

Executive Order 12699 that requires each Federal agency assisting in the financing, through Federal grants or loans, or guaranteeing the financing, through loan or mortgage insurance programs, of newly constructed buildings to assure appropriate consideration of seismic safety.

(2) All new buildings shall be designed and constructed in accordance with the seismic provisions of one of the following model building codes.

(i) 1991 International Conference of Building Officials (ICBO) Uniform Building Code;

(ii) 1993 Building Officials and Code Administrators International, Inc. (BOCA) National Building Code; or

(iii) 1992 Amendments to the Southern Building Code Congress International (SBCCI) Standard Building Code.

(3) The date, signature, and seal of a registered architect or engineer and the identification and date of the model building code on the plans and specifications shall be evidence of compliance with the seismic requirements of the appropriate building code.

PART 1980—GENERAL

7. The authority citation for part 1980 is revised to read as follows:

Authority: 5 U.S.C. 301; 7 U.S.C. 1989, 4201 note; 42 U.S.C. 1480.

Subpart A—General

8. Section 1980.48 is added to read as follows:

§ 1980.48 Seismic safety of new building construction.

(a) The guaranteed loan programs are subject to the provisions of Executive Order 12699 which requires each Federal agency assisting in the financing, through Federal grants or loans, or guaranteeing the financing, through loan or mortgage insurance programs, of newly constructed buildings to assure appropriate consideration of seismic safety.

(b) All new buildings shall be designed and constructed in accordance with the seismic provisions of one of the following model building codes:

(1) 1991 International Conference of Building Officials (ICBO) Uniform Building Code;

(2) 1993 Building Officials and Code Administrators International, Inc. (BOCA) National Building Code; or

(3) 1992 Amendments to the Southern Building Code Congress International (SBCCI) Standard Building Code.

(c) The date, signature, and seal of a registered architect or engineer and the

identification and date of the model building code on the plans and specifications shall be evidence of compliance with the seismic requirements of the appropriate building code.

Dated: June 28, 1995.

Michael V. Dunn,

Acting Under Secretary for Rural Economic and Community Development.

Dated: June 30, 1995.

Gene Moos,

Under Secretary for Farm and Foreign Agricultural Services.

[FR Doc. 95-20970 Filed 8-24-95; 8:45 am]

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DEPARTMENT OF ENERGY

Office of Energy Efficiency and Renewable Energy

10 CFR Part 436

[Docket No. EE-RM-95-501]

Federal Energy Management and Planning Programs; Methodology and Procedures for Life Cycle Cost Analyses

AGENCY: Office of Energy Efficiency and Renewable Energy, DOE.

ACTION: Notice of proposed rulemaking and public hearing and request for public comment.

SUMMARY: The Department of Energy (DOE) proposes to amend its Federal Energy Management Program regulations to include provisions for applying the life cycle costing methodology when evaluating and comparing the cost effectiveness of water conservation measures in Federal buildings.

DATES: Written comments (six copies) must be received on or before October 24, 1995 in order to ensure their consideration. A public hearing will be held on October 12, beginning at 9:30 a.m., e.d.t. at the address indicated below. Requests to speak at the hearing must be received by 4:30 p.m., e.d.t. on or before October 10. The length of each oral presentation is limited to 10 minutes.

ADDRESSES: Written comments (six copies) and requests to speak at the public hearing, are to be submitted to: U.S. Department of Energy, Office of Energy Efficiency and Renewable Energy, Docket No. EE-RM-95-501, EE-92, 1000 Independence Avenue, SW., Washington, DC 20585 (202) 586-3012. FAX comments will not be accepted. The public hearing will be held at the U.S. Department of Energy, Forrestal

Building, Room 1E-245, 1000 Independence Avenue, SW., Washington, DC 20585. Copies of the transcript of the public hearing and public comments received may be obtained from the DOE Freedom of Information Reading Room, U.S. Department of Energy, Forrestal Building, Room 1E-190, 1000 Independence Avenue, SW., Washington, DC 20585, (202) 586-6020, between the hours of 9 a.m. and 4 p.m., Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT: K. Dean DeVine, P.E., Federal Energy Management Program, Office of Energy Efficiency and Renewable Energy, Mail Station EE-92, U.S. Department of Energy, 1000 Independence Avenue, SW., Washington, DC 20585, (202) 586-6784.

