DATES: Comments must be received on or before January 19, 1996.

ADDRESSES: Comments on this application may be mailed or delivered in triplicate to the FAA at the following address:

Federal Aviation Administration, Airport Division, 12 New England Executive Park, Burlington, Massachusetts 01803.

In addition, one copy of any comments submitted to the FAA must be mailed or delivered to Mr. Alfred Testa, Jr., Airport Director for Manchester Airport at the following address: Manchester Airport, One Airport Road, Suite 300, Manchester, New Hampshire, 03103.

Air carriers and foreign air carriers may submit copies of written comments previously provided to the City of Manchester under § 158.23 of Part 158 of the Federal Aviation Regulations.

FOR FURTHER INFORMATION CONTACT: Priscilla A. Scott, Airports Program Specialist, Federal Aviation Administration, Airports Division, 12 New England Executive Park, Burlington, Massachusetts 01803, (617) 238–7614. The application may be reviewed in person at 16 New England Executive Park, Burlington, Massachusetts.

SUPPLEMENTARY INFORMATION: The FAA proposes to rule and invites public comment on the application to use the revenue from a Passenger Facility Charge (PFC) at Manchester Airport under the provisions of the Aviation Safety and Capacity Expansion Act of 1990 (Title IX of the Omnibus Budget Reconciliation Act of 1990) (Pub. L. 101–508) and Part 158 of the Federal Aviation Regulations (14 CFR Part 158).

On December 5, 1995, the FAA determined that the application to use the revenue from a PFC submitted by the City of Manchester was substantially complete within the requirements of § 158.25 of Part 158 of the Federal Aviation Regulations. The FAA will approve or disapprove the application, in whole or in part, no later than March 5, 1996.

The following is a brief overview of the use application.

PFC Project #: 96–02–U–00–MHT
Level of the proposed PFC: $3.00
Charge effective date: January 1, 1993
Estimated charge expiration date: March 1, 1997
Estimated total net PFC revenue: $1,100,000

Brief description of project: Part 150 Noise Mitigation/Residential Soundproofing/Land Acquisition.

Class or classes of air carriers which the public agency has requested not be required to collect PFCs: On demand Air Taxi/Commercial Operators (ATCO).

Any person may inspect the application in person at the FAA office listed above under **FOR FURTHER INFORMATION CONTACT**.

In addition, any person may, upon request, inspect the application, notice and other documents germane to the application in person at the Manchester Airport, One Airport Road, Suite 300, Manchester, New Hampshire 03103:

Issued in Burlington, Massachusetts on December 12, 1995.

Vincent A. Scarano,

Manager, Airports Division, New England Region.

[FR Doc. 95–30918 Filed 12–19–95; 8:45 am]

BILLING CODE 4910–13–M

Federal Highway Administration

Environmental Impact Statement: Brunswick and New Hanover Counties, NC

AGENCY: Federal Highway Administration (FHWA), DOT.

ACTION: Notice of intent.

SUMMARY: The FHWA is issuing this notice to advise the public that an environmental impact statement will be prepared for a proposed highway project in Brunswick and New Hanover Counties, North Carolina.

FOR FURTHER INFORMATION CONTACT: Roy C. Shelton, Operations Engineer, 310 New Bern Avenue, Suite 410, Raleigh, North Carolina 27601, Telephone (919) 856–4350.

SUPPLEMENTARY INFORMATION: The FHWA in cooperation with the North Carolina Department of Transportation (NCDOT) will prepare an environmental impact statement (EIS) on a proposal to relocate US 17 in Brunswick and New Hanover Counties, North Carolina. The proposed improvement would involve the relocation of the existing US 17 from US 421 to existing US 17 south of Wilmington. The proposed action is considered necessary to provide for the existing and projected traffic demand.

Alternatives under consideration include: (1) The ''no-build,'' (2) two build alternatives for constructing a four-lane full control of access freeway on new location, and (3) improvements to existing US 421 and US 17/74/76.

Letters describing the proposed action and soliciting comments have been sent to appropriate Federal, State and local agencies, and to private organizations and citizens who have previously expressed or are known to have interest in this proposal. A complete public involvement program has been developed for this project to include: the distribution of newsletters to interested parties, along with public meetings and a public hearing to be held in this project study area. A toll-free project telephone ''hotline'' is also being made available. Information on the time and place of the public hearing will be provided in the local news media. The draft EIS will be available for public and agency review and comment prior to the public hearing.

