Thus, creative policy, certificate and ratemaking approaches may encourage storage development. Examples of these approaches are:

—Re-examining current cost-based pricing flexibility.

—Re-examining criteria for storage market-based rates.

—Re-examining certificate review and service policies.

B. Investment in Storage and Pipeline Infrastructure

How do existing Commission policies impact the development of new storage or pipeline infrastructure? The Commission would like to hear a discussion from entities that have recently developed new storage or pipeline projects. The Commission is also interested in hearing from parties that have recently canceled or postponed the development of new storage or pipeline infrastructure. The discussions should focus on how the decisions to develop these projects were impacted by existing Commission policies.

C. Need for Uncommitted Reserve Storage and Pipeline Capacity

Would a program for creating more uncommitted reserve storage and pipeline capacity be useful? In the next several years, the natural gas industry could experience increased capacity constraints and service interruptions or outages associated with facility inspection compliance activities required by the Department of Transportation. Also, recent experience with colder than normal weather has shown that certain regions' pipeline infrastructure is very near maximum capacity during such times. Other regions may approach their pipeline infrastructure's maximum capacity during peak electric generation seasons.

What actions, if any, should the Commission take to create more uncommitted reserve storage and pipeline capacity? Further, if uncommitted reserve storage and pipeline capacity is needed, what level of ''reserve margin'' might be appropriate? What options could be used to recover the costs of such capacity reserve margins? Should certain costs of uncommitted reserve storage and pipeline capacity be given presumptive rolled-in rate treatment in pipeline rate cases, or should cost tracking mechanisms for these types of costs be developed?

D. Changing Roles of Industry Segments and Commodity Price Volatility

As the natural gas industry matures and experiences more service unbundling down to end use levels, the various service provider roles will continue to change/evolve. One trend that seems to be emerging is a preference to purchase gas supplies at hubs in market areas, and a corresponding desire to shed upstream capacity commitments. This market evolution may have service implications depending on who holds upstream capacity contracts, and may lead to additional service balancing issues for supply aggregators and end users alike and increased commodity price volatility. Many local distribution companies (LDCs) are still redefining their role in the industry—will they continue their supply aggregation functions or will they become local ''pipes'' companies? When marketers were on the rise in many states, LDCs wanted to shed upstream capacity and supply aggregation roles in favor of having marketers handling these roles. Also, we believe that electric generators may be reluctant to commit to long-term capacity obligations, preferring to rely on downstream gas markets. In general, increased reliance on downstream markets as a substitute for capacity commitments may tend to increase seasonal commodity price volatility.

The Commission is interested in hearing views on how much seasonal commodity price volatility the industry and consumers can tolerate? Are customers and the industry, in general, willing to contract for the additional storage and pipeline capacity that may be necessary to mitigate commodity price volatility? Would we be better served with more storage and pipeline capacity as insurance against commodity price volatility?

II. Open Forum

In addition to addressing the above mentioned issues, the Commission also seeks input from industry representatives and interested individuals regarding other issues they believe are ripe for Commission consideration in shaping its future natural gas industry regulatory policies.

III. Participation

The conference will be held on October 21, 2004 at the Commission's headquarters, 888 First Street, NE., in Washington, DC beginning at 9 a.m. (EST) in the Commission's Meeting Room. The public is invited to attend. Anyone interested in being considered as a speaker to present their views at the conference should contact Richard Foley at (202) 502–8955 or at *Richard.Foley@ferc.gov* by October 12, 2004. Requests to speak should include information concerning the issue or issues the participant would like to speak on. Time constraints may not allow all requests to speak to be fulfilled. Persons requesting to speak on the same topic, with the same views, may be asked to consolidate their remarks through a single representative. We will issue further details on the conference, including the agenda and a list of participants, as plans evolve. Interested parties are urged to watch for further notices providing more information on the conference. You may register online at *http://www.ferc.gov/docs-filing/esubscriptions.asp* to be notified via e-mail of new issuances and filings related to these dockets.

