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*Title:* Clean Water Act Section 404 State-Assumed Programs.

*ICR Numbers:* EPA ICR No. 0220.10, OMB Control No. 2040-0168.

*ICR Status:* This ICR is scheduled to expire on January 31, 2007. Under OMB regulations, the Agency may continue to conduct or sponsor the collection of information while this submission is pending at OMB. An Agency may not conduct or sponsor, and a person is not required to respond to, a collection of information, unless it displays a currently valid OMB control number. The OMB control numbers for EPA's regulations in title 40 of the CFR, after appearing in the **Federal Register** when approved, are listed in 40 CFR part 9, are displayed either by publication in the **Federal Register** or by other appropriate means, such as on the related collection instrument or form, if applicable. The display of OMB control numbers in certain EPA regulations is consolidated in 40 CFR part 9.

*Abstract:* This information collection request has three parts: A. Information needed for States or Tribes to request program assumption; B. Information needed from permit applicants; and C. Information included in the State or Tribe's annual report.

A. Section 404(g) of the Clean Water Act authorizes States [and Tribes] to assume the Section 404 permit program. States/Tribes must demonstrate that they meet the statutory and regulatory requirements (40 CFR part 233) for an approvable program. Specified information and documents must be submitted by the State/Tribe to EPA to request assumption. Once the required information and documents are submitted and EPA has a complete assumption request package, the statutory time clock for EPA's decision to either approve or deny the State/Tribe's assumption request starts. The information contained in the assumption request is made available to the other involved Federal agencies (Corps of Engineers, U.S. Fish and Wildlife Service, and National Marine Fisheries Service) and to the general public for review and comment. These minimum information requirements are based on the information that must be submitted when applying for a Section 404 permit from the Corps of Engineers. [33 CFR part 328].

B. States/Tribes must be able to issue permits that comply with the 404(b)(1) Guidelines, the environmental review criteria. States/Tribes and the reviewing Federal agencies must be able to review

proposed projects to evaluate, avoid, minimize and compensate for anticipated impacts. EPA's assumption regulations establish recommended elements that should be included in the State/Tribe permit application, so that sufficient information is available to make a thorough analysis of anticipated impacts. These minimum information requirements are based on the information that must be submitted when applying for a Section 404 permit from the Corps of Engineers (CWA Section 404(h)(1)(A)(i) and Section 404(j) and 40 CFR 230.10, 233.20, 233.21, 233.34, and 233.50) (33 CFR 325.1).

C. EPA is responsible for oversight of assumed programs to ensure that State/Tribal programs are in compliance with applicable requirements and that State/Tribal permit decisions adequately consider, avoid, minimize and compensate for anticipated impacts. States/Tribes must evaluate their programs annually and submit the results in a report to EPA. EPA's assumption regulations establish minimum requirements for the annual report (40 CFR 233.52).

If a State or Tribe chooses to assume the CWA Section 404 Program, the information collected during the approval process is required and the reporting requirements for each permit and the annual report are mandatory (CWA Section 404(h)(1)(A)(i) and Section 404(j) and 40 CFR 230.10, 233.20, 233.21, 233.34, and 233.50) (33 CFR 325.1). The nature and extent of confidentiality is addressed in Section 404(o) of the Clean Water Act which requires that all permits and permit applications under this section be made available to the public.

*Burden Statement:* The annual public reporting and recordkeeping burden for this collection of information is listed below. Burden means the total time, effort, or financial resources expended by persons to generate, maintain, retain, or disclose or provide information to or for a Federal agency. This includes the time needed to review instructions; develop, acquire, install, and utilize technology and systems for the purposes of collecting, validating, and verifying information, processing and maintaining information, and disclosing and providing information; adjust the existing ways to comply with any previously applicable instructions and requirements which have subsequently changed; train personnel to be able to respond to a collection of information; search data sources; complete and review the collection of information; and transmit or otherwise disclose the information.

*Respondents/Affected Entities:* States and Tribes.

*Estimated Number of Respondents:* 2 States/Tribes to request assumption; 20,000 permit applicants; and 4 States/Tribes to submit annual report to EPA.

*Frequency of Response:* One time when requesting assumption; one time when filing a permit; and annually for program annual report (once the program is assumed).

*Estimated Total Annual Hour Burden:* 101,360 hours.

*Estimated Total Annual Cost:* There are no capital or O&M costs associated with this collection.

Dated: December 4, 2006.

**Richard T. Westlund,**

*Acting Director, Collection Strategies Division.*

[FR Doc. E6-21116 Filed 12-11-06; 8:45 am]

BILLING CODE 6560-50-P

## ENVIRONMENTAL PROTECTION AGENCY

[FRL-8253-9]

### Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) or Superfund, Section 128(a); Notice of Grant Funding Guidance for State and Tribal Response Programs

**AGENCY:** Environmental Protection Agency.

**ACTION:** Notice.

**SUMMARY:** The Environmental Protection Agency (EPA) will begin to accept requests, from December 15, 2006 through February 15, 2007, for grants to supplement State and Tribal Response Programs. This notice provides guidance on eligibility for funding, use of funding, grant mechanisms and process for awarding funding, the allocation system for distribution of funding, and terms and reporting under these grants. EPA has consulted with state and tribal officials in developing this guidance.