To ensure that the full range of issues related to this proposed action are addressed and all significant issues are identified, comments and suggestions are invited from all interested parties. Comments or questions concerning this proposed action and the EIS should be directed to the FHWA at the address provided above.

(Catalog of Federal Domestic Assistance Program Number 20.205, Highway Research, Planning and Construction. The regulations implementing Executive Order 12372 regarding intergovernmental consultation on Federal programs and activities apply to this program.

Issued on: December 8, 1995.

Roy C. Shelton,

Operations Engineer, Raleigh, NC.

[FR Doc. 95–30843 Filed 12–19–95; 8:45 am]

BILLING CODE 4910–22–M

Research and Special Programs Administration

[Docket No. PS–142; Notice 2]

Considerations for a Program Framework for Risk Management Demonstrations

AGENCY: Office of Pipeline Safety, DOT.

ACTION: Notice.

SUMMARY: The Research and Special Programs Administration's (RSPA) Office of Pipeline Safety (OPS) is considering how to implement a program administrative framework to receive, analyze, accept, monitor and revise risk management plans that interstate natural gas transmission and hazardous liquid pipeline companies would submit as risk management demonstration projects. RSPA is not yet prepared to consider a conceptual administrative framework for intrastate companies.

A demonstration project framework is needed to validate benefits in applying risk management in the pipeline industry and to determine how it would work most effectively. A framework is also needed to evaluate the use of

company-specific risk management plans as an alternative to the existing regulatory requirements and to plan for a transition should the demonstration justify it. For demonstration projects to help further the transition, the framework must identify how pipeline companies would submit, implement and improve risk management demonstration plans and how OPS, in consultation with State pipeline safety agencies, would evaluate and monitor them.

The demonstration projects are intended to test whether company-specific plans can provide equal or greater safety than the current regulatory requirements provide. The results will be evaluated, and if determined to be successful, OPS would consider expanding the application. Participation in risk management initiatives will be voluntary and subject to OPS discretion.

The proposed framework outlined below was distributed and discussed at a public meeting on this subject held on November 7, 1995, in McLean Virginia. Provisions for written comments to the framework were announced in a Federal Register notice published September 21, 1995. Through this notice, OPS is again requesting comments on the proposed framework.

DATES: Responses to this request for comments should be submitted on or before February 20, 1996.

ADDRESSES: Send comments in duplicate to the Dockets Unit, Room 8421, Research and Special Programs Administration, U.S. Department of Transportation, 400 Seventh Street, SW, Washington, DC 20590. Identify the docket and notice number stated in the heading of this notice. All comments and docketed material will be available for inspection and copying in room 8421 between 8:30 a.m. and 5 p.m. each business day.

FOR FURTHER INFORMATION CONTACT: Patrick J. Ramirez, (202) 366–9864 regarding the subject matter of this notice. Contact the Dockets Unit, (202) 366–5046, for docket material.

SUPPLEMENTARY INFORMATION:

I. Background

The Office of Pipeline Safety (OPS) furthers pipeline safety through a compliance-based system of primarily performance-based regulations embodied in 49 CFR Parts 192–195 and Part 199. The program is conducted in partnership with the states, where certified states take responsibility for intrastate pipeline systems and OPS retains responsibility for interstate pipeline systems.

Certain pipeline incidents in the last two years have heightened public awareness of, and concerns about, pipeline safety and environmental protection. Although the pipeline safety record compares favorably with other forms of energy transportation, recent incidents have raised the question of whether safety and environmental protection can be improved by means other than the current system of compliance with minimum federal requirements. There are also expectations of increasing cost and complexity of managing pipeline systems from future potential regulations. Many government and industry officials are interested in new approaches that might more effectively evaluate risks and focus resources in areas with the greatest potential for reducing risk. There is also interest in improving accountability of the industry and the government to the public.

The Department of Transportation transmitted a legislative proposal for reauthorization of the pipeline safety program on March 13, 1995 that would establish a structure to evaluate pipeline risks and their consequences, develop solutions to address the risks, and establish priorities for implementing the solutions. This process is generally referred to as Risk Assessment Prioritization.

