

prescriptions and recommendations on the dPDEIS and draft license application. All comments on the dPDEIS and draft license application should be sent to Portland General Electric at the address above in item (f), with one copy filed with the Commission at the following address: Federal Energy Regulatory Commission, Magalie R. Salas, Secretary, 888 First St. NE, Washington, DC 20426. All comments must include the project name and number, and bear the heading "Preliminary Comments," "Preliminary Recommendations," "Preliminary Terms and Conditions," or "Preliminary Prescriptions." Any party interested in commenting must do so by December 31, 2003.

j. With this notice, we are initiating consultation with the State Historic Preservation Officer (SHPO), as required by Section 106, National Historic Preservation Act, and the regulations of the Advisory Council on Historic Preservation, 36 CFR 800.4.

k. *Locations of the application:* A copy of the application is available for review at the Commission's Public Reference Room, located at 888 First Street, N.E., Room 2A, Washington, D.C. 20426, or may be viewed on the Commission's Web site at <http://www.ferc.gov> using the "e-library link—Dockets" Enter the project number P-2195. For assistance, contact FERC Online Support at [FERCOnlineSupport@ferc.gov](mailto:FERCOnlineSupport@ferc.gov) or toll-free at (866) 208-3676 or for TTY, (202) 502-8659. The application also can be provided by Portland General Electric from the contact name and telephone number in item (f) above.

**Magalie R. Salas,**  
Secretary.

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## ENVIRONMENTAL PROTECTION AGENCY

[FRL-7569-3]

### Watershed Initiative: Call for Nominations

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

**ACTION:** Notice.

**SUMMARY:** Following the completion of its inaugural year, EPA is announcing the continuation of the Watershed Initiative by issuing the second call for nominations of watershed proposals. The Watershed Initiative is a competitive grant program designed to support studies of a series of approaches

to watershed protection and restoration to determine if those approaches produce short-term environmental results and have the potential for long term maintenance in a watershed. The President's fiscal year (FY) 2004 budget, which is now before Congress, incorporates a request for \$21 million for the Watershed Initiative. Subject to the availability of appropriations for this purpose, EPA plans to select through a competitive process up to 20 watersheds throughout the country for grants to support the study of promising watershed-based approaches to improving water quality. This notice sets forth the process that will be used for selecting the watersheds and serves as the call for nominations from Governors and Tribal Leaders. For the most part, this process is similar to that of the FY 2003 solicitation. This year, however, EPA will place a somewhat larger emphasis on studies of (1) market-based approaches to water quality protection and restoration, and (2) specific approaches to decreasing hypoxia in the Gulf of Mexico.

**DATES:** The deadline for EPA receipt of nominations, both in hard copy and in electronic form, is January 15, 2004. Nominations and supporting materials received after this deadline will not be considered.

**ADDRESSES:** Two hard copies of the nomination packages must be submitted in their entirety by express mail or courier service. Deliver the original to Carol Peterson, Office of Wetlands, Oceans, and Watersheds, USEPA, Room 7136, 1301 Constitution Avenue, NW., Washington, DC 20004; telephone 202-566-1304. The other copy of the nomination package is to be delivered to the appropriate EPA Regional office (see section IV.C for names and addresses for the regions). Please mark all submissions ATTN: Watershed Initiative.

In addition to the hard copies, a portion of the nomination package must also be submitted electronically to the e-mail address provided. Please follow the detailed instructions provided in section IV of the **SUPPLEMENTARY INFORMATION** section below.

**FOR FURTHER INFORMATION CONTACT:** Carol Peterson, USEPA, 1200 Pennsylvania Ave., NW (4501T), Washington, DC, 20460; telephone: 202-566-1304; e-mail: [initiative.watershed@epa.gov](mailto:initiative.watershed@epa.gov) or one of the regional contacts listed in section IV.C of the **SUPPLEMENTARY INFORMATION** section below. Additional information and any updated guidance will be posted on EPA's Watershed Initiative

Web site at <http://www.epa.gov/owow/watershed/initiative>.

#### **SUPPLEMENTARY INFORMATION:**

##### **I. Introduction**

###### *A. The Watershed Initiative*

The Watershed Initiative is predicated on the fundamental concept of the Agency's holistic watershed approach to water resources management. Both the watershed approach and the Watershed Initiative focus on multi-faceted plans for protecting and restoring water resources. Isolated efforts do not provide comprehensive and effective protection and restoration of the resources. Rather, the nominations selected to receive Watershed Initiative funding will be for studies of approaches that go beyond implementing separate, detached activities and will, instead, focus on the effectiveness of an integrated ecosystem-based approach to conservation and restoration throughout a watershed. The selected nominations will include water quality and ecosystem monitoring and evaluation to provide quantitative data to determine the effectiveness of addressing water quality issues at the watershed level.

Last year the Agency conducted a national competition and in May 2003 selected 20 watersheds to award \$15 million in grants appropriated for the new Watershed Initiative. The selected nominations were those that were most ready to go and likely to achieve environmental results in a relatively short time period. Those grants will fund watershed partnerships that are undertaking studies of a variety of promising activities to support comprehensive watershed-based approaches to protecting and restoring water resources. For example, over seventy percent of the selected projects address agricultural pollution; fifty percent address urban and industrial runoff; fifty percent address the relationship between water quality and habitat restoration for wildlife and endangered and/or threatened species; and thirty percent have projects aimed at the homeowner. Moreover, several projects will study a more innovative, market-based approach to attaining water quality. These latter watershed partnerships will test possibilities such as pollutant trading and crop insurance. More information on these projects can be found on the Watershed Initiative's Web site listed above.

###### *B. Goals for 2004*

The 2004 Watershed Initiative will continue to build upon the Agency's watershed approach to water resources

management. The Initiative will support studies of coalition-based strategies for activities, such as attaining water quality standards, protecting and restoring the natural and beneficial uses of floodplains, and, in general, improving water resources on a watershed level. Water quality standards establish water quality goals for specific water bodies and play an important role in watershed management. Coalition-based strategies that focus on addressing designated uses in watershed initiatives can help build support for control actions at the watershed level.

