

- Alternatives for reducing persistent toxins in the Great Lakes
- Conservation and sustainable use of biodiversity and ecosystem services
- Energy conservation
- Environmental consequences of urban sprawl
- Global warming/climate change
- Green spaces
- Habitat preservation
- Improved management of timberland
- Watershed management

The full write-ups of the themes follow:

Category I: Themes Developed by EPA

Testing New Strategies

The themes below would test strategies that could help EPA move toward a new system of environmental protection or make improvements in the current system.

1. Air: Existing Preconstruction Requirements for Major Sources of Air Pollution in Attainment Areas

Background: Currently, before beginning construction of a major new air pollution source or a major modification at an existing source in an attainment area, the source must undergo preconstruction review pursuant to the applicable Prevention of Significant Deterioration (PSD) program (see, e.g., 40 CFR 52.21). This review, which involves permitting, technology requirements, and air quality monitoring and analysis, is time and resource intensive. The monitoring responsibility imposes a significant time restriction on when a source can begin construction and, in turn, start operations. The impact of this delay can be of particular concern in northern areas where the construction season is limited.

Idea or approach to be tested: This idea is aimed at reducing the preconstruction waiting period in exchange for corresponding benefits to the environment. The premise is simple: to ascertain if the EPA and permitting agencies can predict whether certain types of construction will adversely impact air quality. This would allow for confirmatory monitoring rather than monitoring in advance of construction. At this time, EPA is only soliciting comment on the concept and determining the level of interest in such a study. If EPA determines that there is sufficient interest to proceed, it will issue a more detailed description of the study and solicit requests from sources wishing to participate. At that time, the Agency will discuss in more detail the possible mechanisms for implementing the study, including whether a rulemaking will be required. This XL concept is also discussed in more detail in a memorandum available on the Internet. For further information, please review the memorandum available on the XL homepage at ''http://www.epa.gov/ProjectXL or at www.epa.gov/TTN/OARPG

Regulatory or other flexibility needed: By providing superior benefits to the environment and agreeing to offset any adverse impacts on air quality, a participant in the study could obtain a PSD permit and begin construction *prior* to completing all air quality analysis, which can take up to twelve months or more. This could occur as long as the source: (1) satisfied all other applicable PSD permitting requirements, including installation and operation of the best available control technology (BACT), as agreed to by EPA and the permitting authority; (2) agreed to purchase impact offsets if the completed monitoring or modeling demonstrated a violation of the National Ambient Air Quality Standards or exceedance of any applicable increments; and (3) agreed to superior environmental performance that would at a minimum include the installation and operation of continuous emissions monitors. Although the source would still be required to obtain the necessary monitoring data, it would not need to complete the monitoring prior to the permit issuance and beginning of construction. Thus, in exchange for undertaking some superior environmental performance and agreeing to offset any prohibited impacts on air quality through the purchase of offsets, a source could begin construction and start operations up to a year earlier than currently allowed under existing regulations. At this time, the Agency anticipates applying at least the following restrictions to participation: (1) the project would not extend to sources in nonattainment areas, areas considered unclassifiable, or sources that may require Class I impact analysis; (2) EPA would not select sources that are in violation of the PSD program; (3) EPA believes that the study should include only participants for which the relevant state and EPA agree that the proposed construction is not likely to improperly exceed available air quality increments or violate the National Ambient Air Quality Standards.

For more information on this particular theme, please refer to EPA's Project XL home page at http://www.epa.gov/ProjectXL.

2. Air: U.S.-Mexico Border Emissions Trading

Background: The border between the U.S. and Mexico runs through the center of the sister cities El Paso and Ciudad Juarez. This common airshed does not meet U.S. standards for ozone, PM and CO. The air pollution problem will not be solved by the U.S. side alone—significant reductions from Mexican sources will be required. Business, environmental and community groups from both sides of the border have been working together to develop solutions to the air pollution problem, including market incentives.

Idea/approach that could be tested: U.S.-Mexico Border emissions trading.

Technology that could be tested: Retrofit technologies (including conversions to natural gas) for older vehicles and brick making facilities.

Possible superior environmental performance: A source facing a pollution control requirement in El Paso could probably achieve far more reductions at lower cost and with greater environmental benefit to El Paso by cleaning up sources in Mexico.

Regulatory or other flexibility needed: The trading requirements that credits be surplus and enforceable would be the most difficult to comply with in a U.S.-Mexico emissions trading program. EPA's revised Economic Incentives Program will help with determination of surplus credits. Mexican environmental law contains provisions for enforcement. Work with our Mexican counterparts on enforcement is ongoing and would be further benefited by an XL project. (Legal analysis is available)

Possible candidate applicants: Utility companies along the U.S.-Mexico border.