The pipeline industry supported an approach that focused on operator risk management by explicitly authorizing demonstration projects. This approach was included in H.R. 1323 which was ordered reported by the House Committee on Transportation and Infrastructure on April 5, 1995. A similar bill was reported by the House Committee on Commerce. Section 6 of H.R. 1323 would require the Secretary to establish a demonstration project on risk management that would seek voluntary participation by operators to demonstrate applications of risk management. In carrying out the demonstrations, the Secretary would ensure that approved plans under the project achieve an equivalent or greater overall level of safety than would be achieved by complying with the existing regulatory requirements. The Department formally expressed its view to the Committee on Transportation and Infrastructure that this provision is consistent with the Department's proposal for a risk management program.

The pipeline risk management demonstration projects for interstate natural gas and hazardous liquid transmission companies would be a vital step in the transition between compliance-based regulations and risk management. The demonstration projects would allow both the government and industry to gain some experience before extending the program. The transition period between compliance-based regulation and risk management programs used by a large segment of the pipeline industry will likely take several years.

To study the applicability and benefits of formal pipeline risk management programs, OPS, representatives of the oil and gas industry, states and local interest groups formed two ''risk assessment quality action teams'' (RAQTs). The first, in 1994, focused on oil and petroleum product transmission application of risk management and the second, in 1995, focused on natural gas transmission. Both RAQTs have been defining how risk management might be beneficially applied in the pipeline industry. This work has been based on how other industries and government agencies are using risk assessment and management to more efficiently allocate resources for safety.

II. Risk Assessment Quality Team (RAQT) Findings

A. Definition of Risk Management

Risk management is the process of deciding what to do about risk associated with a system. Risk can be expressed as the likelihood of an event occurring multiplied by the severity or the consequence of its effect. The goal of risk management is to set priorities for using finite resources to reduce risk.

A formal definition of risk management from a Gas Research Institute report, adopted by the Gas RAQT is: ''Risk Management is the systematic application of management policies, procedures, finite resources and practices to the tasks of analyzing, assessing and controlling risks to protect the public, the environment and company employees and assets.''

The Oil RAQT report stated that ''Risk management is the overall logical process by which a company understands the risk associated with operation of its facilities and determines whether and how to take action to reduce or accept risks. ''

B. Successful Efforts in Other Industries

The RAQTs focused on how risk management practices have been applied worldwide to reduce risk from chemical, nuclear and industrial process hazards as well as from pipeline system leaks and ruptures. The teams' technical conclusions were influenced by the experience of industries and current effective practices of risk management.

In the industries referenced above, the risk management process is applied to the entire physical system that is the source of the risk and follows a life cycle analysis. Various analytical approaches can be performed qualitatively or quantitatively and at many levels of effort. Both teams placed considerable importance on the historical role and value that has accrued from industry codes and standards and recognized the major influence of the insurance industry on corporate loss reduction programs.

C. Expected Benefits in the Pipeline Industry

Companies in the industries using risk management have reported improved safety records and reduction in the number of incidents. The execution of risk management generally leads to a discipline of detailed review of the system, its operation and maintenance. This expanded review can lead to identifying new sources of risk that may not be recognized in a compliance-based management process. Another aspect of the risk management discipline is that it entails a rigorous and comprehensive analysis of the likelihood of incidents and the magnitude of the consequences.

Many pipeline companies have elements of risk management systems in place, although they lack a comprehensive program with formal documentation and public reporting. Practices identified include use of risk assessment techniques that exceed current regulatory requirements. Clearly an area of improvement in the future would be integration of practices into a formal program with clear tracking of goals, activities and performance measurement.

Many pipeline operators routinely exceed the safety levels mandated in current regulation. The Gas RAQT found that the gas transmission industry expends significant resources complying with minimum requirements, and then further allocates resources for practices which exceed the minimum regulatory requirements.

OPS would like to consider an alternative plan that would allow operators flexibility to determine how best to meet safety goals under Federal and state oversight. For example, rather than OPS requiring operators to use a particular inspection tool on their pipelines, an alternative approach would be OPS allowing operators to employ their understanding of their systems to prioritize resources to best ensure pipeline integrity. Operators could take an integrated systems approach from start to finish rather than the current practice of maintaining some systems because they meet federal requirements and then overlaying additional safety measures.