SUPPLEMENTARY INFORMATION:

I. Introduction

The Department of Energy (DOE) today proposes amendments to some of the provisions in 10 CFR part 436 which are applicable to programs for the management of energy consumption by Federal agencies. The amendments are directed principally toward updating the life cycle cost methodology and procedures in subpart A in light of changes in law requiring the use of life cycle costing methodology when installing water conservation measures.

Section 152 of the Energy Policy Act of 1992 (Pub.L. 102-486) amended the legislatively mandated policies with regard to federal energy management originally set forth in section 542 of the National Energy Conservation Policy Act (Act). 42 U.S.C. 8252. This amendment to section 542 expands the purpose of the federal energy management program to include the conservation and the efficient use of water, in addition to non-renewable energy, by the Federal Government.

Section 543 of the Act (42 U.S.C. 8253(a)) "Energy Management Goals" was also amended by Section 152 of the Energy Policy Act by adding an energy management requirement for Federal agencies that "Not later than January 1, 2005, each agency shall, to the maximum extent practicable, install in Federal buildings owned by the United States all energy and water conservation measures with payback periods of less than 10 years, as determined by using the methods and procedures developed pursuant to section 544". To implement this statutory provision, it is necessary to amend the life cycle cost regulations as set forth in part 436 of the Code of Federal Regulations, pursuant to section

544 of the Act, so that the life cycle cost methodology and procedures can be applied to the installation of water conservation measures which are implemented by Federal agencies to meet the requirements of the Act.

Interested persons are invited to participate in the making of this proposed amendment by submitting such written data, views, or arguments as they may desire. All communications received on or before the closing date for comments, specified above, will be considered before taking action on a final rule.

II. Background of the Life Cycle Cost Methodology

On January 23, 1980, DOE published a final Life Cycle Cost rule (LCC) (45 FR 5620) which established the methodology and procedures for calculating and comparing the life cycle cost of proposed investments to upgrade the economic efficiency of Federal buildings through energy conservation or substitution of renewable energy sources. The LCC rule was published pursuant to section 381(a)(2) of the Energy Policy and Conservation Act, as amended, 42 U.S.C 6361(a)(2), section 10 of Executive Order 11912, and title V, part 3, of the National Energy Conservation Policy Act (NECPA).

On November 30, 1990, DOE published final amendments to 10 CFR part 436 (55 FR 48217) to update the guidelines applicable to Federal agency in-house energy management programs. That rulemaking was directed principally toward updating the life cycle cost methodology and procedures in subpart A of 10 CFR part 436 in light of provisions in the Federal Energy Management Improvement Act of 1988 granting DOE more discretion in setting discount and energy cost escalation rates (Pub. L. 100-615).

The principal uses of the LCC rule are determining the cost effectiveness of proposed investments and assigning priorities among proposed cost-effective investments. The methodology and procedures of the LCC rule are amplified in a manual published for DOE by the National Institute of Standards and Technology (NIST) HB135, revised as necessary to reflect amendments. It is referred to as the "Life Cycle Costing Manual for Federal Energy Management Program." The methodology required by the LCC rule involves a systematic analysis of all significant costs associated with proposed investments, the principal purpose of which is to increase energy efficiency on a life-cycle cost effectiveness basis. This analysis relates investment costs to future costs

associated with a proposed investment. The LCC rule provides for standardized assumptions for establishing and comparing relevant cost. See 10 CFR 436.14.

The Energy Policy Act of 1992 (Pub. L. 102-486) amended NECPA by adding water and the use of renewable energy sources to the purpose of NECPA (42 U.S.C. 8252) and requiring the use of the life cycle cost methodology when installing in Federal buildings energy and water conservation measures with payback periods of less than 10 years (42 U.S.C. 8253(b)). The amendments proposed today relating to water conservation measures are pursuant to this authority.

III. General Discussion of Amendments

The proposed amendments for the most part insert the term "water" in the various provisions of the rule to reflect the fact that the conservation and efficient use of water are now included within the purpose and scope of the federal energy management program. The methodology and procedures for applying life cycle cost analyses to water conservation measures have been determined to be generally consistent with the treatment of energy. In those instances where the nature of water conservation measures require different treatment, a separate provision is proposed. Overall, only minor changes to the rule have been proposed to comply with the mandates imposed by the Energy Policy Act of 1992.

