

process for submitting discretionary grant applications by removing current provisions requiring specific application formats, thereby permitting electronic submission of applications. The revisions will also clarify that only applicants submitting paper applications are required to submit one original and two copies of their application to the Department of Education (Department).

DATES: We must receive your comments on or before December 29, 2003.

ADDRESSES: Address all comments about these proposed regulations to Kevin Taylor, U.S. Department of Education, 400 Maryland Avenue, SW., room 3652, ROB-3, Washington, DC 20202-4248. If you prefer to send your comments through the Internet, use the following address: comments@ed.gov.

You must include the term "Electronic Applications" in the subject line of your electronic message.

FOR FURTHER INFORMATION CONTACT:

Kevin Taylor. Telephone: (202) 708-8558 or via Internet:

Kevin.Taylor@ed.gov.

If you use a telecommunications device for the deaf (TDD), you may call the Federal Information Relay Service (FIRS) at 1-800-877-8339.

Individuals with disabilities may obtain this document in an alternative format (e.g., Braille, large print, audiotape, or computer diskette) on request to the contact person listed under **FOR FURTHER INFORMATION CONTACT**.

SUPPLEMENTARY INFORMATION:

Invitation To Comment

We invite you to submit comments regarding these proposed regulations. To ensure that your comments have maximum effect in developing the final regulations, we urge you to identify clearly the specific section or sections of the proposed regulations that each of your comments addresses and to arrange your comments in the same order as the proposed regulations.

During and after the comment period, you may inspect all public comments about these proposed regulations in room 3652, ROB-3, 7th and D Streets, SW., Washington, DC, between the hours of 8:30 a.m. and 4 p.m., Eastern time, Monday through Friday of each week except Federal holidays.

Assistance to Individuals With Disabilities in Reviewing the Rulemaking Record

On request, we will supply an appropriate aid, such as a reader or print magnifier, to an individual with a disability who needs assistance to

review the comments or other documents in the public rulemaking record for these proposed regulations. If you want to schedule an appointment for this type of aid, please contact the person listed under **FOR FURTHER INFORMATION CONTACT**.

Background

The Government Paperwork Elimination Act (GPEA) of 1998, (Pub. L. 105-227) and the Federal Financial Assistance Management Improvement Act of 1999, (Pub. L. 106-107) encourage Federal departments and agencies to take initiatives to improve their business processes. Conducting business over the Internet with applicants and grantees has been a major part of the Department's response to these Acts.

The Department published a notice in the **Federal Register** on March 5, 2001 (66 FR 13381-13383), announcing its intention to pilot an electronic application submission process. These proposed regulations are a follow-up to the Department's successful implementation of the pilot system to accept applications electronically via the Internet. The proposed regulations would remove the requirement that an application be mailed or hand delivered to the Department. The removal of this requirement would permit the Department to receive electronic applications without using the pilot as authority for electronic submissions.

Since fiscal year (FY) 2000, the Department has used its Grant Administration and Payment System (GAPS) to conduct the pilot project. The on-going pilot project involves the use of an Internet-based system that allows grant applicants to submit their applications electronically. During FY 2000, eight discretionary grant programs were included in the pilot. Based on the results of the first year, the Department found that completing and submitting an application using the Internet was an effective way for applicants to submit their applications to the Department. In FY 2001, grant applicants had the opportunity to submit their applications electronically to 33 program competitions, and this figure increased to 52 program competitions in FY 2002. For FY 2003, the Department used its electronic application system (e-Application) for over 80 grant competitions.

The Department has received over 6,800 electronic applications since the pilot project began. Online survey responses indicate that most applicants were pleased with their experience using the Department's Web site to apply for a grant. In fact, 90 percent of

respondents in FY 2001 and FY 2002 found the system easy to use and 95 percent said that they would use the system in future grant competitions.

The Department's electronic application system operates in conjunction with the current paper-based process. The Department announces in application notices and application packages when a particular grant program competition will accept applications electronically. Application packages and notices also include instructions for applicants that use the electronic application system that explain what to do if they are prevented from submitting their application by the closing date and time because the electronic application system is unavailable.

In addition to e-Application, the Department is working on a collaborative effort with 26 federal agencies to create a central Web site for federal funding opportunities. Visitors to the site can search for funding opportunities and, beginning in FY 2004, will be able to apply for a grant from the site. As the government-wide portal, *Grants.gov*, is fully implemented, each agency will increase over time the number of participating programs that applicants may apply for electronically in order to create a Federal-wide electronic grant application system.

The Department is currently using *Grants.gov* to post information on funding opportunities and is preparing to receive applications through the portal. These activities are part of an effort to consolidate and streamline grantmaking activities across the Federal Government to make it easier for the public to find and apply for Federal discretionary grants. The proposed regulations would increase the Department's flexibility to participate in these new electronic initiatives.

Under the new regulations, the Secretary could require an applicant to submit its application by the closing date and time as specified in the application notice for a grant program competition.

The proposed regulations would also clarify that only applicants submitting paper applications must submit one original and two copies of their application to the Department. Applicants submitting electronic applications would not be subject to § 75.109(a).

Significant Proposed Regulations

Section 75.102 Deadline Date for Applications

Current Regulations: The regulations in § 75.102 address only applications