OPS believes that there are many methods and initiatives outside the current regulatory structure that hold promise for pipeline industry use in maintaining or improving safety while recognizing competitive pressures in the marketplace. OPS is considering risk management demonstration projects to test the effectiveness of risk management and to provide a basis for refining the process to improve pipeline safety in the years ahead.

D. Conceptualization of a Risk Management Process

To set parameters for integrating risk management programs into the oversight of pipeline transportation as an option to the current compliance-based scheme, certain assumptions are fundamental: (1) Each pipeline system is different, (2) each risk does not pose the same probability of occurrence and consequence, and (3) given the right analytical tools, technical discretion and financial capability, pipeline operators can make better decisions about how to allocate resources with the data available.

For risk management to work, operators will need to give OPS detailed information about, and the reasons for, taking alternative safety actions in addition to providing baseline safety level information and performance measures to evaluate program progress. At the same time, OPS will give operators greater latitude to choose how to assess and manage risk and what methodologies are most effective.

OPS is considering the approach to risk management that the Gas RAQT outlined. The team report was developed with support from the Gas Research Institute and input from the risk management project team of the Interstate Natural Gas Association of America. It identifies (1) *Process* elements that define technical details of risk management execution and (2) *program* elements that define administrative, managerial and logistical aspects of execution with the structure of an organization.

The process steps have conceptually been expressed in a three, four, or five step approach in other industries, but each approach basically utilizes a Risk Assessment, Risk Control and Decision making, and Performance Measurement process. These steps result in assessing threats from specific problems or sources, ranking their relative importance, determining which have greatest risk reduction potential, allocating resources, and monitoring the effectiveness of prevention and mitigation actions over time.

The program elements constitute a management framework that implements and supports the process by taking the results of the assessment and decisions and putting them into practice in day-to-day operations. Program elements could include Management Responsibilities, Standards, Guidelines, Operation and Maintenance, Training, Security, Incident Reporting, Emergency Preparedness and Response, Communications, and Auditing and Corrective Action, to name some examples.

The process and program elements of risk management can be performed at various levels of detail. The RAQTs referred to this as a ''graded approach'' —the methods applied should be commensurate with the risk. Further, the RAQTs expect that companies wishing to demonstrate risk management programs may wish to try the concepts out within a part of a pipeline system, rather than within the entire pipeline.

In summary, risk management is based on sound engineering principles and good business practices to help make decisions that reduce risk. A pipeline risk management program depends on good data to help predict accident likelihood and consequence in the risk assessment stage. All elements of the pipeline business, including location, product, process, equipment, components, procedures, supervision, management, records, and human resources are considered and integrated. Eventually, risk management should address the life of the pipeline system from design and construction through start up, operation, maintenance, and shut down.

III. Integrating Risk Management Programs into the National Pipeline Safety Program

While government and industry objectives to assure safety and environmental protection would remain the same under risk management, and the respective roles and responsibilities remain the same fundamentally, risk management offers the opportunity to approach the objectives in a manner that is more flexible to individual circumstance. The new approach will be more open, interactive and dynamic. OPS believes that the program framework must have the following characteristics:

(1) Because consideration needs to be given to providing information and assurances about pipeline safety to other levels of government, the

communication process needs to be more interactive and efficient.

(2) Because the primary function of these communications will be the exchange of proposals and their justification, data must be provided on the current safety level or baseline and the expected levels resulting from the program. The data development process and cost must be practical.

(3) Because assessing the program is a critical but new function, the performance measurement activity will likely advance incrementally.

IV. Risk Management Demonstration Project Objectives

OPS offers the following risk management demonstration project objectives for public comment and discussion:

- To give a limited number of qualified interstate transmission operators the opportunity to conduct risk management demonstration projects.
- To determine whether risk management provides equal or greater safety than a compliance-based approach.
- To help each operator comprehensively assess threats to integrity, whatever the scope of the project, or whatever aspect of its system is involved in the project.
- To demonstrate how appropriately the draft risk management standards address risks and can be applied effectively.
- To determine how operators consider low probability—high consequence incidents in addition to past accident or component failure history.
- To determine how operators evaluate smaller precursor events that could lead to larger failures.
- To have operators demonstrate how an integrated review of safety operations across the company can expedite prompt response to situations that could lead to failures.
- To have operators systematically correlate data, rank planned actions according to their potential to reduce risk, and follow through on these actions.
- To promote technological innovation.