The basic requirements of the life cycle cost methodology and procedures are not changed by the proposed amendments. Their coverage is expanded so that they apply to water conservation measures which are the primary subject of the proposed amendments. To accommodate the differences found when examining factors which may be unique only to water or energy, the Department of Energy is proposing new and revised definitions in § 436.11 to allow for the computation of factors unique to water conservation measures for the purpose of performing the life cycle costing calculations. It is the intent of the amendatory language to make clear that the application of the life cycle cost methodology and procedures to water conservation measures are treated parallel, where practicable, to energy conservation measures when determining life cycle cost effectiveness. For example, the proposed new definition of "building water system" parallels that of "building energy system." The difference is the type of system which is the subject of the analysis. In many instances, the

Department of Energy is proposing to amend the rule with addition of the terms "and water" or "or water", as determined appropriate, to meet the requirement of the Act to apply life cycle cost methodology and procedures to water conservation measures.

There are a few minor changes which serve to clarify and facilitate agency implementation. Section 436.13 presumes that investment in a retrofit to an existing Federal building is not life cycle cost-effective if it is occupied under a lease which includes the cost of utilities in the rent and does not provide a pass through of energy or water savings to the government. Language was added to be explicit that this presumption applies only to Federal investment and should not necessarily be used to determine the cost effectiveness of building owners' investments in their Federally leased buildings. Such investments are, in fact, cost-effective and are encouraged. The assumption in § 436.14 that "water prices will not escalate" is based upon the fact that there are no escalation rates established for water at the national level. However, agencies are permitted to use escalation rates when they are available from suppliers. Public comment is invited as to the availability and impact of such rates. Section 436.23 was modified to allow agencies to include future price changes when they estimate simple payback time in order to be consistent with national consensus standards developed by the American Society of Testing and Materials.

IV. Review Under Executive Order 12866

The proposed rule was reviewed under the provisions of this Executive Order governing Regulatory Planning and Review. DOE has determined that the proposed rule does not constitute a "significant regulatory action" and is therefore not subject to the provisions of Sec. 6 of the Executive Order requiring review by the Office of Management and Budget (OMB).

V. Review Under the Regulatory Flexibility Act

The proposed rules were reviewed under the Regulatory Flexibility Act of 1980, Pub. L. 96-354 (5 U.S.C. 601-612). DOE has determined that this rule will not have a significant economic impact on a substantial number of small entities, therefore, no regulatory flexibility analysis has been performed.

VI. Review Under the Paperwork Reduction Act

The Paperwork Reduction Act of 1980 (44 U.S.C. 3501-3520) requires that

Federal agencies obtain approval from the OMB before collecting information from 10 or more persons. There are no information collection requirements in these proposed amendments.

VII. Review Under the National Environmental Policy Act

DOE has determined that promulgation of this proposed rule falls within the interpreting/amending rulemaking class, Category A5 of appendix A to subpart D, "Categorical Exclusions Applicable to General Agency Actions," of the DOE National Environmental Policy Act (NEPA) regulations. 10 CFR part 1021. It is therefore categorically excluded from preparation of either an Environmental Assessment or an Environmental Impact Statement under NEPA (42 U.S.C. 4321, et. seq).

VIII. Review Under Executive Order 12612

Executive Order 12612, 52 FR 41685 (October 30, 1987), requires that regulations, rules, legislation, and any other policy actions be reviewed for any substantial direct effects on States, on the relationship between the National Government and the States, or in the distribution of power and responsibilities among various levels of Government. If there are sufficient substantial direct effects, then the Executive Order requires preparation of a federalism assessment to be used in all decisions involved in promulgating and implementing a policy action. The proposed rule will revise certain policy and procedural requirements applicable only to Federal energy management programs. Therefore, the Department of Energy has determined that the proposed rule will not have a substantial direct effect on the institutional interests or traditional functions of States.

IX. Opportunities for Public Comment

A. Written Comment Procedures

Interested persons are invited to participate in this rulemaking by submitting data, views, or comments with respect to the proposed rulemaking.

Six copies of written comments should be submitted to the address indicated in the ADDRESSES section of this notice and must be received by the date indicated in the DATES section of this notice. Comments should be identified on the outside of the envelope and on the documents themselves with the designation "EE-RM-95-501". In the event any person cannot provide 6

copies, alternative arrangements can be made in advance with DOE.

All written comments received will be available for public inspection as part of the administrative record on file for this rulemaking in the Department of Energy Freedom of Information Office Reading Room at the address provided in the beginning of this notice. If informal meetings or other contacts occur during this rulemaking, DOE may add a memorandum to the record on file summarizing what transpired.