The primary goal of this funding is to ensure that state and tribal response programs include, or are taking reasonable steps to include, certain elements and a public record. Another goal is to provide funding for other activities that increase the number of response actions conducted or overseen by a state or tribal response program. This funding is not intended to supplant current state or tribal funding for their response programs. Instead, it is to supplement their funding to increase their response capacity.

For fiscal year 2007, EPA will consider funding requests up to a

maximum of \$1.5 million per state or tribe. Subject to the availability of funds, EPA regional personnel will be available to provide technical assistance to states and tribes as they apply for and carry out these grants.

**DATES:** This action is effective as of December 15, 2006. EPA expects to make non-competitive grant awards to states and tribes which apply during fiscal year 2007.

**ADDRESSES:** Mailing addresses for U.S. EPA Regional Offices and U.S. EPA Headquarters can be located at <http://www.epa.gov/brownfields>.

**FOR FURTHER INFORMATION CONTACT:** The U.S. EPA's Office of Solid Waste and Emergency Response, Office of Brownfields Cleanup and Redevelopment, (202) 566-2777.

**SUPPLEMENTARY INFORMATION:** The Small Business Liability Relief and Brownfields Revitalization Act (SBLRBRA) was signed into law on January 11, 2002. The Act amends the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), as amended, by adding Section 128(a). Section 128(a) authorizes a \$50 million grant program<sup>1</sup> to establish and enhance state<sup>2</sup> and tribal<sup>3</sup> response programs. Generally, these response programs address the assessment, cleanup and redevelopment of brownfields sites and other contaminated sites. Section 128(a) grants will be awarded and administered by U.S. Environmental Protection Agency regional offices. This document provides guidance that will enable states and tribes to apply for and use Section 128(a) funds in Fiscal Year 2007.

State and tribal response programs oversee assessment and cleanup activities at the majority of brownfield sites across the country. The depth and breadth of state and tribal response programs vary. Some focus solely on CERCLA related activities, while others are multi-faceted, for example, addressing sites regulated by both CERCLA and the Resource Conservation and Recovery Act (RCRA). Many state programs also offer accompanying financial incentive programs to spur cleanup and redevelopment. In passing

Section 128(a),<sup>4</sup> Congress recognized the accomplishments of state and tribal response programs in cleaning up and redeveloping brownfield sites. Section 128(a) also provides EPA with an opportunity to strengthen its partnership with states and tribes.

The primary goal of this funding is to ensure that state and tribal response programs include, or are taking reasonable steps to include, certain elements and a "public record." The secondary goal is to provide funding for other activities that increase the number of response actions conducted or overseen by a state or tribal response program. This funding is not intended to supplant current state or tribal funding for their response programs. Instead, it is to supplement their funding to increase their response program's capacity. Subject to the availability of funds, EPA will be available to provide technical assistance to states and tribes as they apply for and carry out Section 128(a) grants.

#### Eligibility for Funding

To be eligible for funding under CERCLA Section 128(a), a state or tribe must: demonstrate that their response program includes, or is taking reasonable steps to include, the four elements of a response program, described below; or be a party to voluntary response program Memorandum of Agreement (VRP MOA)<sup>5</sup> with EPA;

and

maintain and make available to the public a record of sites at which response actions have been completed in the previous year and are planned to be addressed in the upcoming year, see CERCLA Section 128(b)(1)(C).

#### Matching Funds/Cost-Share

States and tribes are not required to provide matching funds for cooperative agreements awarded under Section 128(a), with the exception of the Section 128(a) funds a state or tribe uses to capitalize a Brownfields Revolving Loan Fund under CERCLA Section 104(k)(3).

#### The Four Elements—Section 128(a)

Section 128(a) recipients that do not have a VRP MOA with EPA must demonstrate that their response program

includes, or is taking reasonable steps to include, four elements. Achievement of the four elements should be viewed as a priority. Section 128(a) authorizes funding for activities necessary to establish and enhance the four elements and to establish and maintain the public record requirement.

Generally, the four elements are:

*Timely survey and inventory of brownfields sites in state or tribal land.*

EPA's goal in funding activities under this element is to enable the state or tribe to establish or enhance a system or process that will provide a reasonable estimate of the number, likely locations, and the general characteristics of brownfields sites in their state or tribal lands.

EPA recognizes the varied scope of state and tribal response programs and will not require states and tribes to develop a "list" of brownfields sites. However, at a minimum, the state or tribe should develop and/or maintain a system or process that can provide a reasonable estimate of the number, likely location, and general characteristics of brownfields sites within their state or tribal lands.