3. Environmental Management Systems (EMS)

Background: EPA recently published a position statement on EMSs in the **Federal Register** (63 FR 10294, March 12, 1998), in which it encouraged the use of EMSs in general, and especially those that address overall environmental performance and compliance. It also encouraged the inclusion of stakeholders in EMS development. That statement described a data-gathering effort that EPA is

undertaking, along with a number of states, to evaluate the effect of EMSs.

Today's solicitation of XL proposals in the EMS area is distinct from the data-gathering effort described in the **Federal Register** mentioned above, although a facility participating in that effort could also participate in Project XL. As in all XL projects, EPA would expect a commitment not simply to adopt an EMS, but to attain environmental results better than those that would occur without the project. EPA would be most interested in proposals that involve an exceptionally high quality EMS that appears likely to provide substantial environmental improvements.

Idea/approach to be tested: The purpose of this initiative would be to test the use of comprehensive EMSs, including those based on the ISO 14001 International EMS Standard that can also meet the criteria for Project XL, such as superior environmental results and stakeholder involvement. Organizations or communities interested in these projects would be asked to collect information and report on implementation of the EMS in a number of key areas, like environmental performance for both regulated and unregulated activities, compliance, pollution prevention, EMS costs and benefits, and, where feasible, changes in environmental conditions. The value of third-party certification of EMSs and how certification relates to environmental performance may be another area to test.

Regulatory or other flexibility needed: An EMS must achieve compliance, but since XL projects are designed to test new approaches, EPA would consider streamlining or otherwise modifying existing regulatory requirements to achieve the superior environmental performance objectives established through an EMS. Any proposals for regulatory relief should be linked to exploring ways in which an EMS may create opportunities for transferable improvements in the regulatory system (e.g. by simplifying reporting or procedural requirements).

Possible superior environmental performance: A project might, for example, provide superior environmental results by committing to a reduction in emissions that was expected to result from implementation of the EMS.

4. Hazardous Waste: Reduction of Persistent, Bioaccumulative, and Toxic (PBT) Chemicals in Hazardous Waste

Background: The Agency is committed to working with the States and regulated community to reduce by the year 2005 50% of the most persistent, bioaccumulative, and toxic chemicals contained in industrial hazardous waste. Many of the approximately 25,000 companies regulated as large quantity generators under the RCRA hazardous waste laws have demonstrated that reduction of hazardous chemicals at the source of production, using pollution prevention and recycling technology, is in the long run more cost-effective than end-of-the-pipe waste treatment and disposal methods, and that pollution prevention rather than treatment and disposal provides more enhanced protection of human health and the environment and relief from liability than traditional end-of-pipe methods. EPA's Waste Minimization National Plan lays out a strategy for a voluntary program that carries these efforts to the 50% reduction goal by the year 2005.

Idea/approach that could be tested: EPA invites companies to explore experiments in regulatory reinvention that promote pollution prevention technologies over waste treatment and disposal technologies. For example, a company may wish to pursue process redesign, equipment modifications, or materials substitutions that would reduce PBT levels in hazardous waste to an extent that would render wastes non-hazardous, reduce the level of treatment needed, and/or reduce the amount of treatment capacity needed—however, compliance requirements for other regulations (e.g. permit modification schedules, effective dates for Land Disposal Restrictions standards, trial burns for combustion units) may impede or preclude achieving this objective.

Possible superior environmental performance: Earlier and more cost-effective methods for achieving compliance and reducing risks posed by hazardous waste.

Regulatory or other flexibility needed: We would be willing to consider changes to existing policies, procedures, and other requirements to make this possible.

Possible candidate applicants: ''Good citizen'' companies, preferably those managing or influencing numerous sites, who have provided leadership in cooperating with other companies and facilitating issue resolution on their own.

5. Permitting

Background: EPA believes that innovative technologies and alternative strategies are stepping stones to cleaner, cheaper, smarter environmental management. Elements of some permit programs may, however, impede use of innovative technologies or alternative pollution prevention strategies. Efforts to streamline permitting may be adding further complications by favoring ''routine'' permit actions that may be faster and easier to process over permit actions that involve innovative technologies or alternative strategies. The Agency is looking for approaches that create and maintain enough flexibility within the permitting process to support continued innovation. EPA has already tested some approaches to permit flexibility for innovative technologies, and some permit programs (e.g. the prevention of significant deterioration program for air pollutants, 40 CFR 52.21 (v)) already have approval processes for alternative technologies. The Agency is interested in testing additional techniques.

