

**ENVIRONMENTAL PROTECTION AGENCY**

[FRL-5964-5]

**Clean Air Act; Acid Rain Provisions****AGENCY:** Environmental Protection Agency (EPA).**ACTION:** Notice of the 1998 EPA SO<sub>2</sub> allowance auctions.

**SUMMARY:** Pursuant to Title IV of the Clean Air Act and 40 CFR part 73, the EPA is responsible for implementing a program to reduce emissions of sulfur dioxide (SO<sub>2</sub>), a precursor of acid rain. The centerpiece of the SO<sub>2</sub> control program is the allocation of transferable allowances, or authorizations to emit SO<sub>2</sub>, which are distributed in limited quantities for existing utility units and which eventually must be held by virtually all utility units to cover their SO<sub>2</sub> emissions. These allowances may be transferred among polluting sources and others, so that market forces may govern their ultimate use and distribution, resulting in the most cost-effective sharing of the emissions control burden. In addition, EPA is directed under section 416 of the Act to conduct annual auctions of a small portion of allowances (2.8%) withheld from the total allowances allocated to utilities each year. Auctions are expected to stimulate and support such a market in allowances and to provide a public source of allowances, particularly to new units for which no allowances are allocated. Today, the Acid Rain Division is giving notice of the sixth annual SO<sub>2</sub> allowance auctions. The regulation governing the auctions was promulgated on December 17, 1991 (40 CFR part 73, subpart E).

EPA has delegated the administration of the EPA allowance auctions to the Chicago Board of Trade (CBOT). The auctions will be conducted under the regulation cited above. Anyone can participate in the EPA auctions and bidders are not restricted as to the quantity or price of their bid. Allowances sold at the auctions will be sold to the highest bidder until no allowances remain. The 1998 auctions will consist of one "spot" auction and one "advance" auction. Allowances sold in the spot auction are useable for compliance beginning in 1998. Allowances sold in the 7-year advance auction are useable for compliance beginning in 2005. 150,000 allowances will be sold in the spot auction and 125,000 allowances will be sold in the 7-year advance auction. Bid Forms for the 1998 auctions must be received by the CBOT by the close of business on March 17, 1997. The auctions

themselves will be conducted on March 23, 1998, with the results announced on March 25.

CBOT will also sell in the 1998 auctions any spot or 7-year advance allowances that are offered by others holding allowances in EPA's Allowance Tracking System. However, offered allowances will be sold after the allowances that were withheld from the utilities, so offered allowances will consequently be sold at a lower price than the withheld allowances. Owners of offered allowances may set a minimum price for their allowances. To offer allowances in the EPA auctions, owners of allowances must submit a SO<sub>2</sub> Allowance Offer Form to EPA by the close of business on March 2, 1998. The auction regulation requires that offer forms be received by EPA no later than 15 business days prior to the date of the auctions.

**ADDRESSES:**

Regular mail: U.S. EPA Acid Rain Division (6204J), Attn: Auctions, 401 M St., S.W., Washington, DC 20460.

Overnight mail: US EPA Acid Rain Division (6204J), Attn: Auctions, 501 3rd Street, N.W., Washington, DC 20001.

Chicago Board of Trade, Attn: EPA Auctions, 141 W. Jackson Blvd., Suite 2240, Chicago, IL 60604.

**FOR FURTHER INFORMATION:** Information on bidding in the 1998 EPA auctions can be found in the brochure "How to Bid in the EPA SO<sub>2</sub> Allowance Auctions, Sixth Annual Auctions—March 23, 1998"; general information on the EPA auctions can be found in the "Acid Rain Program Allowance Auctions" fact sheet. These publications, as well as the forms needed to participate in the EPA auctions, can be obtained by calling the Acid Rain Hotline at (202) 564-9620, by writing to EPA at the address listed above, or by accessing the Acid Rain Program home page at <http://www.epa.gov/acidrain>.

Dated: January 28, 1998.

**Janice K. Wagner,**

*Acting Director, Acid Rain Division.*

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**ENVIRONMENTAL PROTECTION AGENCY**

[FRL-5964-7]

**Investigator-Initiated Grants: Requests for Applications**

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

**ACTION:** Notice of request for applications.

**SUMMARY:** This document provides information on the availability of the fiscal year 1998 investigator-initiated grants program announcements, in which the areas of research interest, eligibility and submission requirements, evaluation criteria, and implementation schedule are set forth. Grants will be competitively awarded following peer review.

**DATES:** Receipt dates vary depending on the specific research area within the solicitation and are listed below.

**FOR FURTHER INFORMATION CONTACT:** U.S. Environmental Protection Agency, National Center for Environmental Research and Quality Assurance (8703R), 401 M Street, SW, Washington DC 20460, telephone (800) 490-9194. Each of the complete announcements can be accessed on the Internet from the EPA home page: <http://www.epa.gov/ncercqa>.

**SUPPLEMENTARY INFORMATION:** In its Requests for Applications (RFA) the U.S. Environmental Protection Agency (EPA) invites research grant applications in the following areas of special interest to its mission: (1) Environmental Statistics (joint with the National Science Foundation), and (2) Research and Monitoring Program on Ecological Effects of Environmental Stressors using Coastal Intensive Sites. EPA also announces a request for applications for a new program called Environmental Monitoring for Public Access and Community Tracking (EMPACT). Applications must be received as follows: March 16, 1998, for topic (1); April 1, 1998, for topic (2); and May 15, 1998 for EMPACT.

The RFAs provide relevant background information, summarize EPA's interest in the topic areas, and describe the application and review process.