Pursuant to the provisions of 10 CFR 1004.11, any person submitting information which that person believes to be confidential and which may be exempt by law from public disclosure, should submit one complete copy of the document, as well as two copies from which the information claimed to be confidential has been deleted. DOE reserves the right to determine the confidential status of the information and to treat it according to its determination.

B. Public Hearing

1. Request to Speak Procedures

A public hearing on the proposed rule will be held at the time and place indicated in the DATES and ADDRESSES Sections of this notice. Any person who has an interest in the proposed rule or who is a representative of a group or class of persons that has an interest in the proposed rule may request an opportunity to make an oral presentation. A request to speak at the public hearing should be addressed to the address and phone number indicated at the beginning of this notice. The person making the request should briefly describe his or her interest in the proceedings and, if appropriate, state why the person is a proper representative of the group. The person should also provide a phone number where he or she may be reached during the day. Each person selected to be heard will be notified by DOE as to the approximate time they will be speaking. Six copies of the speaker's statement should be submitted at the hearing. In the event any person wishing to testify cannot meet this requirement, alternative arrangements can be made in advance with DOE.

2. Conduct of the Hearing

DOE reserves the right to select persons to be heard at the hearing, to schedule their respective presentations, and to establish procedures governing the conduct of the hearing. The length of each presentation will be limited to 10 minutes or based on the number of

persons requesting an opportunity to speak.

A DOE official will preside at the hearing. This will not be a judicial or evidentiary-type hearing. It will be conducted in accordance with 5 U.S.C. 553 and section 501 of the Department of Energy Organization Act, 42 U.S.C. 7191.

Questions may be asked only by those conducting the hearing. At the conclusion of all initial oral statements, each person who has made an oral statement will be given the opportunity to make a rebuttal or clarifying statement. The statements will be given in the order in which the initial statements were made and will be subject to time limitations.

Any further procedural rules needed for proper conduct of the hearing will be announced by the presiding officer.

A transcript of the hearing will be made by DOE and made available as part of the administrative record for this rulemaking. It will be on file for inspection at the DOE Freedom of Information Reading Room at the address indicated at the beginning of this notice.

If DOE must cancel the public hearing, DOE will make every effort to publish an advance notice of such cancellation in the **Federal Register**. Actual notice of cancellation will also be given to all persons scheduled to speak. The hearing date may be canceled in the event no member of the public requests the opportunity to make an oral presentation.

List of Subjects in 10 CFR Part 436

Energy conservation, Federal buildings and facilities.

Issued in Washington, DC on August 3, 1995.

Christine A. Ervin,

Assistant Secretary, Energy Efficiency and Renewable Energy.

For the reasons set out in the preamble, 10 CFR part 436, is proposed to be amended as follows:

PART 436—FEDERAL ENERGY MANAGEMENT AND PLANNING PROGRAMS

1. The authority citation for Part 436 continues to read as follows:

Authority: 42 U.S.C. 6361; 42 U.S.C. 8251-8261; and E.O. 11912.

2. Section 436.1 is revised as follows:

§ 436.1 Scope.

This part sets forth the rules for Federal energy management and planning programs to reduce Federal energy consumption and to promote life

cycle cost effective investments in building energy systems, building water systems and energy and water conservation measures for Federal buildings.

3. Section 436.2 is amended by revising paragraph (b) to read as follows:

§ 436.2 General objectives.

* * * * *

(b) To promote the methodology and procedures for conducting life cycle cost analyses of proposed investments in building energy systems, building water systems and energy and water conservation measures; and

* * * * *

4. Section 436.10 is revised to read as follows:

§ 436.10 Purpose.

This subpart establishes a methodology and procedures for estimating and comparing the life cycle costs of Federal buildings, for determining the life cycle cost effectiveness of energy conservation measures and water conservation measures, and for rank ordering life cycle cost effective measures in order to design a new Federal building or to retrofit an existing Federal building. It also establishes the method by which efficiency shall be considered when entering into or renewing leases of Federal building space.

5. Section 436.11 is amended by:

(a) Revising the definitions of component price, Federal building, life cycle cost, replacement cost, retrofit, and salvage value, and (b) adding definitions for building water system, non-water operation and maintenance costs, and water conservation measures.

§ 436.11 Definitions.

* * * * *

Building water system means a water conservation measure or any portion of the structure of a building or any mechanical, electrical, or other functional system supporting the building, the nature or selection of which for a new building influences significantly the cost of water consumed.

