

fuel use. In the Joint Explanatory Statement of the Committee of Conference accompanying the 2002 Farm Bill, the Managers encouraged the Secretary of Agriculture to utilize the expertise of OEPNU in carrying out the purposes of this section. The Secretary delegated this authority to the Chief Economist, who is implementing this authority through OEPNU. The USDA Farm Bill Implementation Task Force acknowledged that OEPNU would provide technical oversight for the Program and utilize the services of CSREES in administering the Program.

Memorandum of Understanding

OEPNU and CSREES recognize the need for coordination and collaboration between the agencies to carry out the intent of the law. A memorandum of understanding has been signed by each agency which specifies the manner in which OEPNU and CSREES will collaborate in the administration of the Program. OEPNU will utilize the services of CSREES, pursuant to the Economy Act, 31 U.S.C. 1535, to administer the Program grants, as recommended by the Farm Bill Implementation Task Force. The Task Force recommended CSREES because of the Agency's experience conducting education-related grant programs and to take advantage of CSREES staff specialists who are familiar with administering grants.

Role of Oversight Committee

In implementing the Program, OEPNU has formed an oversight committee, including representatives with relevant expertise from the USDA Forest Service, Office of Procurement and Property Management, Agricultural Research Service, Rural Utilities Service, OEPNU, and CSREES and the Department of Energy Office of Biomass. Expertise of committee members includes research, development and demonstration of alternative fuels, production of alternative fuels, and procurement of alternative fuels.

Request for Applications

The committee has recommended guidelines for the Program, which are included in the Notice of Request for Applications published elsewhere in this issue of the **Federal Register**. Awards made pursuant to the Request for Applications for the Biodiesel Fuel Education Program will be made in accordance with the final rule published for this Program, including any changes that may be made in this Proposed Rule as necessary to address public comments submitted in response to this document.

Participating Agencies' Experience and Interaction With Stakeholders

In designing the guidelines for the Program, committee members relied on their past experiences with biodiesel education and outreach. For over a decade, USDA has been involved in biodiesel outreach programs. USDA's Office of Energy Policy and New Uses (OEPNU) coordinates activities related to biodiesel and other renewable fuels for the Department. Since 1993, OEPNU has been involved with producer and consumer stakeholder groups interested in developing a biodiesel industry in the United States. One of the Department's first efforts to bring biodiesel stakeholders together took place in September 1995 when OEPNU and the Department of Energy organized a stakeholder meeting in Washington, DC. The purpose of the meeting was to develop a life cycle inventory of biodiesel. This life cycle inventory furthered knowledge about the benefits of biodiesel. Several groups were represented at the meeting, including biodiesel producers, the oilseed processing industry, the rendering industry, engine manufacturers, state and local governments, and environmental groups.

The Agricultural Research Service (ARS) leads the Department's efforts on biodiesel research and demonstration. Since the summer of 1999, the Beltsville Agricultural Research Center (BARC) has been conducting a biodiesel demonstration project that has become a working model for others interested in using biodiesel. All of the Center's 150 pieces of diesel equipment and trucks were converted to a fuel blend of 20 percent biodiesel and 80 percent petroleum diesel (B20). Vehicles from BARC that run on biodiesel and educational materials have been displayed and distributed throughout the country. In January 2000, ARS conducted a workshop to highlight the BARC biodiesel demonstration project. The workshop's 75 attendees represented a broad range of potential users, including Federal Agencies, such as the Departments of Energy, Defense, Interior, and the U.S. Postal Service. Officials from nearby cities, counties, and states were also in attendance, as well as private industry groups, farmers and biodiesel suppliers. The biodiesel demonstration project has been highlighted at the BARC Public Day, an annual event that provides an opportunity for ARS scientists to describe their research projects to the public.

A biodiesel outreach program has also been established to introduce biodiesel

to USDA and other Federal agencies that operate motor fleets. Beginning in July of 2000, USDA's Office of Procurement and Property Management (OPPM) has been conducting a series of informational meetings at various locations around the United States to educate Federal fleet managers and other stakeholders on the benefits of biodiesel. Meetings have been held in Orlando, FL, San Antonio, TX, Minneapolis, MN, Washington, DC, Kansas City, MI, and Salt Lake City, UT. These meetings are used as a platform to educate motor fleet personnel, postal workers and the public about the major advantages of biodiesel. OPPM has also teamed with other entities interested in the environmental and health effects of biodiesel, such as the American Lung Association and the National Biodiesel Board, to conduct biodiesel education meetings for Federal fleet managers, postal workers, and other interested stakeholders.

Proposal Review

In collaboration with external reviewers, the Oversight Committee will review proposals and recommend awards. The Committee will monitor the Program's performance and provide guidance to OEPNU to insure that the Program objectives are being achieved. The Committee will review progress reports submitted by the grantees and, on a yearly basis, recommend whether the awards should be renewed. Also, on a yearly basis, the Committee will recommend whether to reissue the RFA and award new grants.

CSREES will compile application reviews and recommend awards to OEPNU. OEPNU will make award decisions.

Awards

The proposed Program would fund Biodiesel Fuel Education Program grants in each of FYs 2003 through 2007. Because of the scope of this Program and the limited funds available to support it, OEPNU plans to award one or two continuation grants in FY 2003. A continuation grant is a grant instrument by which the Department agrees to support a specified level of effort for a predetermined project period with a statement of intention to provide additional support at a future date, provided that performance has been satisfactory, appropriations are available for this purpose, and continued support would be in the best interest of the Federal government and the public. If these three elements are met, OEPNU plans to provide additional support to the funded projects in each of FYs 2004 through 2007.