The conference will be transcribed. Those interested in acquiring the transcript should contact Ace Reporters at (202) 347–3700 or (800) 336–6646. Transcripts will be placed in the public record ten days after the Commission receives the transcripts. Additionally, Capitol Connection offers the opportunity for remote listening and viewing of the conference. It is available for a fee, live or over the Internet, via C-Band Satellite. Persons interested in receiving the broadcast, or who need information on making arrangements should contact David Reininger or Julia Morelli at Capitol Connection (703–993–3100) as soon as possible or visit the Capitol Connection Web site at *http://www.capitolconnection.gmu.edu* and click on ''FERC.''

Magalie R. Salas,

Secretary.

[FR Doc. E4–2506 Filed 10–5–04; 8:45 am]

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ENVIRONMENTAL PROTECTION AGENCY

[FRL–7824–5]

Request for Applications for Essential Use Exemptions to the Production and Import Phaseout of Ozone Depleting Substances Under the Montreal Protocol for the Years 2006 and 2007

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice.

SUMMARY: Through this action, the Environmental Protection Agency (EPA) is requesting applications for essential use allowances for calendar years 2006 and 2007. Essential use allowances provide exemptions to the production and import phaseout of ozone-depleting substances and must be authorized by the Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer. The U.S. Government will use

the applications received in response to this notice as the basis for its nomination of essential use allowances at the Seventeenth Meeting of the Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer (the Protocol), to be held in 2005.

DATES: Applications for essential use exemptions must be submitted to EPA no later than November 5, 2004 in order for the U.S. Government to complete its review and to submit nominations to the United Nations Environment Programme and the Protocol Parties in a timely manner.

ADDRESSES: Send two copies of application materials to: Scott Monroe, Stratospheric Protection Division (6205J), U.S. Environmental Protection Agency, 1200 Pennsylvania Avenue, NW., Washington, DC 20460. (For applications sent via courier service, use the following direct mailing address: 1310 L Street, NW., Washington, DC 20005.) *Confidentiality:* Application materials that are confidential should be submitted under separate cover and be clearly identified as ''trade secret,'' ''proprietary,'' or ''company confidential.'' Information covered by a claim of business confidentiality will be treated in accordance with the procedures for handling information claimed as confidential under 40 CFR part 2, subpart B, and will be disclosed only to the extent and by means of the procedures, set forth in that subpart. Please note that data will be presented in aggregate form by the United States as part of the nomination to the Parties. If no claim of confidentiality accompanies the information when it is received by EPA, the information may be made available to the public by EPA without further notice to the company (40 CFR 2.203).

FOR FURTHER INFORMATION CONTACT: Scott Monroe at the above address, or by telephone at (202) 343–9712, by fax at (202) 343–2363, or by e-mail at *monroe.scott@epa.gov*. General information may be obtained from EPA's stratospheric protection Web site at *http://www.epa.gov/ozone*.

SUPPLEMENTARY INFORMATION:

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I. Background—The Essential Use Nomination Process

As described in previous **Federal Register** (FR) documents,[1] the Parties to the Protocol agreed during the Fourth Meeting in Copenhagen on November 23–25, 1992, to accelerate the phaseout schedules for Class I ozone-depleting substances. Specifically, the Parties agreed that non-Article 5 Parties (that is, developed countries) would phase out the production and consumption of halons by January 1, 1994, and the production and consumption of other class I substances (under 40 CFR part 82, subpart A), except methyl bromide, by January 1, 1996. The Parties also reached decisions and adopted resolutions on a variety of other matters, including the criteria to be used for allowing ''essential use'' exemptions from the phaseout of production and importation of controlled substances. Decision IV/25 of the Fourth Meeting of the Parties details the specific criteria and review process for granting essential use exemptions.

Decision IV/25, paragraph 1(a), states that ''* * * a use of a controlled substance should qualify as ''essential'' only if: (i) It is necessary for the health, safety or is critical for the functioning of society (encompassing cultural and intellectual aspects); and (ii) there are no available technically and economically feasible alternatives or substitutes that are acceptable from the standpoint of environment and health.'' In addition, the Parties agreed ''that production and consumption, if any, of a controlled substance, for essential uses should be permitted only if: (i) All economically feasible steps have been taken to minimize the essential use and any associated emission of the controlled substance; and (ii) the controlled substance is not available in sufficient quantity and quality from the existing stocks of banked or recycled controlled substances * * *.'' Decision XII/2 taken at the twelfth meeting of the Parties states that any CFC metered dose inhaler (MDI) product approved after December 31, 2000, is nonessential unless the product meets the criteria in Decision IV/25, paragraph 1(a).