Idea/approach to be tested: EPA is interested in developing a menu of potential permit conditions that could encourage innovation and accommodate the possibility that an innovative or alternative strategy may not perform as expected. Adequate safeguards would be built in to fully protect human health and the environment, and stakeholders would have a role in the decision making.

Possible superior environmental performance: Development of more effective environmental technologies and strategies.

Regulatory or other flexibility needed: EPA would be willing to consider options, such as compliance schedules providing enough time to get new technologies up and running, offset by interim emissions reductions or decreased emissions over the long term; a reasonable time frame for reinstalling traditional controls if a new technology fails to perform; provisions for reopening the permit; or alternative strategies for sharing legal and financial risks. In return for a superior environmental outcome, EPA would also be willing to consider providing flexibility in areas such as consolidating or streamlining certain administrative requirements, expediting the permitting process, pre-approving certain process changes in lieu of permit modifications, or experimenting with alternative monitoring strategies.

Possible candidate applicants: Public and private sector permitted entities.

6. Superfund Cleanup: Innovative Contracting Approaches

Background: The FY 1998 House Appropriations Committee Report expressed interest in using fixed-price, ''at-risk contracting'' for the cleanup of an ''orphan'' Superfund site. (''Orphan sites'' are sites where there are no viable

responsible parties able to do necessary cleanup. EPA uses money from the Superfund Trust Fund to clean up these sites.) The appropriations language indicated a belief that this type of contracting, once tested, holds potential for speeding up site cleanup and reducing related costs.

Idea/approach that could be tested: A cleanup contractor would submit to EPA a complete cost package based on completion of the Record of Decision, which identifies the cleanup remedy selected for a specific site. The contractor would guarantee a fixed price for implementing the remedy selected by EPA and would absorb any cost overruns.

To the extent permitted by law, EPA would select the cleanup contractor at a pilot site based on the best combination of reasonable cleanup costs and economic reuse of the site.

Possible superior environmental performance: Linking site cleanup and site economic reuse assures that cleanup decisions provide maximum protection of workers during cleanup and construction of the intended reuse of the site, and for the public living in proximity to the site and frequenting the site after development. Cleanup decisions are made up-front, with input from the developer, the community, local government, State government, as well as the Federal government. Controlling costs at individual sites will allow EPA to eliminate risks at more sites more quickly.

Regulatory or other flexibility needed: EPA would be willing to consider addressing potential Superfund liability concerns regarding waste existing at the site; participating in cleanup costs necessary for reuse which are not inconsistent with the cleanup specified in the Record of Decision, and modifying existing procurement procedures consistent with such a test of an alternate procurement process.

Anticipated future change in EPA's approach to environmental protection: The Congress, in the FY 1998 House Appropriations Committee Report, appears to encourage EPA's investigation of more fixed-price contracts in an effort to better contain cleanup costs, and the use of ''at-risk contracting'' where the government does not bear all the risks associated with hazardous site remediation. Both these efforts are intended to control the cost of Superfund cleanups and add an additional contracting mechanism.

Possible candidate applicants: Cleanup contractors, real estate developers, or a joint venture of several companies would be likely candidates for this project. Eligible sites include those on the National Priority List which lack viable responsible parties to implement the necessary cleanup.

7. Superfund Cleanup: Partnering With Industry To Enhance Completion of Cleanup at Hazardous Waste Sites

Background: With sufficient funding from Congress, the President has committed to enhance protection of human health and the environment by completing cleanup construction at a greatly accelerated rate. More than two-thirds of Superfund sites are being cleaned up by potentially responsible parties (PRPs). The program is faster, fairer, and more efficient due in part to the administrative reforms instituted by the Agency. EPA must continue to find better ways to identify and resolve scientific and technical problems, legal and policy issues, or other potential impediments that may delay the completion of construction at National Priority List sites in order to expedite cleanups that protect human health and the environment.

Idea/approach that could be tested: Taking care not to interfere with ongoing enforcement, EPA would partner with companies and affected states to develop new mechanisms for early resolution of potential problems. EPA would also like to find ways to promote waste minimization strategies and innovative cleanup technologies, examine ''batching of remedies'' for certain technologies to enable larger-scale (and lower-priced) approaches to cleanup, and collaborate on research related to hazardous waste cleanup methodologies to facilitate cleanup.

Possible superior environmental performance: Earlier elimination of threats to human health and the environment related to risks posed by hazardous waste sites; ''smarter cleanup solutions'' which make treatment cost-effective by optimizing remedy costs over multiple sites, increasing the volume of waste to be treated, or blending waste from multiple sites to make treatment operations more efficient; and greater use of innovative and more effective cleanup technologies.

Regulatory or other flexibility needed: EPA would be willing to consider changes to existing policies, procedures, and other requirements to make this possible, being mindful of limitations posed by existing settlements or orders for the performance of work.