OPS seeks comment on whether these objectives are appropriate for a four year demonstration project.

V. Program Framework Elements

This program administrative framework to receive, analyze, approve, monitor and revise risk management plans is being considered for interstate natural gas transmission and hazardous liquid pipeline companies that would submit proposals for risk management demonstration projects.

The framework being considered would have four primary elements, appropriate to the features and characteristics of risk management. The first two elements would be developed through industry standards processes. The contents would be similar to the description in II D of this document. The second two OPS would construct:

(1) Industry Technical Process Standard (R1), covering Risk Assessment, Risk Control and Decision-making, and Performance Measurement.
(2) Industry Quality Program Standard (Q1), covering the operator's management framework that implements and supports this process, and puts risk management into daily operations.
(3) Federally developed risk management program participation requirements for communications and reporting, planned oversight and evaluation.
(4) Third party review to simultaneously validate the quality and adequacy of the technical review and administrative process used by OPS.

Elements (1) and (2) of the program framework would be the basis for operators to apply for and OPS to accept a risk management program demonstration project.

To develop knowledge and skill in the application and use of the industry standards, OPS envisions a cooperative effort to develop risk management training curriculum concurrently with the standards. Further, OPS expects that trade groups, OPS, and state agencies would participate in design and development.

OPS would encourage a broad range of stakeholders, including Federal and State pipeline safety officials, to participate in review of the draft industry standards. This process is expected to begin under the auspices of the several trade organizations. While developing and approving Risk Management standards (R1 and Q1) would be a multi-year process, a basic draft would be considered as a point of reference for the demonstration program preliminary review.

The third element, Federally developed requirements likely to be subject to public notice and comment, should identify the project administrative framework components, particularly requirements for applying for the program, obtaining interim project approval, participating in long-term evaluation and monitoring, conflict resolution, penalties, incentives, and program maintenance.

VI. Third Element: Possible Elements of the Administrative Risk Management Demonstration Project Process

(1) *An Informal Consultation with OPS and States.* The interstate transmission operator would consult OPS Headquarters staff, Regional Directors and State pipeline safety program officials affected by the pipeline system to declare program technical objectives. These regulatory officials would express safety concerns and give advice before formal proposals are submitted.

Identifying risk management proposal objectives would begin with the operator submitting a letter of intent. The letter would describe the initial proposal including a request for a consultation with OPS and other pipeline safety regulators on the proposal and justification. In the consultation, the operator would discuss such issues as how hazards are assessed and how risks are currently managed, baseline performance data to indicate the safety level under current regulatory activities and future indicators, program goals, and the scope of the demonstration program.

During the consultation with OPS and state pipeline safety regulators, an operator would explain the risks it intends to address and the nature and extent of its proposal. The operator would demonstrate why it believes the proposal could make its pipeline operate at least as safely as it does by adhering to the current federal safety requirements. Federal and State pipeline regulators would actively participate in the consultation, responding to the operator and raising any concerns.

(2) *Formal Written Proposal.* An operator would submit a formal written proposal to OPS, resulting from the consultation. The proposal would state how the operator would apply the two industry risk management standards and how the plan is expected to meet or exceed the safety level achieved through the current regulatory program.

The proposal would describe the risk assessment process, the means for and the technical rationales for ranking actions, improvement targets, and a preliminary risk reduction plan with decision points for action. Also included would be baseline performance measures against which process targets can be set. Organizational structure, financial capability, and engineering control accountability and integrated evaluation would be briefly described. An operator

would need to address in the formal proposal the concerns raised in the consultation session and to provide assurances that management commits to allocating enough resources and to implementing the program in accordance with the proposal.

(3) *Program Sufficiency Review.* OPS and state officials affected by the pipeline system would examine the proposal for completeness against the technical process and quality program standards. This is estimated to occur within sixty to ninety days of the date OPS received the proposal. The review would determine safety expectations from the program initiatives and that current safety would be equalled or exceeded. OPS would also consider experience with the operator, compliance history and performance.

The sufficiency review could result in a proposal being accepted or returned. OPS acceptance at this stage would mean officially accepting the demonstration project as an alternative to complying with the current regulatory process. A returned proposal would lead to second consultation where recommendations would be made or the project could be postponed to a later date.