The goal of the Watershed Initiative is to study practical and efficient models that can be adapted to local circumstances across the country. The cornerstone of the Initiative is to provide study results that will help advance the successes of partnerships and coalitions that have completed the necessary watershed assessments and have a technically sound watershed plan ready to carry out. EPA believes the Watershed Initiative will help document the kind of pro-active, incentive-based protection and restoration measures that will ultimately yield cleaner water.

In 2004, the Agency plans to continue its focus on studies of approaches aimed to provide quick, measurable results; partnerships; innovation; and integration (formerly called program compatibility). More emphasis, however, will be placed on studies of (1) market-based approaches and other socio-economic strategies, and (2) the serious and growing hypoxia problem facing the Gulf of Mexico. A portion of the appropriation will be devoted to study projects in the Mississippi River basin that address nutrient loadings related to hypoxia. EPA hopes that this targeted approach to the problem of hypoxia will help promote needed changes that are essential to attaining and maintaining clean water and that can be adapted to other areas throughout the country.

#### 1. Studies of Market-Based Approaches

Finding solutions to complex water quality problems requires innovative approaches that can be aligned with core water programs. Market-based approaches create social and economic incentives for the implementation of creative pollution reduction strategies, emerging technologies, and watershed protection measures. Properly designed programs can improve water quality at substantially lower costs and provide incentives for voluntary reductions from all sources, point and nonpoint.

Water quality trading is one important approach that offers flexibility and efficiency in achieving water quality goals on a watershed basis. Trading allows a source with relatively higher pollution control costs to meet a water quality goal or requirement by using pollution reduction credits created by another source with lower costs. This approach enables sources in the same watershed to work together to meet a common goal. EPA considers trading to be an important component of the Watershed Initiative. Properly designed trading programs can improve water quality at substantially lower costs and provide incentives for voluntary reductions from all sources, especially sources that are not regulated under the Clean Water Act (CWA).

One example is a nonpoint source selenium load trading program in the Grassland's Drainage Area in California's San Joaquin Valley. The selenium load trading program is a cap-and-trade environmental program. A regulatory agency sets the cap on the selenium that the Grassland Area Farmers, a group of irrigation and drainage districts, administer through an internal selenium load trading program. Pursuant to the trading program, the total allowable selenium load is allocated among the member irrigation and drainage districts. The districts can either meet their load allocation or buy selenium load allocations from other districts. The tradeable loads program has assisted Grassland Area Farmers in meeting environmental goals in a cost-effective manner.

To promote the concept of trading in relation to fostering environmental progress, EPA has developed a new Water Quality Trading Policy, published in the **Federal Register** on January 13, 2003 (68 FR 1608) and posted on the Web site <http://www.epa.gov/owow/watershed/trading/>. The purpose of this policy is to encourage States, interstate agencies, and Tribes to develop and implement water quality trading programs for nutrients, sediments, and other pollutants where opportunities exist to achieve water quality improvements at reduced costs. More specifically, the policy is intended to encourage voluntary trading programs that facilitate the implementation of Total Maximum Daily Loads (TMDL), reduce the costs of compliance with CWA regulations, establish incentives for voluntary reductions and promote watershed-based initiatives. Any trading nominations submitted in response to this solicitation must conform to this policy.

Some market-based programs already in progress blend regulatory components and nonregulatory components to achieve environmental improvements. Market-based approaches can include incentive programs to encourage conservation land use or management practices. For example, King County, Washington provides rebates and other tax breaks as an incentive for property owners to reduce impervious surfaces within the County. The money raised through this levy on impervious surfaces is used to provide myriad surface water management services for the County. Other examples of market-based approaches include flood insurance programs that insure against loss through investment in the creation or restoration of wetlands and floodplains, or programs that insure against agricultural crop loss where management practices to reduce pollution have been implemented. Still other examples of market-based approaches involve state-private partnership programs to reduce regulatory compliance costs, implement pollution controls, or institute operational changes that benefit water quality.

Market-based approaches have tremendous potential to instigate change. Trading programs and other market-based approaches can be powerful tools to encourage innovative pollution control technologies and land management practices. EPA wants to fund Watershed Initiative projects that utilize market-based approaches and other socio-economic strategies to determine if they produce real, measurable environmental results.

#### 2. Studies of Hypoxia in the Gulf of Mexico

By far, the largest watershed within the United States is the Mississippi River Basin. Draining all or parts of 31 States, it covers 1.2 million square miles (40% of the US) and travels over 2,300 miles before discharging 612,000 cubic feet of water per second into the Gulf of Mexico. On the Gulf's Texas-Louisiana continental shelf, an area of hypoxia forms during the summer months. This "dead zone," characterized by diminished sunlight and low oxygen levels, is an area virtually devoid of marine life. The hypoxic area has been growing significantly over the years and, at 7,000 square miles, it is double the size it was in 1993. While there are many factors contributing to the Gulf hypoxia, scientific evidence indicates that excess nutrients, particularly nitrogen and to a lesser extent phosphorus, from the Mississippi River

drainage basin drive its onset and duration. Studies show that a significant portion (90%) of the nitrates entering the Gulf comes from a variety of human activities, including discharges from sewage treatment plants, and stormwater runoff from city streets and agricultural farms. Much of the nutrient load comes from wastewater discharges and agricultural lands in Iowa, Illinois, Indiana, Minnesota and Ohio.

Reducing hypoxia in the Gulf of Mexico has been an Agency priority since the 1998 passage of the Harmful Algal Bloom and Hypoxia Research and Control Act. The Act called for the creation of the Mississippi River/Gulf of Mexico Watershed Nutrient Task Force, which was then charged with developing an Action Plan to reduce hypoxia in the Gulf. The Action Plan was completed and delivered to Congress in January 2001. The Action Plan can be found at <http://www.epa.gov/msbasin/actionplan.htm>.