Anticipated future change in EPA's approach to environmental protection: More collaborative and efficient partnership with PRPs in getting Superfund sites cleaned up in a timely manner. This may have broader application to other environmental cleanup programs.

Possible candidate applicants: ''Good citizen'' companies, preferably those managing or influencing numerous sites who have provided leadership in cooperating with other companies and facilitating issue resolution that have resulted in expeditious site cleanup.

8. Superfund Cleanup: Sustainable Reuse-''Recycling'' of Superfund Sites

Background: EPA has made substantial progress in speeding cleanup at Superfund sites, but until cleaned-up sites are put back into productive use, the nation will fail to reap the full benefits of the Superfund program. Brownfields programs have successfully leveraged resources from a wide range of stakeholders to clean up properties to facilitate their redevelopment, but these programs have been limited to sites that are not on the Superfund National Priority List.

Idea/approach that could be tested: EPA would consider offering procedural flexibility and addressing potential Superfund liability to facilitate redevelopment of cleaned-up Superfund National Priority List sites. EPA would also be willing to offer technical expertise to support local efforts, advice in involving the community, use of helpful information resources, and coordination of access to other agencies and resources.

Possible superior environmental performance: Converting cleaned-up, but otherwise underused properties into valuable community assets. In addition, incorporating redevelopment considerations into the cleanup process can (1) lead to faster cleanups with consequent faster environmental protection as parties take voluntary actions to achieve the desired redevelopment use; (2) ensure binding agreements are in place to monitor institutional controls that are necessary at sites with waste left on-site, and (3) in many cases, result in environmental enhancements that are associated with the reuse (e.g., cleanup of nearby creeks to support fishing and recreation).

Regulatory or other flexibility needed: EPA would be willing to consider changes to its existing policies, procedures, and guidance in order to minimize or eliminate, where appropriate, barriers to the redevelopment of cleaned-up Superfund National Priority List sites posed by the potential applicability of the Federal Superfund statute and regulations. EPA may also consider expediting the release of parts of sites from the Superfund process if they would be returned to productive use through redevelopment.

Cleanups consistent with the National Contingency Plan would still be required.

Anticipated future change in EPA's approach to environmental protection: Removal or minimization of barriers to returning cleaned-up Superfund sites to productive use. This may have broader application to other environmental cleanup programs.

Possible candidate applicants: Companies with expertise in redeveloping properties, communities interested in regional redevelopment opportunities or in combining multiple sites for economic and environmental master plans, and Community Development Corporations.

9. Sustainability of Natural Ecosystems

Sustainability is a concept that describes the balance between conservation of natural resources and economic development. The following is a possible project scenario for testing an approach that includes sustainability as a key feature.

Background: In an effort to address threats to ecosystem viability arising from sedimentation and non-point source runoff caused by local farming in river watersheds, EPA is interested in testing the idea of stakeholders developing and implementing resource plans for watersheds.

Idea/approach that could be tested: Restoration approaches through community planning and local involvement. A planning committee of local farmers, landowners, and environmentalists could be formed. That committee would develop a resource plan that identifies a vision for the restoration and protection of the area that includes the type of future conditions they want to obtain and target for restoration. They also could identify issues of concern including ecological diversity, erosion, open dumping, and ground and surface water quality, and seek to address these issues in a manner compatible with a healthy economy and high quality of life. Issues of concern could be identified through committee discussions, watershed assessment field trips, and public meetings. Representatives from conservation organizations and local universities could also support the committee. Ultimately, this effort could provide a model for partnerships between EPA and local communities to solve long-term ecosystem problems.

Technology that could be tested: Community visioning and long-term planning for preservation of local natural resources and a sustainable economy that integrates economic, social, and environmental goals. Planning that involves a diverse cross-section of the community. Citizen monitoring of water quality and tracking of results.

Possible superior environmental performance: Preservation of an ecosystem important to the local community both for quality of life and economic reasons.

Regulatory or other flexibility needed: The community may desire flexibility in an area being addressed by the project or in another area where federal or state regulations, policies, guidance or Agency standard operating procedure present obstacles to achieving better environmental results.

Possible candidate applicants: Communities—local governments, community organizations, regional planning associations, and any other interested public or private entity. Projects addressing this theme could also be implemented through regional or ecosystem-scale initiatives like some of the National Estuary Projects that have resulted in comprehensive conservation and management plans, and other efforts such as the work in EPA's Atlanta Office (Region IV) with the Southern Appalachia Project that could result in recommendations that could be implemented through XL.