Given funding limitations, EPA will negotiate work plans with states and tribes to achieve this goal efficiently and effectively, and within a realistic time frame. For example, many of EPA's Brownfields Assessment cooperative agreement recipients conduct inventories of brownfields sites in their communities or jurisdictions. EPA encourages states and tribes to work with these cooperative agreement recipients to obtain the information that they have gathered and include it in their survey and inventory.

*Oversight and enforcement authorities or other mechanisms and resources.* EPA's goal in funding activities under this element is to have state and tribal response programs that include oversight and enforcement authorities or other mechanisms, and resources that are adequate to ensure that:

a response action will protect human health and the environment and be conducted in accordance with applicable federal and state law; and the necessary response activities are completed if the person conducting the response activities fails to complete the necessary response activities (this includes operation and maintenance or long-term monitoring activities).

*Mechanisms and resources to provide meaningful opportunities for public participation.*<sup>6</sup> EPA's goal in funding

<sup>6</sup> States and tribes establishing this element may find useful information on public participation on EPA's community involvement Web site at <http://>

<sup>1</sup> The Catalogue of Federal Domestic Assistance entry for the Section 128(a) State and Tribal Response Programs grant program is 66.817.

<sup>2</sup> The term "state" is defined in this document as defined in CERCLA Section 101(27).

<sup>3</sup> The term "Indian tribe" is defined in this document as it is defined in CERCLA Section 101(36). Intertribal consortia, as defined in the Federal Register notice at 67 FR 67181, are also eligible for funding under CERCLA Section 128(a).

<sup>4</sup> The Small Business Liability Relief and Brownfields Revitalization Act (SBLRBRA) was signed into law on January 11, 2002. The Act amends CERCLA by adding Section 128(a).

<sup>5</sup> The legislative history of SBLRBRA indicates that Congress intended to encourage states and Tribes to enter into MOAs for their voluntary response programs. States or tribes that are parties to VRP MOAs and that maintain and make available a public record are automatically eligible for Section 128(a) funding.

activities under this element is to have states and tribes include in their response program mechanisms and resources for public participation, including, at a minimum: Public access to documents and related materials that a state, tribe, or party conducting the cleanup is relying on or developing in making cleanup decisions or conducting site activities;

Prior notice and opportunity for public comment on cleanup plans and site activity; and

A mechanism by which a person who is, or may be, affected by a release or threatened release of a hazardous substance, pollutant, or contaminant at a brownfields site—located in the community in which the person works or resides—may request that a site assessment be conducted. The appropriate state or tribal official must consider this request and appropriately respond.

*Mechanisms for approval of a cleanup plan and verification and certification that cleanup is complete.* EPA's goal in funding activities under this element is to have states and tribes include in their response program mechanisms to approve cleanup plans and to verify that response actions are complete, including a requirement for certification or similar documentation from the state, the tribe, or a licensed site professional to the person conducting the response action that the response action is complete. Written approval by a state or tribal response program official of a proposed cleanup plan is an example of an approval mechanism.

#### Public Record Requirement

In order to be eligible for Section 128(a) funding, states and tribes (including those with MOAs) must establish and maintain a public record system, described below, in order to receive funds. Specifically, under Section 128(b)(1)(C), states and tribes must:

Maintain and update, at least annually or more often as appropriate, a record of sites that includes the name and location of sites at which response actions have been completed during the previous year;

Maintain and update, at least annually or more often as appropriate, a record of sites that includes the name and location of sites at which response actions are planned to be addressed in the next year; and

Identify in the public record whether or not the site, upon completion of the response action, will be suitable for unrestricted use. If not, the public record must identify the institutional controls relied on in the remedy.

Section 128(a) funds may be used to maintain and make available a public record system that meets the requirements discussed above.

*Distinguishing the "survey and inventory" element from the "public record."* It is important to note that the public record requirement differs from the "timely survey and inventory" element described in the "Four Elements" section above. The public record addresses sites at which response actions have been completed in the previous year and are planned to be addressed in the upcoming year. In contrast, the "timely survey and inventory" element, described above, refers to a general approach to identifying brownfields sites.

*Making the public record easily accessible.* EPA's goal is to enable states and tribes to make the public record and other information, such as information from the "survey and inventory" element, easily accessible. For this reason, EPA will allow states and tribes to use Section 128(a) funding to make the public record, as well as other information, such as information from the "survey and inventory" element, available to the public via the Internet or other means. For example, the Agency would support funding state and tribal efforts to include detailed location information in the public record such as the street address and latitude and longitude information for each site.<sup>7</sup> A state or tribe may also choose to use the Section 128(a) funds to make their survey and inventory information available on the Internet as well.

In an effort to reduce cooperative agreement reporting requirements and increase public access to the public record, EPA encourages states and tribes to place their public record on the internet. If a state or tribe places the public record on the internet, maintains the substantive requirements of the public record, and provides EPA with the link to that site, EPA will, for purposes of cooperative agreement funding only, deem the public record reporting requirement met.