EPA sees the Watershed Initiative as an opportunity to invoke watershed approaches in the Mississippi drainage basin to ascertain if they result in real, measurable reductions in excessive nutrient levels. As part of this year's Initiative, the Agency is seeking proposals that look at holistic strategies consistent with the Action Plan to reduce the amount of nutrients, particularly nitrogen and phosphorus, entering the Gulf with the goal of testing approaches to stay the further growth of the hypoxic area. Such field studies may include, for example, determining the measurable results of: improving nutrient management programs on farms, restoring or constructing wetlands and vegetated riparian areas, floodplain management and restoration, and enhancing denitrification and nitrogen retention opportunities throughout the river basin and along the coastal plain of Louisiana.

From a national perspective, the nutrient enrichment and resultant hypoxic condition in the Gulf of Mexico is significant in terms of its sheer size, persistence, and location. However, the concern about coastal eutrophication is not limited to the inner shelf off Louisiana. In 1990, it was estimated that nearly half of the nation's estuaries were susceptible to eutrophication. EPA envisions that results from the selected watersheds within the Mississippi River basin will enhance knowledge and understanding of hypoxia and that successful nutrient reduction approaches related to the causes of hypoxia can be adapted to other bays and estuaries along our coasts.

### C. Funding Availability

The Administration has requested \$21 million for FY 2004 which is subject to the availability of Federal appropriations. EPA will announce when funds become available on its Web site (<http://www.epa.gov/owow/watershed/initiative/>), and provide, to the extent possible, information regarding the appropriation request as it goes through the Congressional budget process.

EPA expects to use most of the money to support competitive grants for up to 20 selected watersheds—a portion of those watersheds being within the Mississippi River Basin. EPA anticipates that typical grant awards for the selected watersheds will range from \$300,000 to \$1,300,000, depending on the amount requested and the overall size and need of the project. The total number and amount of the awards will depend on the amount of funds Congress appropriates.

Also, as in 2003, about five percent of the total appropriation will go toward (1) a national conference for the watershed organizations selected to receive grants, and (2) assistance agreements to organizations offering capacity building programs for all watershed organizations. This latter effort will entail enhancing national tools, training, and technical assistance that will help local partnerships be more effective at improving watershed health, so that all watershed organizations, from fledgling groups to sophisticated coalitions, will benefit from the Initiative.

## II. Statutory Authority and Eligibility Requirements

### A. Authority

EPA expects to award the Watershed Initiative grants under the authority of section 104(b)(3) of the Clean Water Act. Regulations pertaining to EPA grants and other assistance agreements are in Title 40 of the Code of Federal Regulations (CFR) parts, 30, 31, and 40.

All costs incurred under this program must be allowable under the applicable OMB Cost Circulars: A-87 (States and local governments), A-122 (nonprofit organizations), or A-21 (universities). Copies of these circulars can be found at <http://www.whitehouse.gov/omb/circulars/>. In accordance with EPA policy and the OMB circulars, as appropriate, any recipient of funding must agree not to use assistance funds for lobbying, fund-raising, or political activities (e.g., lobbying members of Congress or lobbying for other Federal grants, cooperative agreements or contracts).

### B. Eligible Activities

Section 104(b)(3) of the Clean Water Act authorizes the Agency to award grants to "conduct and promote the coordination and acceleration of, research, investigations, experiments, training, demonstrations, surveys, and studies relating to the causes, effects, extent, prevention, reduction, and elimination of [water] pollution." Grant funds awarded as part of this Initiative may only be used for these activities and all grant-funded activities must support the watershed workplan submitted.

These activities seek to advance the state of knowledge, gather information, or transfer information. Demonstrations are projects that exhibit new or experimental technologies, methods, or approaches and disseminate the results so that others can benefit from the knowledge gained. Research projects may include the application of established practices when they contribute to learning about an environmental concept or problem.

1. *The Watershed Initiative under 104(b)(3)*. The Watershed Initiative is designed to award grants to support studies of a series of possible approaches to watershed restoration to determine if those approaches produce short-term measurable environmental results in a watershed, or to support demonstration projects to test new and innovative approaches to water quality. For example, if a watershed organization identifies particular environmental threats or impairments to its waters, and proposes to look at a group or series of interrelated projects to address those impairments and includes measurement tools to achieve and judge their success, the proposal could be considered a study under section 104(b)(3). Activities involving the implementation of pollution control measures are eligible for funding only to the extent they are necessary to carry out the study or demonstration project(s). Activities involving wildlife are eligible only to the extent they are conducted as part of a study or demonstration relating to the causes, effects, extent, prevention, reduction or elimination of water pollution.

2. *Exceptions*. While certain projects may fall within the scope of section 104(b)(3), the Agency has decided that particular activities do not fit the goals or intentions of the Watershed Initiative. These include any proposals to directly support regulatory activities required under the CWA. Primarily this entails funds for the development of TMDLs, Phase II Stormwater projects, and other Office of Water regulatory programs.

Proposals to study the effectiveness of implementing TMDLs, however, are eligible. The construction of buildings or other major structures also will not be funded under this Initiative. Proposals containing subgrant programs (also called pass-through grants) are allowed, but the subgrant portion must account for no more than 20% of the requested funding amount.

### C. Eligible Applicants

Under section 104(b)(3) of the CWA, the following entities are eligible to receive grants: State and Tribal water pollution control agencies, interstate or inter-tribal agencies, other public or non-profit private agencies, institutions, organizations, and individuals. The term "State" is defined to include the District of Columbia, Puerto Rico, U.S. Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands. All non-profit watershed organizations are eligible, including those in the Agency's National Estuary Program. Watershed organizations that were selected for funding in 2003 can not apply until their previous Watershed Initiative funding is exhausted.

### III. Competing for a Watershed Initiative Grant

EPA will select watersheds and the watershed grantees through a national competition. Activities proposed for funding via the Watershed Initiative are not necessarily expected to address the entire watershed, but they are expected to have been developed based on comprehensive assessments and plans for the watershed. Interjurisdictional watershed partnerships, that is, those that involve adjacent authorities, or that transcend international boundaries, are encouraged. Watershed nominations that encompass more than governmental authority will be considered interjurisdictional provided that the appropriate water agency in the adjacent jurisdiction is a partner or otherwise supports the project(s).