10. Water: Environmental Performance Measures for Waste Water Pretreatment Programs

Background: The Pretreatment Program is a cooperative effort of federal, state, and local regulatory environmental agencies established to protect water quality. Generally, the Program is implemented by Publicly-Owned Treatment Works with the objective of reducing the amount of pollutants discharged by industry and other non-domestic wastewater sources into municipal sewer systems, and thereby, reducing the amount of pollutants released into the environment from wastewater treatment plants.

Idea or approach that could be tested: EPA is interested in exploring alternative environmental performance-based pretreatment programs on a pilot basis. The intent of this effort is to investigate ways of increasing the effectiveness of the pretreatment program and thus obtain greater environmental benefit. Please refer to a separate segment of this **Federal Register** Notice, in which the Agency announces and describes its interest in exploring alternatives in this area in much greater detail. It is also available from Patrick Bradley, telephone number 202–260–6963.

Regulatory or other flexibility needed: EPA would be willing to provide POTWs regulatory relief from certain programmatic requirements (e.g., specific monitoring frequencies, specific control mechanism issuance requirements, etc.), so that they could implement alternative programs that would increase the environmental benefits. EPA is willing to consider various concepts of what an adequate environmental performance-based program might be, what POTWs would qualify for administering such a program, and what existing pretreatment program requirements would not be applicable to approved pilot programs.

Developing New Tools and Technologies

The themes listed below suggest ways that could help EPA improve current monitoring, measurement, and assessment tools and technologies.

1. Air: Continuous Monitoring Units for Radionuclides

Background: DOE is planning to use mixed waste incinerators to process high BTU content waste. Process pollution control equipment, when operating properly, captures most of the radionuclides. To determine if there are any releases, a filter is examined and tested on a daily or weekly basis to gather data. Many gases (CO, NO_X, SO_X) are monitored real or near real time, but radionuclides are monitored periodically. Thus, incinerators may potentially expose individuals to radionuclides during the time elapsed between periodic testing and actions taken to shut down the incinerator.

Idea/approach that could be tested: Continuous monitoring units for radionuclides. On time reporting of this information to the public could be another dimension of this project.

Technology that could be tested: A real or near real time monitor for radionuclides.

Possible superior environmental performance: A rugged and reliable unit which provides continuous real time monitoring data would allow almost simultaneous shut down of the incinerator if radionuclides are emitted. Thus, potential exposure to radionuclides should be reduced.

Regulatory or other flexibility needed: Radionuclide emissions from DOE facilities are regulated under 40 CFR part 61, subpart H (radionuclides NESHAPs). Subpart H allows use of environmental measurements to demonstrate compliance under certain conditions and with prior EPA approval. The project would require EPA flexibility in granting prior

approval to test the units and possibly relaxing the criteria for approval.

12. Air: Leak Detection Technology

Background: The chemical and petroleum refinery industries have to deal with a large number of potential emission points and a personnel-intensive approach to monitoring them under the Leak Detection and Repair provisions of current air rules (CAAA section 111 and 112). The number of components requiring emissions monitoring at refineries can range from 60,000 at small facilities to 500,000 at large facilities. While these provisions were developed via regulatory negotiation with industry and environmentalists, there may be alternative approaches to reduce emissions from these sources that are less burdensome and potentially more productive.

Idea/approach that could be tested: The Consolidated Air Rule and the Petroleum Refinery subcommittee of EPA's Common Sense Initiative are both exploring the question of whether industry can demonstrate that certain valves, pumps or seals do not leak as much as others and thereby reduce the frequency that they must be monitored. However, there will always be some amount of monitoring required.

Independent studies conducted by the Petroleum Refining Common Sense Initiative (CSI) Subcommittee and the American Petroleum Institute (API) suggest that the incidence of leaks in the population of refinery equipment is ''essentially random in well-controlled plants'' and that chronic leakers of regulatory significance (>10,000 ppm) are difficult, if not impossible to identify.

This XL project would explore whether there are other monitoring technologies that may be equally or more effective at identifying leaks than EPA's rules require, but that may be cheaper and easier to use for industry. Another aspect of this project may be to verify the CSI and API studies by exploring how much a component may leak and use that information to target the big leakers.

Technology that could be tested: There are new advances in leak detection that could be explored for industry use. One leak detection technology currently under development is a periodically-poled lithium niobate (PPLN) laser imaging system which, if proven effective, could be used to identify Volatile Organic Compound emissions from groups of components. Based on information provided by the Petroleum CSI Subcommittee, the CSI Council has recommended that the Agency prepare to engage in a process to test, verify, and approve this new leak detection technology that might be proposed as an alternative to current monitoring requirements. Subcommittee members informed the Council that the U.S. Department of Energy has pledged financial support for the development of a PPLN laser imaging system prototype. Industry, through API, has pledged in-kind services in terms of facilities and personnel to field test the technology. The CSI Subcommittee plans to fund an evaluation of the pilot test.