*Long-term maintenance of the public record.* EPA encourages states and tribes to maintain public record information, including data on institutional controls, on a long term basis (more than one year) for sites at which a response action has been completed. Subject to EPA regional office approval, states or tribes may include development and operation

of systems that ensure long term maintenance of the public record, including information on institutional controls, in their work plans.<sup>8</sup>

#### Use of Funding

##### Overview

Section 128(a)(1)(B) describes the eligible uses of cooperative agreement funds by states and tribes. In general, a state or tribe may use a cooperative agreement to "establish or enhance" their response programs, including elements of the response program that include activities related to responses at brownfields sites with petroleum contamination. Eligible activities include, but are not limited to, the following:

Develop legislation, regulations, procedures, ordinances, guidance, etc. that would establish or enhance the administrative and legal structure of their response programs;

Establish and maintain the required public record described above. EPA considers activities related to maintaining and monitoring institutional controls to be eligible costs under Section 128(a); or

Conduct limited site-specific activities, such as assessment or cleanup, provided such activities establish and/or enhance the response program and are tied to the four elements.

Capitalize a revolving loan fund (RLF) for brownfields cleanup under CERCLA Section 104(k)(3). These RLFs are subject to the same statutory requirements and cooperative agreement terms and conditions applicable to RLFs awarded under Section 104(k)(3). Requirements include a 20% match on the amount of Section 128(a) funds used for the RLF, a prohibition on using EPA cooperative agreement funds for administrative costs relating to the RLF, and a prohibition on using RLF loans or subgrants for response costs at a site for which the recipient may be potentially liable under Section 107 of CERCLA. Other prohibitions contained in CERCLA Section 104(k)(4) also apply;

Purchase environmental insurance or develop a risk-sharing pool, indemnity pool, or insurance mechanism to provide financing for response actions under a state or tribal response program;

##### Uses Related to "Establishing" a State or Tribal Response Program

Under CERCLA Section 128(a), "establish" includes activities necessary to build the foundation for the four elements of a state or tribal response program and the public record requirement. For example, a state or tribal response program may use Section 128(a) funds to develop regulations, ordinances, procedures, or guidance.

<sup>7</sup> For further information on latitude and longitude information, please see EPA's data standards Web site available at [http://oaspub.epa.gov/edr/epastd\\$.startup](http://oaspub.epa.gov/edr/epastd$.startup).

<sup>8</sup> States and tribes may find useful information on institutional controls on EPA's institutional controls Web site at <http://www.epa.gov/superfund/action/ic/index.htm>.

For more developed state or tribal response programs, establish may also include activities that keep their program at a level that meets the four elements and maintains a public record required as a condition of funding under CERCLA Section 128(b)(1)(C).

*Uses Related to "Enhancing" a State or Tribal Response Program*

Under CERCLA Section 128(a), "enhance" is related to activities that add to or improve a state or tribal response program or increase the number of sites at which response actions are conducted under a state or tribal response program.

The exact "enhancement" uses that may be allowable depend upon the work plan negotiated between the EPA regional office and the state or tribe. For example, regional offices and states or tribes may agree that Section 128(a) funds may be used for outreach and training directly related to increasing awareness of its response program, and improving the skills of program staff. It may also include developing better coordination and understanding of other state response programs, e.g., RCRA or USTs. Other "enhancement" uses may be allowable as well.

*Uses Related to Site-Specific Activities*

States and tribes may use Section 128(a) funds for activities that improve state or tribal capacity to increase the number of sites at which response actions are conducted under the state or tribal response program.

Eligible uses of funds include, but are not limited to, site-specific activities such as:

- Conducting assessments or cleanups at *brownfields* sites (see next section for additional information);
- Oversight of response action;
- Technical assistance to federal brownfields cooperative agreement recipients;
- Development and/or review of site-specific quality assurance project plans (QAPPs);
- Preparation and submission of Property Profile Forms; and
- Auditing site cleanups to verify the completion of the cleanup.

*Uses Related to Site-Specific Assessment and Cleanup Activities*

Site-specific assessment and cleanup activities should establish and/or enhance the response program and be tied to the four elements. Site-specific assessments and cleanups must comply with all applicable Federal and State laws and are subject to the following restrictions:

- Section 128(a) funds can only be used for assessments or cleanups at sites

that meet the definition of a brownfields site at CERCLA Section 101(39).

- No more than \$200,000 per site can be funded for assessments with Section 128(a) funds, and no more than \$200,000 per site can be funded for cleanups with Section 128(a) funds.
- Absent EPA approval, the state/tribe may not use funds awarded under this agreement to assess and clean up sites owned by the recipient.