The first step in obtaining essential use allowances is for the user to consider whether the use of the controlled substance meets the criteria of Decision IV/25. If the essential use request is for an MDI product, that product must also meet the criteria of Decision XII/2. The user should then send a completed application in order to notify EPA of the candidate use and provide information for U.S. Government agencies and the Protocol Parties to evaluate that use according to the criteria under the Protocol.

Upon receipt of the essential use exemption application, EPA reviews the information provided and works with other interested Federal agencies to determine whether it meets the essential use criteria and warrants being nominated by the United States for an exemption. In the case of multiple exemption requests for a single use, such as for MDIs, EPA aggregates exemption requests received from individual entities into a single U.S. request. An important part of the EPA review of requests for CFCs for MDIs is to determine that the aggregate request for a particular future year adequately reflects the total market need for CFC MDIs and expected availability of CFC substitutes by that point in time. If the sum of individual requests does not account for such factors, the U.S. Government may adjust the aggregate request to better reflect true market needs.

Nominations submitted by the United States and other Parties are forwarded from the United Nations Ozone Secretariat to the Montreal Protocol's Technical and Economic Assessment Panel (TEAP) and its Technical Options Committees (TOCs), which review the submissions and make recommendations to the Protocol Parties for essential use exemptions. Those recommendations are then considered by the Parties at their annual meeting for final decision. If the Parties declare a specified use of a controlled substance as essential, and issue the necessary exemption from the production and consumption phaseout, EPA may propose regulatory changes to reflect the decisions by the Parties, but only to the extent such action is consistent with the Clean Air Act (CAA or Act).

Applicants should be aware that essential use exemptions granted to the United States under the Protocol in recent years have been limited to chlorofluorocarbons (CFCs) for metered dose inhalers (MDIs) to treat asthma and chronic obstructive pulmonary disease, and methyl chloroform for use in manufacturing solid rocket motors. As of January 1, 2005, methyl chloroform will no longer be eligible for essential use allowances under section 604(d)(1) of the Act. EPA is consulting with the Department of Defense to identify mission-critical uses for which methyl

[1] 58 *FR* 29410, May 20, 1993; 58 *FR* 52544, October 18, 1994; 60 *FR* 54349, October 23, 1995; 61 *FR* 51110, 0 30, 1996, 62 *FR* 51655, October 2, 1997; 63 *FR* 42629, August 10, 1998; 64 *FR* 50083, September 15, 1999; 65 *FR* 65377, November 1, 2000; and 200166 *FR* 56102, November 6, 2001.

chloroform or other ozone-depleting substances may be needed in the future.

The timing of the process described above is such that in any given year the Parties review nominations for essential use exemptions from the production and consumption phaseout intended for the following year and subsequent years. This means that, if nominated, applications submitted in response to today's notice for an exemption in 2006 and 2007 will be considered by the Parties in 2005 for final action.

The quantities of controlled ODSs that are requested in response to this notice, if approved by the Parties to the Montreal Protocol in 2005, will then be allocated as essential use allowances (EUAs) to the specific U.S. companies through notice and comment rulemaking, to the extent that such allocations are consistent with the Act. EUAs for the year 2006 will be allocated to U.S. companies at the end of 2005, and EUAs for the year 2007 will be allocated at the end of 2006.

II. Information Required for Essential Use Applications for Production or Importation of Class I Substances in 2006 and 2007

Through this action, EPA requests applications for essential use exemptions for all class I substances, except methyl bromide, for calendar years 2006 and 2007. (EPA requests and considers applications for critical use exemptions for methyl bromide through a separate process.) This notice is the last opportunity to submit new or revised applications for 2006. This notice is also the first opportunity to submit requests for 2007. Companies will have an opportunity to submit new, supplemental, or amended applications for 2007 next year. All requests for exemptions submitted to EPA must present information as prescribed in the current version of the TEAP ''Handbook on Essential Use Nominations'' (or ''handbook''), which was published in June 2001. The handbook is available electronically on the Web at *http://www.teap.org*, or at *http://www.epa.gov/ozone*.