Possible superior environmental performance: If leaking components can be more effectively identified, overall emissions to the environment can be reduced. At the same time, EPA could potentially reduce burden and cost to industry.

Regulatory or other flexibility needed: EPA would need to allow participating plants the flexibility to use monitoring approaches other than the prescribed rule approach.

Possible candidate applicants: Any of the Consolidated Air Rule participants in the chemical industry, American Petroleum Institute, or the National Petroleum Refiners Association may be interested.

13. Air: Maximum Achievable Control Technology (MACT) for the Coke Oven Push and Quench Process

Background: The coke oven push and quench process is a listed source category to be regulated under Title III. EPA is required to promulgate a final Maximum Achievable Control Technology (MACT) standard by November 2000. The push and quench operations deal with the removal and cooling of coke from coke ovens. Once the coal to coke conversion is complete inside of the coking ovens, the hot coke is pushed by a ram from the oven into a quenching car. The quenching car of hot coke is moved by rail to the quench tower, where several thousand gallons of water are used to cool the coke. The push and quench process at coke oven facilities is a very large source of fugitive dust (PM_{10}, $PM_{2.5}$) organic Hazardous Air Pollutants (HAPs) and waste water. Conventional control technologies (i.e., localized hooding and control) are only marginally successful due to technical and economical limitations. As such, the MACT for this significant source category, if based on conventional technologies, will result in minimal benefits.

Technology that could be tested: The Kress Indirect Dry Cooling (KIDC) System replaces the quenching car with a box that is slightly wider and deeper than the coke charge. A carrier positions the box flush against the coke oven where the box can receive the push. After the push is complete and the pusher ram is withdrawn, the KIDC box's guillotine door closes. Fugitive dust is nearly eliminated from the push operation. VOCs which continue to offgass from the coke are controlled by a flare at the rear of the box. Following the push, the carrier moves the box to the quench station, and onto a cooling rack. Cooling water runs over the box to cool the coke indirectly. In addition to the environmental benefits, the KIDC system is intended to improve coke quality due to the indirect cooling.

In 1990, EPA/ORD began a demonstration of KIDC system at the Bethlehem Steel Coke Plant at Sparrows Point, Maryland. Unfortunately, the demonstration was interrupted and not completed for reasons unrelated to the KIDC system. However, preliminary data received from the demonstration were promising. Based on visible emission observations, emissions of particulate from the pushing operations were reduced by roughly 75% while emissions during quenching were virtually eliminated.

Possible superior environmental performance: The KIDC system has the potential to greatly reduce the air and water pollution resulting from the coke oven push and quench processes.

Emissions, based on AP–42 emission factors and the preliminary data for KIDC, are as follows:

TSP	Conventional	KIDC
Coke Pushing	2.0 lb/ton	0.5 lb/ton.
Quenching	1.0 lb/ton	0.0 lb/ton.

VOC	Conventional	KIDC
Coke Pushing	0.2 lb/ton	0.15 lb/ton.
Quenching	Unknown	0.00 lb/ton.

Regulatory or other flexibility needed: Substantial capital and time would be required to modify an existing facility and install the demonstration equipment. There are no guarantees that the equipment will work as planned (although the design indicates that it would likely be superior to the technology upon which the MACT standard would be based) or that the demonstration would be complete by the MACT standard compliance date. For these reasons, the facility would need some guarantee of relief from the MACT standard for a defined period of time, in order to protect the facility's capital investment in the demonstration project.

Possible candidate applicants: Other integrated steel mills.

14. Multi-media Pollution Prevention: Using the Pollution Prevention (P2) Assessment Framework to Assess Manufacturing Processes

Background: When designing an industrial process and producing new chemicals (in the form of new products or waste), industry often does not have any guidance from EPA to help them assess the potential regulatory burden associated with products of a new process. The Pollution Prevention Assessment Framework (P2 Assessment Framework), developed by EPA, packages a number of hazard, exposure and risk assessment methodologies that EPA uses in evaluating chemicals for which there are little or no data. The goal of the P2 Assessment Framework is to provide industry with methodologies that can identify problematic chemicals early in the design or manufacturing stage, or to assess the risk of chemical options for a specific purpose. The P2 Assessment Framework can aid industry in fostering pollution prevention as well as saving time and money, as demonstrated by a pilot project with the Eastman Kodak Company. Kodak recently issued a press release describing the business benefits of using EPA's P2 Assessment Framework. Kodak's press release indicated that the P2 Framework ''. . . saved Kodak tens of thousands of dollars in development costs . . . with each one tested.'' EPA is interested in doing further testing of the tool in addition to the Kodak pilot.