Component price means any variable sub-element of the total charge for a fuel or energy or water, including but not limited to such charges as "demand charges," "off-peak charges" and "seasonal charges."

* * * * *

Federal building means an energy or water conservation measure or any building, structure, or facility, or part thereof, including the associated energy and water consuming support systems, which is constructed, renovated, leased,

or purchased in whole or in part for use by the Federal Government. Such term also means a collection of such buildings, structures, or facilities and the energy and water consuming support systems for such collection.

* * * * *

Life Cycle Cost means the total cost of owning, operating and maintaining a building over its useful life (including its fuel and water, energy, labor, and replacement components), determined on the basis of a systematic evaluation and comparison of alternative building systems, except that in the case of leased buildings, the life cycle cost shall be calculated over the effective remaining term of the lease.

* * * * *

Non-water operation and maintenance costs means material and labor cost for routine upkeep, repair and operation exclusive of water cost.

* * * * *

Replacement costs means future cost to replace a building energy system or building water system, an energy or water conservation measure, or any component thereof.

Retrofit means installation of a building energy system or building water system alternative in an existing Federal building.

Salvage value means the value of any building energy system or building water system removed or replaced during the study period, or recovered through resale or remaining at the end of the study period.

* * * * *

Water conservation measures means measures that are applied to an existing Federal building that improve the efficiency of water use, reduce the amount of water for sewage disposal and are life cycle cost effective and that involve water conservation, improvements in operation and maintenance efficiencies, or retrofit activities.

6. Section 436.13 is amended by revising paragraph (a), the introductory text of paragraph (b) and paragraph (b)(2) to read as follows:

§ 436.13 Presuming cost-effectiveness results.

(a) If the investment and other costs for an energy or water conservation measure considered for retrofit to an existing Federal building or a building energy system or building water system considered for incorporation into a new building design are insignificant, a Federal agency may presume that such a system is life cycle cost-effective without further analysis.

(b) A Federal agency may presume that an investment in an energy or water

conservation measure retrofit to an existing Federal building is not life cycle cost-effective for Federal investment if the Federal building is—

* * * * *

(2) Occupied under a lease which includes the cost of utilities in the rent and does not provide a pass through of energy or water savings to the government; or

* * * * *

8. Section 436.14 is amended by revising paragraphs (b)(1), (c), introductory text of (d)(2), (e) and (g) as follows:

§ 436.14 Methodological assumptions.

* * * * *

(b) * * *

(1) If the Federal agency is using component prices under § 436.14(c), that agency may use corresponding component escalation rates provided by the energy or water supplier.

* * * * *

(c) Each Federal agency shall assume that the price of energy or water in the base year is the actual price charged for energy or water delivered to the Federal building and may use actual component prices as provided by the energy or water supplier.

(d) * * *

(2) For determining the life cycle costs or net savings of mutually exclusive alternatives for a given building energy system or building water system (e.g., alternative designs for a particular system or size of a new or retrofit building energy system or building water system), a uniform study period for all alternatives shall be assumed which is equal to—

* * * * *

(e) Each Federal agency shall assume that the expected life of any building energy system or building water system is the period of service without major renewal or overhaul, as estimated by a qualified engineer or architect, as appropriate, or any other reliable source except that the period of service of a building energy or water system shall not be deemed to exceed the expected life of the owned building, or the effective remaining term of the leased building (taking into account renewal options likely to be exercised).

* * * * *

(g) Each Federal agency may assume that energy or water costs and non-fuel or non-water operation and maintenance costs begin to accrue at the beginning of the base year or when actually projected to occur.

* * * * *

8. Section 436.16 is amended by revising the section heading,

redesignating paragraphs (b) and (c) as paragraphs (c) and (d), and by adding a new paragraph (b) as follows:

§ 436.16 Establishing non-fuel and non-water cost categories.

* * * * *

(b) The relevant non-water cost categories are—

- (1) Investment costs;
- (2) Non-water operation and maintenance cost;
- (3) Replacement cost; and
- (4) Salvage value.

* * * * *

9. Section 436.17 is amended by revising the section heading and by adding paragraphs (c) and (d) to read as follows:

§ 436.17 Establishing energy or water cost data.

* * * * *

(c) Each Federal agency shall establish water costs in the base year by multiplying the total units of water used in the base year by the price per unit of water in the base year as determined in accordance with § 436.14(c).