For practical purposes, in this context, the term "nomination" is meant to include the proposed workplan along with the required supporting materials. The "nominee" in this case is the watershed organization that is vying for the grant. Watershed nominations may include a single project or multiple projects within the watershed. Nominations will be selected based on the quality of the written materials received, and adherence to the selection criteria and goals of the Initiative. Emphasis will be placed on those proposed projects with clear, measurable environmental indicators and an executable monitoring plan.

Funding decisions will be made based on the evaluation criteria outlined in section III.C of this notice. EPA will invite only nominees whose initial proposals are selected under this Initiative to submit detailed final proposals (see section V.A).

#### A. Nomination and Selection Process

Watersheds must be nominated by Governors or Tribal Leaders. (For the purposes of this notice, a tribal nomination may be submitted by a Tribal Official.) Each Governor or Tribal Leader may prepare or solicit watershed proposals from eligible entities in a manner most appropriate to their State or Tribe, and nominate the most meritorious to EPA.

Governors or Tribal Leaders are invited to nominate a maximum of two State or Tribal watersheds each. There is, however, no limit on the number of inter-state or joint State and Tribal watersheds that can be nominated. For inter-state or joint State and Tribal watersheds, any of the involved Governors/Tribal Leaders may submit the nomination. Such watershed nominations must include the endorsement of all partnering State Governors or Tribal Leaders or Officials in their nomination package.

Governors and Tribal Leaders are to submit their watershed nominations to EPA (see section IV for details). All nominations will be screened by EPA staff prior to review to determine if they are eligible, complete, and in accordance with the instructions provided in this notice. If any of the required elements of the nomination package are not submitted, EPA may choose to contact the nominee.

Once received by EPA, the nominations will undergo two levels of review—one at the regional level and one at the national level. Each of the Agency's Regional Offices will convene a Review and Evaluation Panel that will assess how well the nominations meet the evaluation criteria described below. Regions 3, 4, 5, 6, 7 and 8 will convene a separate panel session to review and evaluate hypoxia plans. Hypoxia proposals not ranked sufficiently high to merit recommendation for the hypoxia funds will be placed in competition with the other nominations received for general Watershed Initiative funds. Based on the panel review and recommendation, each Regional Administrator will then forward the Region's top four candidates to EPA's Office of Water at Headquarters. Regions 3, 4, 5, 6, 7 and 8 will seek to include a minimum of one hypoxia nomination in their transmittal.

Upon receipt of the Regional recommendations, the Office of Water will convene a Technical Advisory Panel at the national level consisting of representatives from the Agency's Program and Regional Offices to review and rank the watershed nominations. Other Federal agencies may be invited to participate in this review. Again, hypoxia proposals will be evaluated and scored separately. In addition to the evaluation criteria listed below, factors such as geographic diversity, project diversity, watershed size, urban/rural mix, and cost will be considered in ranking nominations for consideration by the Administrator. The Administrator will select the watersheds to be funded.

EPA expects to announce the watershed nominations selected under this Initiative early in calendar year 2004 and to complete the grant award process, including final grant workplan negotiations through the appropriate EPA Regional Office, by spring 2004. In general, grants awarded will be one-time awards and grant recipients should use the funds within 2–3 years. Subsequent funding would involve a new call for watershed nominations and is predicated on continued appropriations. Therefore, any proposal for work beyond the initial funding period would need to be submitted through the competitive process and will not receive preferential consideration based on the applicant's previous award.

#### B. Required Components of the Nomination Package

In preparing nomination materials, nominees are to keep in mind the evaluation criteria by which their overall nomination, *i.e.*, interrelated individual projects, will be judged. Within these required components, nominees should address completely and to the best of their ability the criteria the Agency will be using in its evaluation as outlined in section III.C below.

Each nomination package must contain the components listed in this section. Failure to include any of this information could result in disqualification and removal from the selection process. Conversely, additional, unsolicited material is strongly discouraged and any such material submitted will not be considered.

*1. Nomination Letter.* A letter signed by the Governor or Tribal Leader formally nominating the watershed for consideration for funding under the Watershed Initiative must accompany each nomination package.

2. *Title Page.* The title page must indicate: (1) The name of the watershed along with the designated 8-digit HUC code(s), (2) nominee contact information, *i.e.*, name, affiliation, address, telephone, and e-mail of the person with whom the Agency should correspond, and (3) whether the nomination is devoted to hypoxia in the Gulf of Mexico.

3. *Abstract.* A 150-word or less summary of the nomination.

4. *Workplan Description.* The narrative description of the workplan components is limited to a total of ten, double-spaced pages in which the following components described below are addressed. Note that the page limits for each component below add up to greater than 10 pages and that nominees should adjust their nomination packages in a manner that best fits their needs. (See section IV.A for complete formatting instructions.)

(a) Introduction (2 pages maximum)

Characterize the watershed and overall watershed planning efforts. Describe what efforts have been undertaken to improve watershed health, next steps, and future plans. An assessment of the natural resource and environmental conditions, and an identification of problem sources and areas for treatment are required. These include:

- (1) A description of the watershed's biological, physical, and, if relevant, social and/or cultural characteristics.
- (2) An identification of the threats and impairments facing the watershed, focusing on those that will be addressed by the proposal.
- (3) An overall description of the watershed plan including short- and long-term watershed goals.
- (4) An identification of the assessments and plans that have been completed to date.

(b) Description of the Proposed Study Projects (7 pages maximum)

Describe the projects to be funded under the Watershed Initiative grant.

These should be described in terms of applied field studies or demonstrations to yield potentially positive environmental results. The following information must be included:

(1) An explanation of how the project or aggregation of the individual projects is expected to affect watershed health.

(2) A detailed description of each project (if more than one) including: (i) a description of the components and goals of the project(s), (ii) a schedule for implementing the project(s); (iii) a summary of the costs of the project(s) with reference to the appended itemized budget for details; and (iv) milestones for determining whether or not the intended goals of the watershed study project(s) are being realized.

(3) A monitoring and evaluation component along with identified environmental indicators. Attention should be given to baseline data requirements. This component should include performance measures and progress goals, as well as a description of how the ultimate success of the projects will be measured. Performance measures must be environmental (*e.g.*, chemical or microbial levels attained). Other measures to be monitored should be infrastructural (*e.g.*, additional partnerships formed) and implementational (*e.g.*, best management practices instituted). The progress and performance of the projects must be measurable by technically sound practices.