Contact person for the Environmental Statistics RFA is Chris Saint ([saint.chris@epamail.epa.gov](mailto:saint.chris@epamail.epa.gov)), telephone 202-564-6909; for Research and Monitoring Program on Ecological Effects of Environmental Stressors using Coastal Intensive Sites is Barbara Levinson ([levinson.barbara@epamail.epa.gov](mailto:levinson.barbara@epamail.epa.gov)), telephone 202-564-6911; and for EMPACT is Barbara Karn ([karn.barbara@epamail.epa.gov](mailto:karn.barbara@epamail.epa.gov)), telephone 202-564-6824.

Dated: February 2, 1998.

**Henry L. Longest, II,**

*Acting Assistant Administrator for Research and Development.*

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## ENVIRONMENTAL PROTECTION AGENCY

[FRL-5964-6]

### Investigator-Initiated Grants on Futures: Detecting the Early Signals

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

**ACTION:** Notice.

**SUMMARY:** The purpose of this document is to solicit public comment on the appropriateness of the research topic, "Futures: Detecting the Early Signals," described in the draft Request for Applications (RFA). The Agency's Science Advisory Board has recommended EPA should move towards using futures research and analysis in its programs and activities, particularly strategic planning and budgeting. The draft RFA is part of EPA's response to this recommendation. In the draft RFA EPA's Office of Research and Development (ORD) invites research grant applications to develop innovative, scientific approaches for solving current and future environmental problems and to improve our understanding of environmental risk.

**DATES:** Comments are requested on the wording, scope, and appropriateness of the research topics presented in this draft RFA. Comments must be received on or before March 12, 1998. EPA plans to issue the RFA a month after the close of the comment period.

**FOR FURTHER INFORMATION CONTACT:** For questions or comments regarding the solicitation process, contact Dr. Robert Menzer, telephone number (202) 564-6849, EPA (8701R), 401 M Street, SW, Washington, DC 20460, electronic mail address:

menzer.robert@epamail.epa.gov. For questions or comments regarding the specific research topics, contact Dr. Roger Cortesi, telephone number (202) 564-6852, EPA (8701R), 401 M Street, SW, Washington, DC 20460, electronic mail address:

cortesi.roger@epamail.epa.gov.

**SUPPLEMENTARY INFORMATION:** EPA's National Center for Environmental Research and Quality Assurance (NCERQA) is preparing to issue a solicitation for research on futures. Funding for this solicitation will be

provided by EPA for a total of approximately \$1 million. We plan to award 6-8 grants, each with a project period of 1 year, under this solicitation.

NCERQA will receive, process, and distribute the proposals to the peer reviewers; convene the peer review sessions in conformance with existing EPA guidelines; and record the review discussion for each proposal. No EPA employees will serve as peer reviewers.

The description of the request for applications is as follows:

#### Futures: Detecting the Early Signals

##### Background

The question often arises whether serious environmental problems could be detected so that preventive or remedial actions could be generated sooner than they had been heretofore. Early awareness of an environmental problem would result in the ability to cope with a less serious problem, one easier and cheaper to handle. The possibility and value of early detection of environmental problems were the subject of the Environmental Protection Agency (EPA) Science Advisory Board's 1995 report, *Beyond the Horizon: Using Foresight to Protect the Environmental Future*. The report discusses why thinking about the future is important, possible systems of inquiry, and recommends that "... EPA should move towards using futures research and analysis in its programs and activities, particularly strategic planning and budgeting ...". Specifically:

- "As much attention should be given to avoiding future problems as to controlling current ones," and
- "EPA should establish a strong environmental futures capability that serves as an early warning system for emerging environmental problems."

In its planning process the Office of Research and Development (ORD) has committed itself to "establish capability and mechanisms within EPA to anticipate and identify environmental or other changes that may portend future risk, integrate futures planning into ongoing programs, and promote coordinated preparation for and response to change."

##### Scope of Research

In this announcement EPA's Office of Research and Development (ORD) invites research grant applications to develop innovative, scientific approaches for identifying future environmental problems. EPA, in order to perform its mission better, wishes to find ways to identify possible emerging environmental problems and to start working on them before headlines have

emerged. This solicitation aims to try an approach to looking ahead in two areas: in the natural sciences and in socio-economics.

Specifically, EPA requests applications in:

**A. Natural Sciences.** The applicant should choose an area where there is scattered scientific data that could portend a future environmental problem, examine these scattered data, and write a synthesis giving possible interpretations. This paper should suggest which questions raised by the data need answering and which of these questions can be resolved by research. Key features in proposal evaluation will be: (1) the balance in the identified potential problem between seriousness of the problem and its "Chicken Little factor," and (2) the value of the possible proposed synthesis even if the suspected problem turns out to be minimal.

Examples of problems which might have profited from such early examination in the past include:

- acid rain
- stratospheric ozone depletion
- DDT and thin bird egg shells
- PCBs, environmental persistence and its effects

**B. Socio-Economics.** The applicant should examine possible changes in the way we (the USA, the industrialized nations, the world, etc.), in the next five to twenty years, will think, do things, live, consume, invent, reproduce, etc., and what effects these changes will have on environmental problems, on our mind set, on how we handle them, on the tools we will have available to handle them, on the costs and benefits of handling them, etc. Socioeconomic analyses can cover a variety of subjects (e.g., demographic changes, economic changes, environmental value changes, land use changes, etc.)

A key feature of the evaluation of the proposals will be the usefulness of the analyses and the analytical methods developed even if the views of what the future will bring turn out to be seriously wrong. The proposed studies and syntheses should, if possible, offer suggestions about what possible changes are important and identify such changes to the environment that could be monitored for early detection and correction.

It is anticipated that projects funded under this solicitation will involve literature investigation and analysis, discussions with colleagues, perhaps computer modeling, and crystal-ball gazing. The final product of the research will be a paper setting forth the problem, approaches to its solution, and an estimate of the resources needed to