(d) When water costs begin to accrue in the base year, the present value of water costs over the study period is the product of water costs in the base year as established under § 436.17(a), or as calculated by computer software provided or approved by DOE and used with the official discount rate and assumptions under § 436.14. When water costs begin to accrue at a later time, subtract the present value of water costs over the delay, calculated using the uniform present worth factor for the period of delay, from the present value of water costs over the study period or, if using computer software, indicate a delayed beneficial occupancy date.

10. Section 436.18 is amended by revising the introductory text to paragraph (c), paragraph (d), the first sentence of paragraph (e) and paragraph (f) to read as follows:

§ 436.18 Measuring cost-effectiveness.

* * * * *

(c) Replacement of a building energy or water system with an energy or water conservation measure by retrofit to an existing Federal building or by substitution in the design for a new Federal building shall be deemed cost-effective if—

* * * * *

(d) As a rough measure, each Federal agency may determine estimated simple payback time under § 436.23, which indicates whether a retrofit is likely to be cost effective under one of the four calculation methods referenced in § 436.18(c). An energy or water

conservation measure alternative is likely to be cost-effective if estimated payback time is significantly less than the useful life of that system, and of the Federal building in which it is to be installed.

(e) Mutually exclusive alternatives for a given building energy or water system, considered in determining such matters as the optimal size of a solar energy system, the optimal thickness of insulation, or the best choice of double-glazing or triple-glazing for windows, shall be compared and evaluated on the basis of life cycle costs or net savings over equivalent study periods. * * *

(f) When available appropriations will not permit all cost-effective energy or water conservation measures to be undertaken, they shall be ranked in descending order of their savings-to-investment ratios, or their adjusted internal rate of return, to establish priority. If available appropriations cannot be fully exhausted for a fiscal year by taking all budgeted energy or water conservation measures according to their rank, the set of energy or water conservation measures that will maximize net savings for available appropriations should be selected.

* * * * *

11. Section 436.19 is amended by revising paragraph (d) to read as follows:

§ 436.19 Life cycle costs.

* * * * *

(d) Energy and/or water costs.

12. Section 436.21 is revised to read as follows:

§ 436.21 Savings-to-investment ratio.

The savings-to-investment ratio is the ratio of the present value savings to the present value costs of an energy or water conservation measure. The numerator of the ratio is the present value of net savings in energy or water and non-fuel or non-water operation and maintenance costs attributable to the proposed energy or water conservation measure. The denominator of the ratio is the present value of the net increase in investment and replacement costs less salvage value attributable to the proposed energy or water conservation measure.

13. Section 436.22 is revised to read as follows:

§ 436.22 Adjusted internal rate of return.

The adjusted internal rate of return is the overall rate of return on an energy or water conservation measure. It is calculated by subtracting 1 from the Nth root of the ratio of the terminal value of savings to the present value of costs, where N is the number of years in the

study period. The numerator of the ratio is calculated by using the discount rate to compound forward to the end of the study period the yearly net savings in energy or water and non-fuel or non-water operation and maintenance costs attributable to the proposed energy or water conservation measure. The denominator of the ratio is the present value of the net increase in investment and replacement costs less salvage value attributable to the proposed energy or water conservation measure.

14. Section 436.23 is revised to read as follows:

§ 436.23 Estimated simple payback time.

The estimated simple payback time is the number of years required for the cumulative value of energy or water cost savings less future non-fuel or non-water costs to equal the investment costs of the building energy or water system, without consideration of discount rates.

15. Section 436.24 is amended by revising the last sentence in the Section as follows:

§ 436.24 Uncertainty analyses.

* * * * * If additional analysis casts substantial doubt on the life cycle cost analysis results, a Federal agency should consider obtaining more reliable data or eliminating the building energy or water system alternative.

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ENVIRONMENTAL PROTECTION AGENCY

40 CFR Ch. 1

[FRL-5285-3]

Open Market Trading Rule for Ozone Smog Precursors

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed policy statement and model rule; Notice of public hearing; correction.

SUMMARY: This notice contains the text of the proposed model open market trading rule (OMTR) for ozone smog precursors which was inadvertently omitted in the original **Federal Register** publication on August 3, 1995 (60 FR 39668 (August 3, 1995)). The model OMTR is intended to serve as a template for State development of open market trading programs. States that adopt the final model OMTR, will receive automatic EPA approval of the State implementation plan (SIP) revision containing the model OMTR. SIP