(4) A description of how the projects complement or are consistent with other EPA, Federal, and/or State programs or mandates. Other Federal contributors or supporting partners should also be identified.

(c) Description of Project Management (2 pages maximum)

Provide a biography on the project leader(s) (not to exceed one-half page each) describing qualifications for managing the project(s) and focusing on grant management and watershed management capabilities and

experience. Identify the entity that will be the grantee and thus responsible for the administration of the grant workplan and for being the fiscal agent receiving the funds. Include academic experience only if relevant to the proposal. Do not send resumes.

(d) Description of Outreach Activities (1 page maximum)

Describe the information and outreach plan that will be used to enhance public understanding of the watershed and encourage participation in the local project or projects, and future activities regarding implementing the goals of the watershed plan. Because the selected watersheds are intended to serve as models for other communities, this outreach plan must include activities for transferring the knowledge gained from this effort to other areas.

5. *Budget.* Provide a detailed breakdown of cost by category for each project.

(a) Standard Budget Form. To facilitate the compilation and review of financial information, the Agency is providing a standard form for potential applicants to use when submitting project budgets. This form (Table 1) may be reconstructed or downloaded from the Watershed Initiative Web site at <http://www.epa.gov/owow/watershed/initiative/budget.form>. All budget information, including matching funds and other leveraged services, and travel cost to the annual conference, must be provided on this form. (Information on matching funds and the annual conference is described in sections III.B(b) and (c) below). Nominees should include cost estimates for each of the proposed project activities to be conducted under the grant. Explanations of the costs associated with each entry should be included in the narrative description portion of the nomination package.

TABLE 1. BUDGET INFORMATION—EPA WATERSHED INITIATIVE GRANT PROGRAM <sup>1</sup>

SECTION A—BUDGET SUMMARY			
Watershed Project, Activity or Work Plan Element	Federal	Non-Federal	Total
1.	\$	\$	\$
2.	\$	\$	\$
3.	\$	\$	\$
4.	\$	\$	\$
Totals	\$	\$	\$

TABLE 1. BUDGET INFORMATION—EPA WATERSHED INITIATIVE GRANT PROGRAM<sup>1</sup>—Continued

SECTION B—BUDGET CATEGORIES					
Budget Categories	Watershed Project, Activity or Work Plan Element				Total
	(1)	(2)	(3)	(4)	
a. Personal	\$	\$	\$	\$	\$
b. Fringe Benefits					
c. Travel					
d. Equipment					
e. Supplies					
f. Contractual					
g. Construction					
h. Other					
i. Total Direct Charges (sum line a–h)					
j. Indirect Charges					
Totals (sum line i–j)	\$	\$	\$	\$	\$

<sup>1</sup> Excerpted from Standard Form 424A, OMB Circular A–102.

(b) Matching Requirement. EPA is requiring applicants to demonstrate a minimum non-Federal match of 25% of the total cost of the project or projects (*i.e.*, EPA will fund a maximum of 75% of the total cost, including matching funds). The Agency considers this matching contribution as evidence of community support and commitment, and an opportunity to increase the overall scope of the proposed project. EPA encourages applicants to leverage as much investment as possible. In addition to cash, matching funds can come from in-kind goods and services such as the use of volunteers and their donated time, equipment, expertise, etc., consistent with the regulation governing matching fund requirements (40 CFR 31.24 or 40 CFR 30.23). Other Federal funds may not be used to meet the match requirement for this grant program unless authorized by the statute governing the use of the other Federal funds.

Tribes and Tribal watershed groups may be exempt from this match requirement if they are constrained to such an extent that fulfilling the match requirement would impose undue hardship. EPA acknowledges the limited means of many Tribes and the difficulty they may have in obtaining non-Federal matching contributions. Tribes wishing to be exempt from the minimum 25% match requirement must submit a one-page written request with justification. Exemption requests should be sent directly to the EPA Headquarters

contact listed in section IV.C 45 days prior to the nomination deadline. If approved, the nomination will be scored as if it met the minimum 25% match.

(c) Annual Conference. Watershed organizations selected for grant funding will be required to attend an annual two-day National Watershed Initiative Conference. The purpose of this conference is to provide these watershed organizations with training and support to better restore, protect, and manage their watersheds, and to help position them to teach other watershed groups by their example. The goals of this conference are to:

(1) Transfer information about innovative technical tools available for watershed restoration, protection and management. Provide assistance on how and where to get more information at the Federal, State, Tribal and local levels.

(2) Provide training to conference attendees on how to maximize the use of Federal programs in implementing their Watershed Initiative projects, for example, integration and use of other resources available under the CWA and Safe Drinking Water Act.

(3) Plan for translating individual project successes into models to be replicated by other local watershed organizations across the country.

(4) Provide grant recipients with opportunities to share successful approaches with each other and other peer-to-peer learning opportunities.

Attendance at the conference will be mandatory and will be one of the Terms

and Conditions of the grant. The grantee will be allowed to use the grant funds to pay for travel and lodging. The cost of holding the conference will be paid for by EPA. If the recipient wishes to use the award money for travel expenses, these costs must be included in the submitted proposed budget. The Agency will make every effort to hold the two-day conference in a central location to minimize travel costs.

(d) Information Technology. Also as a Term and Condition of the grant, recipients will be required to institute standardized reporting requirements into their workplans and include such costs in their budgets. All environmental data will be required to be entered into the Agency's Storage and Retrieval (STORET) data system. STORET is a repository for water quality, biological, and other physical data used by State environmental agencies, EPA and other Federal agencies, universities, private citizens, and many other organizations. Training on how to use STORET will be provided at the annual conference. Watershed organizations may also want to contact their State agency responsible for entering data into the system. More information about STORET can be found at <http://www.epa.gov/STORET>.

6. *Appendices.* To substantiate the information contained in the narrative portion of the submission, documentation to verify partnerships and matching funds is required. Items that must accompany the narrative

description and may be submitted as appendices include the following.