Idea or approach to be tested: The P2 Assessment Framework can help industry practice cost-effective pollution prevention by reducing the regulatory burden associated with the production or use of new or existing high-risk chemicals. A wide array of chemicals can be screened quickly, thereby saving time and money by identifying potentially problematic chemicals early in the process, and finding more benign substitutes for them.

Possible superior environmental performance: Prevention of the production of potentially more hazardous chemicals (either as product or waste) from a production facility.

Regulatory or other flexibility needed: We would consider changes to existing policies, procedures, or permitting requirements to make this possible.

Possible candidate applicants: Any company developing new chemical substances, reformulating existing products or processes, or choosing among competing chemical substances for product development and manufacturing.

Category II: Themes Suggested by External Organizations

To stimulate additional ideas, EPA is including some themes in this Notice that were suggested as good ideas for Project XL pilots by representatives of public and private sector organizations during numerous meetings around the country. These ideas are briefly described below and, based on Agency review, are considered worthy of further exploration.

Administrative Paperwork Reduction

Record-keeping and reporting-burden reductions could be achieved through projects that provide EPA with the same information but in formats and ways that are more useful to EPA and less burdensome to the regulated entity. For example, EPA might agree to drop requirements for hard copy reporting of data in exchange for electronic submission of data. Superior environmental performance could be achieved, for example, by reinvesting cost savings in other areas that produce such results.

Community-Based Water Protection

Municipalities are required to implement multiple water protection programs, most notably the operation of publicly-owned treatment works, the storm water program and pretreatment programs, and in some cases combined sewer overflow programs. In many cases, these programs are implemented independently with little or no coordination or communication between them. In some communities, non-point sources that are not addressed by these programs may pose significant threats to water quality. The suggestion is to explore possible ways of integrating multiple water protection programs.

Concentrated Animal Feeding Operations

Nationally there are approximately 7,000 concentrated animal feeding operations (CAFOs). Under the Clean Water Act, CAFOs are ''point sources'' and subject to the National Pollutant Discharge Elimination System (NPDES) permitting requirements. The largest operations are also subject to the feedlots requirements under the Effluent Limitation Guidelines. The current technology standard specifies ''no discharge.'' The applicable NPDES and Effluent Guideline regulations have not kept pace with technology improvements nor the changing nature of the animal agriculture industry. Potential projects could test innovative approaches, such as watershed permits, or innovative technologies for the management of animal manure.

Hazardous Waste: Land Disposal Restrictions Regulations

Industry has often suggested that if they had more time to come into compliance with new land disposal restriction regulations that they would be able to make significant steps towards waste minimization, potentially even eliminating a particular waste stream. Companies may be able to develop approaches that allow complete elimination of a waste stream, specifically under the technology-based treatment standards that hazardous waste must meet before being placed in or on the land.

Market-Based Approaches

Economic and market incentives could be developed for better environmental performance, including exploring financial instruments; the insurance industry; lenders, (e.g. for the redevelopment of brownfields); ways to combine sources of funding to help pay for the development and testing of new technologies; and ways to provide economic incentives for environmentally beneficial behavior, e.g. credits for using solar power.

Multi-facility and Multi-media Projects

Projects might test strategies for large companies that have many site locations or manufacturing and supplier chains; or strategies for related industries in different geographic locations, such as hazardous waste disposal and treatment companies; or auto companies, body shops, and paint shops. An example might be: Establishing a network of preconstruction air monitoring for a group of facilities giving relief from individual monitoring requirements. Even though these types of projects are very broad and may pose considerable management and implementation challenges, EPA is eager to entertain ideas along these lines as opportunities for truly innovative environmental protection approaches.

Multi-media Pollution Prevention: Using ''Green Chemistry'' To Make Manufacturing Processes ''Greener'

The Green Chemistry program is designed to foster chemical methods that reduce or eliminate the use or generation of toxic substances during the design, manufacturing, and use of chemical products and processes. A part of the Green Chemistry program promotes partnership with industry in developing green chemistry

technologies. A possible XL project may involve the use of green chemistry that would make a production process cleaner, and reduce the regulatory burden that would be required of the production facility.