Assessments and cleanups cannot be conducted at sites where the state/tribe is a potentially responsible party pursuant to CERCLA Section 107, except:

at brownfields sites contaminated by a controlled substance as defined in CERCLA Section 101(39)(D)(ii)(I); or when the recipient would satisfy all of the elements set forth in CERCLA Section 101(40) to qualify as a bona fide prospective purchaser except that the date of acquisition of the property was on or before January 11, 2002.

Subgrants cannot be provided to entities that may be potentially responsible parties (pursuant to CERCLA Section 107) at the site for which the assessment or cleanup activities are proposed to be conducted.

*Costs Incurred for Activities at "Non-brownfields" Sites*

Costs incurred for activities at non-brownfields sites, e.g., oversight, may be eligible and allowable if such activities are included in the state's or tribe's work plan. For example, auditing completed site cleanups in jurisdictions where states or tribes use licensed site professionals, to verify that sites have been properly cleaned up, may be an eligible cost under Section 128(a). These costs need not be incurred in connection with a brownfields site to be eligible, but must be authorized under the state's or tribe's work plan to be allowable. Other uses may be eligible and allowable as well, depending upon the work plan negotiated between the EPA regional office and the state or tribe. However, assessment and cleanup activities may only be conducted on eligible brownfields sites, as defined in CERCLA Section 101(39).

*Uses Related to Site-Specific Activities at Petroleum Brownfields Sites*

States and tribes may use Section 128(a) funds for activities that establish and enhance their response programs, even if their response programs address petroleum contamination. Also, the costs of site-specific activities, such as site assessments or cleanup at petroleum contaminated brownfields sites, defined at CERCLA Section 101(39)(D)(ii)(II), are eligible and are allowable if the activity is included in

the work plan negotiated between the EPA regional office and the state or tribe. Section 128(a) funds used to capitalize a Brownfields RLF may be used at brownfields sites contaminated by petroleum to the extent allowed under the CERCLA Section 104(k)(3) RLF program.

**General Programmatic Guidelines For 128(a) Grant Funding Requests**

Funding authorized under CERCLA Section 128(a) is awarded through a cooperative agreement<sup>9</sup> with a state or tribe. The program is administered under the general EPA grant and cooperative agreement regulations for states, tribes, and local governments found in the Code of Federal Regulations at 40 CFR part 31. Under these regulations, the cooperative agreement recipient for Section 128(a) grant program is the government to which a cooperative agreement is awarded and which is accountable for the use of the funds provided. The cooperative agreement recipient is the entire legal entity even if only a particular component of the entity is designated in the cooperative agreement award document.

*One application per state or tribe.* Subject to the availability of funds, EPA regional offices will negotiate and enter into Section 128(a) cooperative agreements with eligible and interested states or tribes. *EPA will accept only one application from each eligible state or tribe.*

*Define the State or Tribal Response Program.* States and tribes must define in their work plan the "Section 128(a) response program(s)" to which the funds will be applied, and may designate a component of the state or tribe that will be EPA's primary point of contact for negotiations on their proposed work plan. When EPA funds the Section 128(a) cooperative agreement, states and tribes may distribute these funds among the appropriate state and tribal agencies that are part of the Section 128(a) response program. This distribution must be clearly outlined in their annual work plan.

*Separate cooperative agreements for the capitalization of RLFs using Section 128(a) funds.* If a portion of the Section 128(a) grant funds requested will be used to capitalize a revolving loan fund

<sup>9</sup> A cooperative agreement is an assistance agreement to a state or a tribe that includes substantial involvement of EPA regional enforcement and program staff during performance of activities described in the cooperative agreement work plan. Examples of this involvement include technical assistance and collaboration on program development and site-specific.

for cleanup, pursuant to 104(k)(3), two separate cooperative agreements must be awarded, i.e., one for the RLF and one for non-RLF uses. States and tribes may, however, submit one initial request for funding, delineating the RLF as a proposed use. Section 128(a) funds used to capitalize an RLF are not eligible for inclusion into a Performance Partnership Grant (PPG).

**Authority to Manage a Revolving Loan Fund Program.** If a state or tribes chooses to use its Section 128(a) funds to capitalize a revolving loan fund program, the state or tribe must have the authority to manage the program, e.g., issue loans. If the agency/department listed as the point of contact for the 128(a) cooperative agreement does not have this authority, it must be able to demonstrate that another state or tribal agency does have the authority to manage the RLF and is willing to do so.

**Section 128(a) cooperative agreements are eligible for inclusion in the Performance Partnership Grant (PPG).** States and tribes may include Section 128(a) cooperative agreements in their PPG. 69 FR 51756 (2004). Section 128(a) funds used to capitalize an RLF are not eligible for inclusion in the PPG.

**Project Period.** EPA regional offices will determine the project period for each cooperative agreement. These may be for multiple years depending on the regional office's cooperative agreement policies. Each cooperative agreement must have an annual budget period tied to an annual work plan.