(a) Signed letter(s) from active partners indicating their commitment to implementing the workplan or for specific proposed projects.

(b) A minimum of one signed letter from an entity committing to provide matching funds, either in cash or in-kind goods and services, including the total value of the commitment toward the projects.

(c) For interjurisdictional nominations, a signed letter(s) from the appropriate organization in the adjacent State, Tribe, or country expressing their support and participation in the proposed project(s). For example, a letter from another governor, Tribal leader, State water commissioner, State water quality director, environmental director, or similar positions in Canada or Mexico is acceptable.

(d) Maps (optional).

(e) Supplementary Technical Information (optional). If the proposal includes a new or otherwise not widely known technology or methodology, a one-page description may be appended.

### C. Evaluation Criteria

Watershed nominations will be reviewed, evaluated, and scored based on the following criteria with a possible total score of 60 points. In addition to the points awarded for the criteria, up to 5 additional points will be awarded to nominations that are interjurisdictional and have been submitted with the proper supporting letter(s). Rather than having a bonus category, these points will be a subsection of the Broad Support category described below.

**1. Innovation (10 points).** Reviewers will be looking for progressive and forward-thinking projects when evaluating the nominations, and as such, watershed nominations that undertake unique, innovative, or novel approaches to environmental problem-solving will be scored higher. While the Agency recognizes that there can be innovative approaches that are not market-based, maximum points will be awarded to nominations that incorporate market-based approaches to water quality.

**2. Measurement of Environmental Results (total of 30 points).** Successful nominees must demonstrate an in-depth knowledge of the watershed ecology and present a sound approach for potentially combating threats or impairments to the water system. For this criteria, reviewers will focus on the following components:

(a) Feasibility (10 points). Reviewers will look at the readiness of the nomination. Those projects that can be

implemented quickly will receive more points. Nominations will be evaluated on the technical merit and adequacy of each project. Reviewers will favor nominations that describe projects that are part of larger comprehensive watershed assessments and plans, and reflect an ecosystem-based approach to conservation and restoration. Points will be awarded based on the overall soundness of the nomination from both an ecological and design perspective. In summary, higher scores will be given to those nominees that have demonstrated an understanding of priority water resource problems within the watershed, have substantially completed the assessment and planning phase, and are prepared to begin work.

(b) Experience (5 points). Nominations will be scored based on the qualifications of the nominee focusing on management and technical capabilities. Reviewers will assess the past experience of project leader(s) and/or partners in designing, implementing, and effectively managing and coordinating activities. Communities or organizations that have no prior experience and have developed their preliminary workplan will be evaluated on the basis of their proposal and their potential to effectively manage and oversee all phases of the proposed workplan and demonstrated working relationship with their partners.

(c) Tangible Measures (10 points). A nomination will be scored based on how well it is supported by a clearly articulated set of performance and progress measures, and identified environmental indicators. A more detailed monitoring and data collection strategy will be preferred. Reviewers will evaluate the workplan in relation to its likelihood to achieve predicted measurable, defensible environmental results in a relatively short time period, including potentially attaining performance expectations, reaching project goals, and producing on-the-ground, quantifiable environmental change using sound science.

(d) Integration (5 points). Reviewers will evaluate the extent to which the workplan and proposed project(s) are linked to other existing State or Federal programs. Points will be awarded to those watershed nominations that integrate the common goals and complement the ongoing efforts occurring at the Federal, State, or local level.

**3. Broad Support (total of 10 points).** Acknowledging and responding to representative interests from a broad and varied perspective is quintessential to any successful watershed enterprise. This criteria can be met by illustrating

and substantiating a strong collaborative effort.

(a) Partnerships (5 points). Watershed nominations that incorporate a wide variety of public, private, and non-profit participation will be favored. The score for this criterion will be based on the level to which a nominee can demonstrate strong and diverse stakeholder stewardship and support. Reviewers will look for documented, effective working relationships among State and local entities, along with evidence of broad-based community involvement.

(b) Interjurisdictionality (5 points). Points will be awarded to nominations that actively involve more than one governmental entity, be it municipal, county, State, Tribe, Federal or country. Reviewers will look at the depth and breadth of jurisdictional participation and will also take into consideration any significant parties that are noticeably absent in lending their support of the nomination.

**4. Outreach (5 points).** Proposals will be judged on the design and breadth of their outreach program. Those proposals that demonstrate a clear strategy for transferring the knowledge and experience garnered over the next few years to other watersheds with similar environmental conditions will score higher. Points will also be awarded for training and educational approaches to disseminating watershed information.

**5. Financial Integrity (5 points).** Points will be awarded based on the adequacy of the budget information provided, and whether the budget is reasonable and clearly presented. Proposals that exceed the minimum match requirement or can certify a broad range of leveraging capacity will be scored higher.

## IV. Call for Nominations

EPA invites each Governor and Tribal Leader to submit nominations for grants under the 2004 Watershed Initiative.

### A. Format of Nomination Package

Each nomination package must contain: (1) A one-page cover letter signed by the Governor or Tribal Leader, (2) a title page with appropriate information, (3) an abstract, (4) a workplan description, (5) the budget form, and (6) letter(s) and certification(s) of support. Maps and supplementary technical information are optional. The workplan description of the nomination must be no more than ten double-spaced pages long, using a 12-point conventional font and one inch margins. This section must include all of the required components listed in section III.B. To ensure a fair and equitable

evaluation of the nominations, please do not exceed the above limits. A nomination that contains a workplan narrative that exceeds ten double-spaced pages will not be considered. The title page and 150-word or less abstract will not count toward the 10-page limit. The entire nomination package should be printed on one side only of 8½"x11" paper and unbound. Appended project budget form, maps, letters of support, and match certifications will not count toward the 10-page limit.