In brief, the TEAP Handbook states that applicants must present information on:

- Role of use in society;
- Alternatives to use;
- Steps to minimize use;
- Steps to minimize emissions;
- Recycling and stockpiling;
- Quantity of controlled substances requested; and
- Approval date and indications (for MDIs).

First, in order to obtain complete information from essential use applicants for CFC MDIs, EPA requires that any person who requests CFCs for multiple companies make clear the amount of CFCs requested for each member company. Second, all essential use applications for CFCs must provide a breakdown of the quantity of CFCs necessary for each MDI product to be produced. This detailed breakdown of EUAs will allow EPA and the Food and Drug Administration to make informed decisions on the amount of CFC to be nominated by the U.S. Government for the years 2006 and 2007. Third, all new drug application (NDA) holders for CFC MDI products produced in the United States must submit a complete application for essential use allowances either on their own or in conjunction with their contract filler. In the case where a contract filler produces a portion of an NDA holder's CFC MDIs, the contract filler and the NDA holder must determine the total amount of CFCs necessary to produce the NDA holder's entire product line of CFC MDIs. The NDA holder must provide an estimate of how the CFCs would be split between the contract filler and the NDA holder in the allocation year. This estimate will be used only as a basis for determining the nomination amount, and may be adjusted prior to allocation of EUAs. Since the U.S. Government cannot forward incomplete or inadequate nominations to the Ozone Secretariat, it is important for applicants to provide all information requested in the Handbook, including the information specified in the Supplemental Research and Development form (page 45).

The accounting framework matrix in the handbook entitled ''Table IV: Reporting Accounting Framework for Essential Uses Other Than Laboratory and Analytical'' requests data for the year 2004 on the amount of ODS exempted for an essential use, the amount acquired by production, the amount acquired by import, the amount on hand at the start of the year, the amount available for use in 2004, the amount used for the essential use, the quantity contained in exported products, the amount destroyed, and the amount on hand at the end of 2004. Because all data necessary for applicants to complete Table IV will not be available until after January 1, 2005, companies should not include this chart with their EUA applications in response to this notice. Instead, companies should provide the required data as specified in 40 CFR 82.13(u)(2). EPA must compile companies' responses to complete the U.S. CFC Accounting Framework for submission to the Parties to the Montreal Protocol by the end of January.

EPA anticipates that the Parties' review of MDI essential use requests will focus extensively on the United States' progress in phasing out CFC MDIs, including efforts by pharmaceutical companies to research, develop, and market non-CFC products. Accordingly, applicants are strongly advised to present detailed information on this subject. Applicants should submit their exemption requests to EPA as noted in the **ADDRESSES** section above.

Dated: September 28, 2004.

Jeffrey R. Holmstead,

Assistant Administrator, Office of Air and Radiation.

[FR Doc. 04–22487 Filed 10–5–04; 8:45 am]

BILLING CODE 6560–50–P

ENVIRONMENTAL PROTECTION AGENCY

[AMS–FRL–7824–6]

California State Motor Vehicle Pollution Control Standards; Notice of Within-the-Scope Determinations for Amendments to California's Heavy-Duty Vehicle and Engine Standards for 1995 Urban Bus and 1998 NO_X Regulations

AGENCY: Environmental Protection Agency.

ACTION: Notice Regarding Within-the-Scope Determinations.

SUMMARY: The California Air Resources Board (CARB) requested that EPA confirm CARB's finding that amendments to its heavy-duty diesel powered vehicles and engines regulations, including its 1998 NO_X standards, are within-the-scope of a prior waiver of Federal preemption issued under section 209(b) of the Clean Air Act (Act), 42 U.S.C. 7543(b). In a separate request CARB sought EPA confirmation that CARB's finding that amendments to its heavy-duty diesel powered vehicle and engine regulations, including its 1995 urban bus standards, are within-the-scope of a prior waiver of Federal preemption. EPA in this notice has made the requested confirmation for the amendments in CARB's requests.

ADDRESSES: The Agency's Decision Document, containing an explanation of the Assistant Administrator's decision, as well as all documents relied upon in making that decision, including those submitted to EPA by CARB, are contained in the public docket. The official public docket is the collection of materials that is available for public