**Demonstrating the Four Elements.** As part of the annual work plan negotiation process, states or tribes that do *not* have VRP MOAs must demonstrate that their program includes, or is taking reasonable steps to include, the four elements described above. EPA will not fund, in future years, state or tribal response program annual work plans if EPA determines that these requirements are not met or reasonable progress is not being made. EPA may base this determination on the information the state or tribe provides to support its work plan, or on EPA's review of the state or tribal response program.

**Establishing and Maintaining the Public Record.** Prior to funding a state's or tribe's annual work plan, EPA regional offices will verify and document that a public record, as described above, exists and is being maintained.<sup>10</sup>

• *States or tribes that received initial funding in FY03, FY04, and FY05:*

Requests for FY07 funds will *not* be accepted from states or tribes that fail to demonstrate, by the February 15, 2007 request deadline, that they established and are maintaining a public record.

(**Note**, this would potentially impact any state or tribe that had a term and condition placed on their FY06 cooperative agreement that prohibited drawdown of FY06 funds prior to meeting public record requirement.) States or tribes in this situation will not be prevented from drawing down their prior year funds, once the public record requirement is met, but will be restricted from applying for FY07 funding.

• *States or Tribes that received initial funding in FY06:* by the time of the actual FY07 award, the state or tribe must demonstrate that they established and maintained the public record (those states and tribes that do not meet this requirement will have a term and condition placed on their FY07 cooperative agreement that prevents the drawdown of FY07 funds until the public record requirement is met).

• *Recipients receiving funds for the first time in FY07:* these recipients have one year to meet this requirement and may utilize the Section 128(a) cooperative agreement funds to do so.

**Demonstration of Significant Utilization of Prior Years Funding**

During the allocation process, EPA headquarters places significant emphasis on the utilization of prior years' funding. When submitting your request for FY07 funds, the following information must be submitted:

• For those states and tribes with Superfund VCP Core or Targeted Brownfields Assessment cooperative agreements awarded under CERCLA Section 104(d), you must provide, by agreement number, the amount of funds that have not been requested for reimbursement (i.e., those funds that remain in EPA's Financial Data Warehouse) and must provide a detailed explanation and justification for why such funds should not be considered in the funding allocation process.

• For those states and tribes that received FY03, FY04, and/or FY05 Section 128 funds, you must provide the amount of FY03, FY04, and FY05 funds that have not been requested for reimbursement (i.e., those funds that remain in EPA's Financial Data Warehouse) and must provide a detailed explanation and justification for why such funds should not be considered in the funding allocation process.

**Note:** EPA Regional staff will review EPA's Financial Database Warehouse to confirm the amount of outstanding funds reported. It is strongly recommended that you work with your regional counterpart to determine the

amount of funds "outstanding." In making this determination, EPA will take into account those funds that have been committed through an appropriate state or tribal contract, inter-agency agreement, or similar type of binding agreement, but have not been requested for reimbursement, i.e., that are not showing as "drawn down" in EPA's Data Warehouse.

**Demonstration of Need To Receive Funds Above the FY06 Funding Distribution.** Due to the limited amount of funding available, recipients must demonstrate a specific need when requesting an amount above the amount allocated to the state or tribe in FY06.

**Allocation System and Process for Distribution of Fund**

EPA regional offices will work with interested states and tribes to develop their preliminary work plans and funding requests. Final cooperative agreement work plans and budgets will be negotiated with the regional office once final allocation determinations are made.

For Fiscal Year 2007, EPA will consider funding requests up to a maximum of \$1.5 million per state or tribe. This limit may be changed in future years based on appropriation amounts and demand for funding.

EPA will target funding of at least \$3 million per year for tribal response programs. If this funding is not used, it will be carried over and added to at least \$3 million in the next fiscal year. It is expected that the funding demand from tribes will increase through the life of this cooperative agreement program and this funding allocation system should ensure that adequate funding for tribal response programs is available in future years.

After the February 15, 2007 deadline, regional offices will submit summaries of state and tribal requests to EPA headquarters. Before submitting requests to EPA headquarters, regional offices may take into account additional factors when determining recommended allocation amounts. Such factors include, but are not limited to, the depth and breadth of the state or tribal program; scope of the perceived need for the funding, e.g., size of state or tribal jurisdiction or the proposed work plan balanced against capacity of the program, amount of prior funding, and funds remaining from prior years, etc.

After receipt of the regional recommendations, EPA headquarters will consolidate requests and allocate funds accordingly.

**Information To Be Submitted With the Funding Request**

States and tribes requesting 128 FY07 funds *must submit the following*

<sup>10</sup>For purposes of cooperative agreement funding, the state's or tribe's public record applies to that state's or tribe's response program(s) that utilized the Section 128(a) funding.

information, as applicable, to their regional contact on or before February 15, 2007 (regions may request additional information, as needed):

- For those states and tribes with prior Superfund VCP Core or Targeted Brownfields funding awarded under CERCLA Section 104(d), provide, by agreement number, the amount of funds that have not been requested for reimbursement (i.e., those funds that remain in EPA's Financial Data Warehouse) and a detailed explanation

and justification for why such funds should not be considered in the funding allocation process.