#### B. Submission of Nominations

1. *Electronic.* EPA is requiring that a portion of the nomination be submitted electronically. Please send an electronic copy of *only* the title page, abstract, workplan description, and budget form to the electronic mailbox at [initiative.watershed@epa.gov](mailto:initiative.watershed@epa.gov). Electronic submissions are limited to 120 KB in size and one submission per nomination. Please *do not* send maps, letters of support, match certifications, or pictures of any kind via the electronic mailbox. The subject line must be in the format "STATE—Watershed Name" (e.g., MD—Rock Creek). No confidential business information should be sent via e-mail. The deadline for all electronic submissions is 12:00 pm Eastern time on January 15, 2004. If unusual or extraordinary circumstances prevent electronic submission of the nomination, please contact the appropriate Regional contact person listed below to discuss alternate arrangements.

2. *Paper.* Two hard copies of the complete nomination package (including all nominating and support letters) are required to be delivered—the original package to EPA Headquarters and a copy to the appropriate Regional Office. All names and addresses are listed below. Mark all submissions: ATTN: EPA Watershed Initiative.

All paper nominations must be received by EPA by January 15, 2004.

#### C. Addresses and EPA Contacts

Please direct questions to your Regional contact person listed below.

##### Headquarters

Submissions must be delivered to: Carol Peterson, Office of Wetlands, Oceans, and Watersheds; U.S. EPA; Rm. 7136; 1301 Constitution Avenue; NW, Washington, DC 20004. Headquarters Contact: Carol Peterson, telephone 202-566-1034; e-mail [initiative.watershed@epa.gov](mailto:initiative.watershed@epa.gov).

##### Regions

Region I—Connecticut, Maine, Massachusetts, Rhode Island, Vermont, New Hampshire

Submissions must be delivered to: William Walsh-Rogalski; U.S. EPA Region 1; 1 Congress Street, Suite 1100-Mail Code RAA; Boston, MA 02114-2023. Contacts: William Walsh-Rogalski or Lynne Hamjian, telephones 617-918-1035 and 617-918-1601; e-mails [walshrogalski.william@epa.gov](mailto:walshrogalski.william@epa.gov) and [hamjian.lynne@epa.gov](mailto:hamjian.lynne@epa.gov), respectively.

Region II—New Jersey, New York, Puerto Rico, U.S. Virgin Islands

Submissions must be delivered to: Paul Molinari; U.S. EPA Region 2; 290 Broadway; 24th Floor; New York, NY 10007-1866; telephone 212-637-3886.

Contacts: Theresa Faber or Cyndy Belz, telephones 212-637-3844 and 212-637-3832; e-mails [faber.theresa@epa.gov](mailto:faber.theresa@epa.gov) and [belz.cyndy@epa.gov](mailto:belz.cyndy@epa.gov), respectively.

Region III—Delaware, Maryland, Pennsylvania, Virginia, West Virginia, Washington, DC

Submissions must be delivered to: Marion White; U.S. EPA Region 3; Mail Code 3WP12; 1650 Arch Street; Philadelphia, PA 19103-2029.

Contact: Marion White, telephone 315-814-5714; e-mail [white.marion@epa.gov](mailto:white.marion@epa.gov).

Region IV—Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, Kentucky, Tennessee

Submissions must be delivered to: William L. Cox; U.S. EPA Region 4; Sam Nunn Atlanta Federal Center; 15th Floor; 61 Forsyth Street, SW; Atlanta, GA 30303-3104.

Contact: William L. Cox, telephone 404-562-9351; e-mail [cox.williaml@epa.gov](mailto:cox.williaml@epa.gov).

Region V—Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin

Submissions must be delivered to: Paul Thomas; U.S. EPA Region 5; Mail code WW-16J; 77 W. Jackson Blvd; Chicago, IL 60604.

Contact: Paul Thomas, telephone 312-886-7742; e-mail [thomas.paul@epa.gov](mailto:thomas.paul@epa.gov).

Region VI—Louisiana, Texas, Oklahoma, Arkansas, New Mexico

Submissions must be delivered to: Brad Lamb; U.S. EPA Region 6; Mail Code 6WQ-EW; 1445 Ross Avenue; Dallas, TX 75202.

Contact: Brad Lamb, telephone 214-665-6683; e-mail [lamb.brad@epa.gov](mailto:lamb.brad@epa.gov).

Region VII—Iowa, Kansas, Missouri, Nebraska

Submissions must be delivered to: Julie Elfving; U.S. EPA Region 7; WWPD/GPCB; 901 North 5th Street; Kansas City, KS 66101.

Contact: Julie Elfving, telephone 913-551-7475; e-mail [elfving.julie@epa.gov](mailto:elfving.julie@epa.gov).

Region VIII—Colorado, Montana, North Dakota, South Dakota, Utah

Submissions must be delivered to: Ayn Schmit; U.S. EPA Region 8; Mail code 999; 18th Street, Suite 300; Denver, CO 80202-2466.

Contact: Ayn Schmit, telephone 303-312-6220; e-mail [schmit.ayn@epa.gov](mailto:schmit.ayn@epa.gov).

Region IX—Arizona, California, Hawaii, Nevada, American Samoa, Mariana Islands, Guam

Submissions must be delivered to: Sam Ziegler; U.S. EPA Region 9; Mail Code WTR-3; 75 Hawthorne Street; San Francisco, CA 94105.

Contact: Sam Ziegler, telephone 415-972-3399; e-mail [ziegler.sam@epa.gov](mailto:ziegler.sam@epa.gov).

Region X—Alaska, Idaho, Oregon, Washington

Submissions must be delivered to: Bevin Reid; U.S. EPA Region 10; Mail code ECO-086; 1200 Sixth Avenue; Seattle, WA 98101.

Contact: Bevin Reid, telephone 206-553-1566; e-mail [reid.bevin@epa.gov](mailto:reid.bevin@epa.gov).

#### V. Post-Selection Regulatory Requirements

##### A. Applying for a Grant

EPA will invite only nominees whose initial nominations are selected under this Initiative to submit detailed final proposals. Once selected to submit a grant application, the nominees will have 60 days to complete the formal grant application process (*i.e.*, Application for Federal Assistance, Standard Form 424 *et al*). The standard EPA grants application package must be filed according to Agency guidelines. Detailed information and assistance, including an application kit, required forms, and a check list, can be found at <http://www.epa.gov/ogd/AppKit/>. In anticipation of this process, all potential nominees may want to explore the above Web site for useful and pertinent information prior to preparing and submitting their nomination materials.