Other Ideas Suggested by External Organizations that the Agency Considers Worthy of Further Exploration:

These ideas were proposed merely as topics that would need to be fleshed out. (in alphabetic order)

- Alternatives for reducing persistent toxins in the Great Lakes
- Conservation and sustainable use of biodiversity and ecosystem services (for example, pollination, natural pest control, natural water flow management, and natural filtering and breakdown processes of pollutants)
- Energy conservation
- Environmental consequences of urban sprawl
- Global warming/climate change
- Green spaces
- Habitat preservation
- Improved management of timberland
- Watershed management

(D) Key Elements of Good XL Proposals

A successful project sponsor must have a solid record of compliance and demonstrate that the proposed XL project meets the eight XL criteria, as discussed in previous **Federal Register** documents and summarized in the ''Supplementary Information'' section in the beginning of this document. The review process will be easier and EPA, States, and other stakeholders will be more receptive to proposals if they:

√ Clearly lay out what is innovative about the approach to be tested and the potential benefits of applying the approach to other facilities, sectors, or communities, i.e. its transferability;

√ Clearly identify the area(s) of flexibility needed in EPA regulations, policies, and/or procedures;

√ Be as clear as possible about the benefits the project sponsor will derive from implementing the project, such as environmental improvements at the facility and in the community, worker health protection improvements, time-to-market savings and/ or paperwork reductions. EPA is also very interested in measurements of resources and cost savings.

√ Avoid being focused primarily on the requirement the project sponsor wants to avoid, but focus instead on the new approach to be tested;

√ Have early stakeholder support and a well-developed plan for facilitated stakeholder involvement;

√ Plan your idea in pre-proposal discussions before the actual proposal is formally submitted; pre-proposal discussions with EPA, States and other stakeholders go a long way toward reducing ''transaction costs'' (i.e. time and resources) in the selection and negotiation of projects;

√ Lay out a plan for how environmental baselines will be measured and superior environmental performance achieved. For more information on baselines, please refer to the **Federal Register** document (62 FR 19872) issued on April 23, 1997.

√ Propose a workable schedule for the development of a final project agreement and a plan for how the project will be managed.

EPA encourages potential project sponsors to talk early to EPA before submitting a formal proposal. This allows the Agency to help develop the proposal and to explain the process. The Agency recognizes that community project sponsors may require special assistance from EPA in developing proposals and any resulting projects. This assistance could include working with community project sponsors to help identify additional resources to support development and implementation of XL projects.

Proposals, in brief, will go through the following process: EPA will evaluate all proposals with input from relevant EPA and State offices to determine whether a proposal has the potential of meeting Project XL's set of criteria for facilities and/or communities, and whether it contains environmental, regulatory, and policy concepts worth testing in Project XL. If the Agency and the relevant State(s) determine that it is appropriate to proceed with proposal development, the project sponsor then leads a process involving all affected stakeholders to develop an agreement on the project.

Conclusion

Project XL presents a unique opportunity for private and public sector facilities, states, sectors, and local communities to design and test alternative approaches, while deriving substantial benefits for themselves and the communities around them. 27 facilities, sectors, states, and communities are already implementing or developing such innovations. EPA has integrated many ''lessons learned'' into its regulatory and policy-setting system. In addition, the Agency has learned how to process XL proposals with greater efficiency and efficacy. EPA's goal of implementing 50 XL pilot projects will provide the Agency with a range of innovations that can create a better system of protecting our environment and our health in the 21st century.

Dated: June 11, 1998.

J. Charles Fox,

Associate Administrator, Office of Reinvention.

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ENVIRONMENTAL PROTECTION AGENCY

[FRL–6113–6]

Pretreatment Program Reinvention Pilot Projects under Project XL

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice; Solicitation of Local Pilot Pretreatment Program Proposals under Project XL.

SUMMARY: Publicly Owned Treatment Works (POTWs) regulated under the National Pretreatment Program are required to identify industrial users, issue permits to these users, monitor industrial user activities through on-site sampling and inspections, and carry out other administrative functions involving extensive recordkeeping and reporting.

Many POTWs have mastered the programmatic aspects of their pretreatment programs, and a number of these POTWs feel that their programs should be measured against environmental results rather than strict adherence to procedural and administrative requirements. These POTWs have expressed an interest in being allowed to focus their resources on activities that they believe will provide greater environmental benefits than are achieved by complying with the current requirements.

The Project XL program, which is discussed in greater detail in another document in today's **Federal Register**, was implemented to provide the flexibility to conduct innovative pilot projects to develop and test ''cleaner, cheaper and smarter'' programmatic alternatives that could yield greater environmental results than those achieved under the current regulatory system. EPA is interested in exploring alternative environmental performance-based pretreatment programs on a pilot basis under the Project XL program.

Today, EPA is requesting that POTWs interested in pursuing a program based on environmental performance measures submit preliminary, one to two page proposals explaining what they would include in their Local Pilot Pretreatment Programs. These short proposals must include a clear description of the alternative program the POTW plans to implement, the environmental benefits to be gained by