- For those states and tribes that received an allocation of FY03, '04, and/or '05 128 funds, provide the amount of FY03, '04, and/or '05 funds that have not been requested for reimbursement (i.e, those funds that remain in EPA's Financial Data Warehouse) and a detailed explanation and justification for why such funds should not be

considered in the funding allocation process.

- For those states and tribes requesting amounts above their FY06 allocation, provide an explanation of the specific need(s) that triggered the request for increased funding.
- All states and tribes requesting FY07 funds must submit a summary of the planned use of the funds with associated dollar amounts. Please provide it in the following format, if possible:

Funding use	Requested	Summary of intended use
"Establish or Enhance" the four elements ..	\$XX,XXX	(EXAMPLE USES) <ul style="list-style-type: none"> <li>Develop a community involvement process.</li> <li>Fund an outreach coordinator.</li> <li>Develop/enhance ordinances, regulations, procedures for response programs.</li> <li>issue public notices of site activities.</li> <li>review cleanup plans and verify completed actions.</li> </ul>
Establish and Maintain the Public Record ..	\$XX,XXX	(EXAMPLE USES) <ul style="list-style-type: none"> <li>maintain public record.</li> <li>create web site for public record.</li> <li>disseminate public information on how to access the public record.</li> </ul>
"Enhance the Response Program or Cleanup Capacity".	\$XX,XXX	(EXAMPLE USES) <ul style="list-style-type: none"> <li>hire additional staff for oversight of brownfields cleanups.</li> <li>attend training and conferences on brownfields cleanup technologies &amp; other brownfields topics.</li> <li>perform program management activities.</li> <li>negotiate/manage contracts for response programs.</li> <li>enhance program management &amp; tracking systems.</li> </ul>
Site-specific Activities .....	\$XX,XXX	(EXAMPLE USES) <ul style="list-style-type: none"> <li>perform 10 site assessments in rural communities</li> <li>negotiate brownfields agreements/voluntary cleanup contracts</li> <li>provide technical assistance to federal brownfields cooperative agreement recipients</li> <li>develop and/or review QAPPs</li> <li>conduct cleanup activities at brownfields sites</li> <li>prepare Property Profile Forms</li> </ul>
Environmental Insurance .....	\$XX,XXX	(EXAMPLE USES) <ul style="list-style-type: none"> <li>review potential uses of environmental insurance</li> </ul>
Revolving Loan Fund .....	\$XX,XXX	(EXAMPLE USES) <ul style="list-style-type: none"> <li>create a cleanup revolving loan fund</li> </ul>
Total Funding Requested .....	\$XXX,XXX	

**Terms and Reporting**

Cooperative agreements for state and tribal response programs will include programmatic and administrative terms and conditions. These terms and conditions will describe EPA's substantial involvement including technical assistance and collaboration on program development and site-specific activities.

*Progress Reports.* In accordance with 40 CFR 31.40, state and tribes must provide progress reports as provided in the terms and conditions of the cooperative agreement negotiated with EPA regional offices. State and tribal costs for complying with reporting requirements are an eligible expense under the Section 128(a) cooperative agreement. As a minimum, state or tribal progress reports must include both a narrative discussion and performance data relating to the state's

or tribe's accomplishments and environmental outputs associated with the approved budget and workplan and should provide an accounting of Section 128(a) funding. If applicable, the state or tribe must include information on activities related to establishing or enhancing the four elements of the state's or tribe's response program. All recipients must provide information relating to establishing or, if already established, maintaining the public record.

*Reporting Requirements.* Depending upon the activities included in the state's or tribe's work plan, an EPA regional office may request that a progress report include:

*Information related to the public record.* All recipients must report information related to establishing or, if already established, maintaining the public record, described above. States

and tribes can refer to an already existing public record, e.g., Web site or other public database to meet this requirement.

For the purposes of cooperative agreement funding only, and depending upon the activities included in the state or tribe's work plan, this may include: A list of sites at which response actions have been completed including:

- Date the response action was completed.
- Site name.
- The name of owner at time of cleanup, if known.
- Location of the site (street address, and latitude and longitude).
- Whether an institutional control is in place;
- Explain the type of the institutional control in place (e.g., deed restriction, zoning restriction, local ordinance, state

registries of contaminated property, deed notices, advisories, etc.)

- Nature of the contamination at the site (e.g., hazardous substances, contaminants, or pollutants, petroleum contamination, etc.).

- Size of the site in acres

A list of sites planned to be addressed by the state or tribal response program including:

- Site name and the name of owner at time of cleanup, if known.

- Location of the site (street address, and latitude and longitude).

- To the extent known, whether an institutional control is in place;

- Explain the type of the institutional control in place (e.g., deed restriction, zoning restriction, local ordinance, state registries of contaminated property, deed notices, advisories, etc.)