The Catalog of Federal Domestic Assistance number for this program is 66.439 Targeted Watershed Initiative. Any disputes regarding proposals or applications submitted in response to these guidelines will be resolved in accordance with 40 CFR 30.63 and part 31, subpart F. Applicants should clearly



mark information they consider confidential. EPA will make final confidentiality determinations in accordance with regulations in 40 CFR part 2, subpart B.

Although the selections will be announced at the national level, Watershed Initiative grants will be awarded and managed by the respective EPA Regional Offices. Selected nominees may be asked to modify objectives, workplans, or budgets prior to final approval of the grant award. The exact amount of funds to be awarded, the final scope of activities, the duration of the projects, and specific role of the EPA Regional project coordinator will be determined in the pre-award negotiations between the selected nominee and EPA. The designated EPA Regional Contact listed in section IV.C will be available to provide additional guidance in completing the grant application, and other necessary forms, and answering any questions. EPA will also work with the applicant to comply with the Intergovernmental review requirements of Executive Order 12372 and 40 CFR part 29. EPA reserves the right to reject all proposals and make no awards.

#### *B. Project Implementation and Management*

Project monitoring and reporting requirements can be found in 40 CFR 30.50–30.54, 40 CFR 31.40–31.45 and 40 CFR 40.160. In general, grantees are responsible for managing the day-to-day operations and activities supported by the grant to assure compliance with applicable Federal requirements, and for ensuring that established milestones and performance goals are being achieved. Performance reports and financial reports must be submitted quarterly and are due 30 days after the reporting period. The final report is due 90 days after the grant has expired. Grant managers should consult, and work closely with, their Regional contact person throughout the award period.

Certain quality assurance and/or quality control (QA/QC) and peer review requirements are applicable to the collection of environmental data. Applicants should allow sufficient time and resources for this process in their proposed projects. Environmental data are any measurements or information that describe environmental processes, location, or condition; ecological or health effects and consequences; or the performance of environmental technology. Environmental data also include information collected directly from measurements, produced from models, and obtained from other

sources such as data bases or published literature.

Regulations pertaining to QA/QC requirements can be found in 40 CFR 30.54 and 31.45. Additional guidance can be found at [http://www.epa.gov/quality/qa\\_docs.html#noeparqt](http://www.epa.gov/quality/qa_docs.html#noeparqt).

Dated: September 29, 2003.

**G. Tracy Mehan,**

*Assistant Administrator for Water.*

[FR Doc. 03–25401 Filed 10–8–03; 8:45 am]

**BILLING CODE 6560–50–P**

## **ENVIRONMENTAL PROTECTION AGENCY**

**[OPPT–2003–0057; FRL–7330–5]**

### **Certain New Chemicals; Receipt and Status Information**

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

**ACTION:** Notice.

**SUMMARY:** Section 5 of the Toxic Substances Control Act (TSCA) requires any person who intends to manufacture (defined by statute to include import) a new chemical (i.e., a chemical not on the TSCA Inventory) to notify EPA and comply with the statutory provisions pertaining to the manufacture of new chemicals. Under sections 5(d)(2) and 5(d)(3) of TSCA, EPA is required to publish a notice of receipt of a premanufacture notice (PMN) or an application for a test marketing exemption (TME), and to publish periodic status reports on the chemicals under review and the receipt of notices of commencement to manufacture those chemicals. This status report, which covers the period from August 18, 2003 to September 5, 2003, consists of the PMNs pending or expired, and the notices of commencement to manufacture a new chemical that the Agency has received under TSCA section 5 during this time period.

**DATES:** Comments identified by the docket ID number OPPT–2003–0057 and the specific PMN number or TME number, must be received on or before November 10, 2003.

**ADDRESSES:** Comments may be submitted electronically, by mail, or through hand delivery/courier. Follow the detailed instructions as provided in Unit I. of the **SUPPLEMENTARY INFORMATION**.

**FOR FURTHER INFORMATION CONTACT:** Barbara Cunningham, Acting Director, Environmental Assistance Division, Office of Pollution Prevention and Toxics (7408M), Environmental Protection Agency, 1200 Pennsylvania

Ave., NW., Washington, DC 20460–0001; telephone number: (202) 554–1404; e-mail address: [TSCA-Hotline@epa.gov](mailto:TSCA-Hotline@epa.gov).

#### **SUPPLEMENTARY INFORMATION:**

##### **I. General Information**

##### *A. Does this Action Apply to Me?*

This action is directed to the public in general. As such, the Agency has not attempted to describe the specific entities that this action may apply to. Although others may be affected, this action applies directly to the submitter of the premanufacture notices addressed in the action. If you have any questions regarding the applicability of this action to a particular entity, consult the person listed under **FOR FURTHER INFORMATION CONTACT**.

##### *B. How Can I Get Copies of This Document and Other Related Information?*

1. *Docket.* EPA has established an official public docket for this action under docket identification (ID) number OPPT–2003–0057. The official public docket consists of the documents specifically referenced in this action, any public comments received, and other information related to this action. Although a part of the official docket, the public docket does not include Confidential Business Information (CBI) or other information whose disclosure is restricted by statute. The official public docket is the collection of materials that is available for public viewing at the EPA Docket Center, Rm. B102-Reading Room, EPA West, 1301 Constitution Ave., NW., Washington, DC. The EPA Docket Center is open from 8:30 a.m. to 4:30 p.m., Monday through Friday, excluding legal holidays. The EPA Docket Center Reading Room telephone number is (202) 566–1744 and the telephone number for the OPPT Docket, which is located in EPA Docket Center, is (202) 566–0280.

2. *Electronic access.* You may access this **Federal Register** document electronically through the EPA Internet under the “**Federal Register**” listings at <http://www.epa.gov/fedrgstr/>.

An electronic version of the public docket is available through EPA’s electronic public docket and comment system, EPA Dockets. You may use EPA Dockets at <http://www.epa.gov/edocket/> to submit or view public comments, access the index listing of the contents of the official public docket, and to access those documents in the public docket that are available electronically. Although not all docket materials may be available electronically, you may still access any of the publicly available