DOE workforce and related issues, these program areas are distinct from those of other DOE offices. In light of the Secretary of Energy's emphasis on protecting worker and community health, DOE must have a targeted financial assistance mechanism to ensure these areas are properly supported. Further, section 602.9 commits DOE to use independent evaluators to ensure credible and inclusive peer review. This explicit commitment is essential, given the high degree of public and congressional interest in occupational and environmental health studies pertaining to DOE.

Second, DOE is currently reviewing its financial assistance rules under Executive Order 12861. Some of the revisions may eliminate the need for separate program rules by better accomodating the desire of assistance programs to address their unique mission in the use of financial assistance.

Third, the large majority of DOE financial assistance regulations are already in place at 10 CFR part 600. This means that nearly all the requirements for audits, patents, financial management, and many other administrative activities remain unaffected by the EH rule. The EH rule merely defines a narrow, but significant, range of programmatic needs. Codification of these needs will help those seeking financial assistance to understand EH mission requirements and to develop effective proposals to address these requirements.

III. Final Rule

Section 602.1 defines the purpose and scope of part 602 as setting policies and procedures for award and administration of EH health related research, education/training, conferences, and communication activities through financial assistance awards.

Section 602.2 establishes applicability, stating that part 602 requirements apply to awards made on or after the effective date of the rule. It also states that part 602 supplements and does not replace 10 CFR part 600. Section 602.3 defines terms used in

Section 602.3 defines terms used in the rule. As definitions in 10 CFR part 600 apply to terms in part 602, it was unnecessary to provide definitions except for a few terms with special meaning for the EH program of epidemiologic and other health studies.

Section 602.4 governs deviations from the rule. It allows for single-case deviations from part 602 if authorized by the Assistant Secretary for EH, the Head of the Contracting Activity, or their designees. There is no provision for class deviation. If a proposed singlecase deviation from part 602 is also a deviation from 10 CFR part 600, the provisions for deviations contained in both rules will apply. Section 602.4 allows for program control over singlecase deviations of a purely program nature, but assures that deviations relating to generic provisions are also authorized pursuant to the procedures contained in the generic rules.

Section 602.5 establishes that research, education/training, conferences, and communication activities in various EH program areas are eligible for awards under part 602. The program areas are listed in the section and may be expanded by **Federal Register** notice.

Section 602.6 sets forth eligibility for awards. The only categorical restriction pertains to Federal agencies. DOE anticipates that most recipients will participate through institutions because of the substantial material and business management resources needed to conduct projects under the program.

Section 602.7 establishes procedures relating to award solicitation, including mechanisms to publicize award availability and distribute application forms and other information. The section also states that DOE reserves the right to fund, in whole or in part, any, all, or none of the applications submitted under award solicitations.

Section 602.8 sets forth provisions and procedures required to apply for an award, including prescribed forms and other information requirements. Nothing in this section or in 10 CFR part 600 will prohibit appropriate contacts between potential applicants and DOE staff prior to submission of applications. Such contacts may include discussions of broad advice on research areas of interest or administrative procedures. Requests for information that might provide an unfair competitive advantage are not permitted.

Section 602.9 describes procedures for application evaluation and selection. While DOE employees will evaluate the applications and make award selections, every effort will be made to use reviewers apart from DOE employees and contractors. Use of outside reviewers will ensure that the best experts are available to conduct technical evaluations and will also ensure open and credible peer review of applications. This is also in keeping with the Federal Government's tradition of using a broad range of peer reviewers to evaluate the scientific and technical merit of research proposals.

Section 602.9(d) sets forth the evaluation criteria. They are necessarily

broad because of the wide variety of projects and approaches anticipated. The criteria are consistent with those used by other DOE offices and Government agencies in similar programs. Section 602.9(d)(5) will permit DOE to establish, in a notice of availability or separate solicitation, evaluation criteria consistent with the purpose of part 602 other than those listed in the rule.

Section 602.9(g) states that selection of applications for award will be based upon findings of technical evaluations, including peer reviews. These evaluations will be conducted according to procedures specified in the EH Merit Review System, which was published as a Program Notice in the **Federal Register** on November 25, 1992.

Section 602.10 sets forth certain additional requirements that are not specifically addressed in 10 CFR part 600. The section requires recipients performing research involving human subjects, recombinant DNA molecules (and/or organisms and viruses containing recombinant DNA molecules) or warm-blooded animals to comply with certain Federal requirements. While these concerns are not common under DOE-funded projects, they require special attention because of their importance. The treatment of these matters is similar to that required by other Federal agencies.

Section 602.11 provides for a project period that is long and flexible enough to accommodate research. Measurable results often take years and cannot be accurately predicted. On the other hand, DOE must assure adequate programmatic review. Accordingly, initial project periods of up to 3 years will be the norm. Project periods may exceed 5 years only if DOE makes a renewal award or allows an extension. To assure adequate financial accountability and review, section 602.11(b) provides a general budget period of 12 months, which is the norm as provided under 10 CFR 600.106. To allow for those projects that are not suited to this limitation, DOE may allow for a budget period of 24 months.

Section 602.12 establishes that cost sharing, while always welcome, is not a factor in evaluating or selecting applications under the program. DOE wishes to fund the best projects, not just those of institutions capable of cost sharing arrangements.

Section 602.13 states that DOE is liable only for the funds noted in the Notice of Financial Assistance Award. No additional obligations are required to support or extend a specific award.

Section 602.14 allows fee payment to small business concerns under