- To the extent known, the nature of the contamination at the site (e.g., hazardous substances, contaminants, or pollutants, petroleum contamination, etc.)

- Size of the site in acres

*Reporting environmental insurance.*

Recipients with work plans that include funding for environmental insurance must report:

- Number and description of insurance policies purchased (e.g., type of coverage provided; dollar limits of coverage; category and identity of insured persons; premium; first dollar or umbrella; site specific or blanket; occurrence or claims made, etc.)

- The number of sites covered by the insurance

- The amount of funds spent on environmental insurance (e.g., amount dedicated to insurance program, or to insurance premiums) and the amount of claims paid by insurers to policy holders

*Reporting for site-specific assessment or cleanup activities.* Recipients with work plans that include funding for brownfields site assessment or cleanup must complete the OMB-approved Property Profile Form for each site assessment and cleanup.

*Reporting for other site-specific activities.* Recipients with work plans that include funding for other site-specific related activities must include a description of the site-specific activities and the number of sites at which the activity was conducted. For example:

- Number and frequency of oversight audits of licensed site professional certified cleanups

- Number and frequency of state/tribal oversight audits conducted

- Number of sites where staff conducted audits, provided technical assistance, or conducted other oversight activities

- Number of staff conducting oversight audits, providing technical assistance, or conducting other oversight activities

*Reporting for RLF uses.* Recipients with work plans that include funding for Revolving Loan Fund (RLF) must include the information required by the terms and conditions for progress reporting under CERCLA Section 104(k)(3) RLF cooperative agreements.

*Reporting for Non-MOA states and tribes.* All recipients *without* a VRP MOA must report activities related to establishing or enhancing the four elements of the state's or tribe's response program. For each element state/tribes must report how they are maintaining the element or how they are taking reasonable steps to establish or enhance the element as negotiated in individual state/tribal work plans. For example, pursuant to CERCLA Section 128(a)(2)(B), reports on the oversight and enforcement authorities/mechanisms element may include:

- A narrative description and copies of applicable documents developed or under development to enable the response program to conduct enforcement and oversight at sites. For example:

- Legal authorities and mechanisms (e.g., statutes, regulations, orders, agreements);

- Policies and procedures to implement legal authorities; and other mechanisms;

- A description of the resources and staff allocated/to be allocated to the response program to conduct oversight and enforcement at sites as a result of the cooperative agreement;

- A narrative description of how these authorities or other mechanisms, and resources, are adequate to ensure that:

- A response action will protect human health and the environment; and be conducted in accordance with applicable Federal and State law; and if the person conducting the response action fails to complete the necessary response activities, including operation and maintenance or long-term monitoring activities, the necessary response activities are completed; and
- A narrative description and copy of appropriate documents demonstrating the exercise of oversight and enforcement authorities by the response program at a brownfields site.

Where applicable, EPA may require states/tribes to report specific performance measures related to the four elements which can be aggregated for national reporting to Congress.

The regional offices may also request other information be added to the

progress reports, as appropriate, to properly document activities described by the cooperative agreement work plan.

EPA regions may allow states or tribes to provide performance data in appropriate electronic format. The regional offices will forward progress reports to EPA Headquarters, if requested. This information may be used to develop national reports on the outcomes of CERCLA Section 128(a) funding to states and tribes.

Dated: November 29, 2006.

**David R. Lloyd,**

*Director, Office of Brownfields Cleanup and Redevelopment, Office of Solid Waste and Emergency Response.*

[FR Doc. E6-21102 Filed 12-11-06; 8:45 am]

**BILLING CODE 6560-50-P**

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## FARM CREDIT SYSTEM INSURANCE CORPORATION

### Farm Credit System Insurance Corporation Board; Regular Meeting

**SUMMARY:** Notice is hereby given of the regular meeting of the Farm Credit System Insurance Corporation Board (Board).

*Date and Time:* The meeting of the Board will be held at the offices of the Farm Credit Administration in McLean, Virginia, on December 14, 2006, from 9 a.m. until such time as the Board concludes its business.

**FOR FURTHER INFORMATION CONTACT:** Roland E. Smith, Secretary to the Farm Credit System Insurance Corporation Board, (703) 883-4009, TTY (703) 883-4056.

**ADDRESSES:** Farm Credit System Insurance Corporation, 1501 Farm Credit Drive, McLean, Virginia 22102.

**SUPPLEMENTARY INFORMATION:** Parts of this meeting of the Board will be open to the public (limited space available) and parts will be closed to the public. In order to increase the accessibility to Board meetings, persons requiring assistance should make arrangements in advance. The matters to be considered at the meeting are:

#### Open Session

##### A. Approval of Minutes

- September 21, 2006 (Regular Meeting).

##### B. Business Reports

- September 30, 2006 Financial Reports.

- Report on Insured and Other Obligations.

- Quarterly Report on Annual Performance Plan.