(4) *Technical Process Review*. OPS and its consultants would perform this review after several months of the project's operation under the risk management scheme and periodically thereafter to assure that the program is meeting the safety goals established by the program performance indicators or metrics. It will take several years to assess trends on long range issues. This review would involve substantive engineering reviews to validate former assumptions and expected outcomes. A follow-on joint government/industry team process would be charged with the task of developing guidelines on use of performance measurements. The review would verify that operators were keeping to their planned program milestones.

(5) *Required Public Prospectus.* As part of the process review, an operator in the demonstration programs would prepare public documents that explain its risk management plans and objectives. An operator would explain how it plans to meet or exceed existing safety levels, what its performance metrics are and how well it has performed. The public would be able to read the operator prospectus before OPS conducts the process reviews and forward any questions to OPS to present during the regularly scheduled audit. OPS could provide feedback through public notice or other means. This mechanism is designed to improve accountability to the public.

(6) *Conflict Resolution*. Procedures may be developed to resolve conflicts between an operator and the government or other stakeholders on program adequacy.

(7) *Civil Penalties*. Penalties would be administered for an operator not following the technical process and quality program standards and not keeping its program commitments within its risk management plan and would be addressed within the provisions of the existing regulations.

VII. Fourth Element: Third Party Review Being Considered

The final planned framework element being considered would be a third party review that would be conducted during the four year demonstration project. OPS would contract with an independent scientific organization to give OPS findings on the planned framework. Findings would include whether the draft standard is adequate and complete, and whether the administrative project framework is sufficient to assure that the program is delivering the expected goals.

VIII. Evaluation and Follow-Up

A limited number of demonstration projects would provide the opportunity to evaluate whether operators' risk management decisions on how best to use their companies' resources to protect people and the environment are an appropriate alternative to industry-wide regulation. The Demonstration program in its entirety would be evaluated in the final year. A successful evaluation would (1) determine that risk management can be a cost-effective way to manage risks pipelines pose and (2) give operators flexibility to manage risk based on their companies' needs, conditions and expertise rather than complying with compliance-based safety regulations.

Successfully completing the demonstration projects is an important part of the Government's evolving regulatory process. OPS and industry having sufficient pipeline operator safety data is critical to managing the risks pipelines pose. OPS does not have enough safety data to be statistically meaningful as a risk management baseline. OPS believes the demonstration program would identify the type and amount of pipeline performance data, pipeline characteristics including failure data, needed to manage risk. The demonstration projects might also lead to more research and development activity in designing models to predict pipeline failure. The demonstration projects would also be the basis for improving the industry technical standards for other operators to develop more effective risk management programs and helping OPS be more creative, effective, and flexible in overseeing and approving ways to make pipelines safer.

OPS would report lessons learned from the demonstration projects through public meetings and to Congress. The report would address project results, including whether or not the demonstrations maintained or strengthened safety and how OPS and industry can improve safety.

Issued in Washington, DC on December 11, 1995.

Richard B. Felder,

Associate Administrator for Pipeline Safety.

[FR Doc. 95–30775 Filed 12–19–95; 8:45 am]

BILLING CODE 4910–60–P

DEPARTMENT OF THE TREASURY

Fiscal Service

1996 Fee Schedules for the Issuance of Definitive Securities and TREASURY DIRECT Securities Accounts

AGENCY: Bureau of the Public Debt, Fiscal Service, Treasury.

ACTION: Notice.

SUMMARY: The Department of the Treasury is announcing two schedules of fees to be charged in 1996 for marketable Treasury securities. The schedules are for the fees charged for the issuance of definitive securities and the fees for the annual maintenance of certain TREASURY DIRECT securities accounts.

EFFECTIVE DATE: January 2, 1996.

FOR FURTHER INFORMATION CONTACT: Maureen Parker, Director, Division of Securities Systems, Bureau of the Public Debt, Parkersburg, West Virginia, 26106–1328, (304) 480–7761.

SUPPLEMENTARY INFORMATION: On January 23, 1995, the Department of the Treasury established fee schedules for the issuance of definitive securities and the maintenance of certain TREASURY DIRECT securities accounts.

The Treasury has decided that the fees for the issuance of definitive securities and the maintenance of certain TREASURY DIRECT Securities Accounts in 1996 should remain unchanged from the amounts currently in effect.