approaches to reducing lead hazards, (2) developing a nationwide pool of qualified lead abatement professionals, (3) encouraging pollution prevention in lead-based paint activities, (4) promoting environmental justice in the reduction of lead exposures and the prevention of lead poisoning, (5) fostering the establishment of comprehensive and integrated lead management programs by states, territories and Indian governing bodies, and (6) promoting reciprocity among authorized programs in the training and certification of lead abatement professionals.

## I. Eligibility

All states are eligible to apply for and receive assistance under section 404(g) of TSCA. The term "state," for purposes of eligibility, refers broadly to any state of the United States, the District of Columbia, any federally-recognized Indian governing body, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, the Canal Zone, American Samoa, the Northern Mariana Islands, and any other territory or possession of the United States.

## II. Authority

The "TSCA Title IV State Lead Grants Program" is a financial assistance program administered by EPA under authority of TSCA section 404(g). Each of EPA's 10 regional administrators will be delegated the authority to enter into cooperative agreements with eligible "states." However, because EPA's authority to award 404(g) funding to Indian governing bodies is contingent upon final promulgation of the forthcoming regulations mandated under sections 402 and 404 of TSCA. EPA plans to award all funds to Indian governing bodies under authority of TSCA section 10(a) during this award cycle (FY95). Further, all references in this notice to Indian governing bodies being treated as states is contingent upon EPA's final promulgation of the regulations mandated under TSCA sections 402 and 404.

EPA recognizes that when TSCA Title IV was enacted on October 28, 1992, states had widely varying capabilities for addressing lead hazards. Individual states currently fall within one of three broad categories of program development: (1) States without lead programs, (2) states with programs that qualify for authorization that may need assistance in carrying out these programs, and (3) states with lead programs that will require modification before qualifying for authorization. Each state's need for assistance will vary, in part, according to the level of lead program development the state has attained. The type of program activity a given state seeks to pursue may also vary in a corresponding manner.

Although EPA generally supports all state activities aimed at developing or carrying out authorized state lead programs, the Agency does recognize certain priorities. Because few states presently have adequate lead program capabilities, as measured against TSCA sections 402 and 406, EPA's highest priority will be to support the development of new state programs. A second priority will be to support the continued implementation of authorized state programs. A third priority will be to support the implementation of existing state programs which do not presently qualify for authorization but which are otherwise willing to work toward timely authorization. Although these priorities do not constitute the Agency's criteria for award determinations, EPA will consider these items in its cooperative agreement negotiations with applicants.

EPA has established three general funding categories that reflect the different status, or levels, of state lead program development. They are not mutually exclusive, and it is permissible for a state's work plan to combine elements from two or more categories. Numerous examples of activities considered to be eligible for funding are described in a separate EPA publication entitled "State and Tribal Cooperative Agreement Guidance for FY 1995 (January 1995). Copies of the grant guidance may be obtained through any of EPA's ten regional offices at the addresses listed under unit VI. of this notice. It is important to note, however, that the examples presented in the guidance are not exhaustive, and applicants are not limited in their proposals to the listed tasks. Individual state program innovations are eligible and encouraged, so long as the proposed tasks relate to the purposes set forth in TSCA section 404(g) and fit within one or more of the three general funding categories.

## **III.** Selection Criteria

During the FY95 award cycle, EPA expects a total of \$12,500,000 to be available for distribution to eligible applicants. The Agency will use a twotiered system to allocate these funds. This system is aimed at achieving the broadest possible state participation, while at the same time, targeting areas with the greatest potential lead hazard and risk. It accomplishes this by providing for a tier-one distribution of "base funding," followed by a tier-two distribution of "formula funding," where additional funds are distributed based upon the relative lead burden estimated to exist within a state.

Each state and the District of Columbia (excluding territories and federally-recognized Indian governing bodies) that submits a qualifying proposal will be entitled to a base funding allotment of \$100,000. In addition, base funding of up to \$50,000 will be reserved for each of the four "territories" (used generically in this context) that have been administratively assigned to an EPA regional office and that have historically participated in EPA toxics cooperative agreement programs. These "base" territories include the U.S. Virgin Islands (Region 2), the Commonwealth of Puerto Rico (Region 2), Guam (Region 9), and American Samoa (Region 9). The two remaining "non-base" territories, the Canal Zone and the Northern Mariana Islands, are also eligible to apply for funding up to \$50,000 apiece, but are not considered in determining the base funding allotments. Base allotments are primarily intended to ensure that those states and base territories wishing to pursue authorization under TSCA section 404 will be guaranteed a minimum level of funding for this purpose. Any unsubscribed base funding will be added to the formula funds pool.

Once base funding allotments have been reserved for all eligible applicants, remaining funds will be treated as "formula funds." Before applying the lead burden formula, however, EPA will set-aside an amount not to exceed \$1,500,000 for Federally recognized Indian governing bodies. Indian governing body will be given funding based upon tribal population and if an Indian governing body received funding in the FY 1994 grant process, they will be supported to the same extent in FY95 process. EPA cannot reliably predict the level of participation from Indian governing bodies and non-base territories; therefore, where these eligible parties do apply for funds, they will be assigned to an appropriate regional office for administrative oversight, and that regional office will become responsible for determining the appropriate level of funding. These parties, however, will not receive a formula ranking, and will not be eligible to compete for additional formula allocations based upon lead burden calculations.

As a third step, states and base territories with funding requirements exceeding their base allotments will then be apportioned additional sums based upon their relative lead burden. In calculating lead burden for the