whether Sidmar's conversion of OCPCs to PBs was on terms inconsistent with commercial considerations.

In its redetermination on remand, Commerce determined that the conversion was on terms inconsistent with commercial considerations. In making this redetermination, Commerce compared the price paid by the GOB for the PBs to the value of a non-publicly traded common share of Sidmar's stock, as reported by an independent accounting firm. Before comparing the value of a common share with the price paid by the GOB for PBs, Commerce compared the principal characteristics of Sidmar's common shares and PBs. In comparing the price of Sidmar's PBs to the value of its common stock, Commerce made adjustments for differences in voting rights, dividend rights, and transferability. On this basis Commerce found Sidmar's conversion to be inconsistent with commercial considerations.

We note that in the final determinations, Commerce found the conversion of Clabecq's and Cockerill's OCPCs to PBs to be countervailable, based on a comparison of the prices of the PBs to the market prices of these companies' publicly traded shares. However, Commerce made no adjustment in the final determinations for the inferior characteristics of these companies' PBs (*i.e.*, inferior voting rights, dividend rights, and transferability). In the redetermination on remand, Commerce adjusted for these characteristics, as it did for the conversion of Sidmar's OCPCs to PBs.

The fifth issue concerned the early redemption of Sidmar's preferred shares. In the final determinations, Commerce found that Sidmar, to redeem its preferred shares early, paid in 1991 an amount equal to the net present value of the amount it would have paid had it redeemed the shares in 2004, the original redemption date. For this reason, Commerce concluded that the redemption was not inconsistent with commercial considerations. In its remand order, the CIT directed Commerce to explicate the record evidence, which the agency reviewed, in determining that the redemption of the preferred shares was not on terms inconsistent with commercial considerations. In its redetermination on remand, Commerce detailed in full the particulars of this redemption and demonstrated from evidence on the record that early redemption was requested by the GOB for budgetary reasons and that the GOB agreed to accept payment of the net present value of the shares rather than face an uncertain outcome in 2004.

The sixth issue concerned Commerce's determination that the GOB's funding of additional allowance benefits under the Steel Collective Labor Convention bestowed a recurring benefit based on the criteria outlined in the allocation section of the General Issues Appendix (58 FR 37225, July 9, 1993). The CIT found that Commerce failed to provide an explanation and evidence to support the agency's finding that the additional allowance benefits were recurring. In its redetermination on remand, Commerce demonstrated from evidence on the record that steel firms automatically qualified for benefits from prepensioning, including reimbursements from the GOB for additional allowance payments, and that these benefits were received over a long period of time. Therefore, Commerce concluded that the benefits were recurring.

On October 3, 1996, Commerce published notice of the court decision in *Geneva II* (61 FR 51682). In that notice the agency stated that it must continue to suspend liquidation until a ''conclusive'' decision in this action is reached. Because the appeal filed by Sidmar challenging the court decision in *Geneva II* has been dismissed and the opportunity for further appeals has expired, the Department is amending the rates calculated in the final determination and order, subject to the order of vacatur entered by the CIT on April 18, 1997. The new rates are as follows:

Certain Hot-Rolled Carbon Steel Flat Products

Country-Wide Rate—0.68 percent
Cockerill—23.15 percent

Certain Cold-Rolled Carbon Steel Flat Products

Country-Wide Rate—0.58 percent
Cockerill—23.15 percent

Certain Cut-To-Length Carbon Steel Plate

Country-Wide Rate—5.92 percent
Cockerill—23.15 percent

Subsequent to our final determinations on July 9, 1993, the International Trade Commission (ITC) issued negative determinations with regard to injury resulting from the importation of hot-rolled and cold-rolled flat-rolled carbon steel products from Belgium in *Certain Steel Products from Belgium*, 58 FR 43905 (ITC August 18, 1993). These determinations were affirmed by the CIT in decisions issued on December 30, 1994, for hot-rolled carbon steel products, and January 27, 1995, for cold-rolled carbon steel products. *See United States Steel Group—A Unit of USX Corp.* v. *United States*, 873 F. Supp. 673 (CIT 1994); *Kern-Liebers USA, Inc.* v. *United States*, Slip Op. 95–9 (1995 Ct. Int'l Trade LEXIS 10). The decisions of the CIT were subsequently affirmed by the Court of Appeals for the Federal Circuit on August 29, 1996. *United States Steel Group et al.* v. *United States*, 96 F.3d 1352 (Fed. Cir. 1996), *reh'g denied*, 1996 U.S. App. LEXIS 31227 (Nov. 21, 1996).

Therefore, we will instruct Customs to continue to suspend liquidation on entries of cut-to-length carbon steel plate from Belgium, the only merchandise covered by the countervailing duty order issued on August 17, 1993 (58 FR 43749), entered, or withdrawn from warehouse, for consumption and to collect cash deposits, at the new rates on all such entries made on or after publication of this notice in the **Federal Register**.

Dated: July 1, 1997.

Robert S. LaRussa,

Acting Assistant Secretary for Import Administration.

[FR Doc. 97–18450 Filed 7–14–97; 8:45 am]

BILLING CODE 4310–MR–M

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

[I.D. 070197A]

Small Takes of Marine Mammals Incidental to Specified Activities; Oil and Gas Exploration Drilling Activities in the Beaufort Sea

AGENCY: National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.

ACTION: Notice of receipt of application and proposed authorization for a small take exemption; request for comments.

SUMMARY: NMFS has received a request from ARCO Alaska, Inc., (ARCO) for an authorization to take small numbers of marine mammals by harassment incidental to exploration drilling activities in Camden Bay, Beaufort Sea in waters off Alaska. Under the Marine Mammal Protection Act (MMPA), NMFS is requesting comments on its proposal to authorize ARCO to incidentally take, by harassment, small numbers of ringed, bearded, and spotted seals and possibly, bowhead and beluga whales, in the above mentioned area between August 1997 and August 1998.

DATES: Comments and information must be received no later than August 14, 1997.

ADDRESSES: Comments on the application should be addressed to Michael Payne, Chief, Marine Mammal Division, Office of Protected Resources, NMFS, 1315 East-West Highway, Silver Spring, MD 20910–3225. A copy of the application, an environmental assessment (EA) and a list of references used in this document may be obtained by writing to this address or by telephoning one of the contacts listed below.

FOR FURTHER INFORMATION CONTACT: Kenneth R. Hollingshead, Office of Protected Resources, NMFS, (301) 713–2055, Brad Smith, Western Alaska Field Office, NMFS, (907) 271–5006.

SUPPLEMENTARY INFORMATION:

Background

Section 101(a)(5)(A) and (D) of the MMPA (16 U.S.C. 1361 *et seq.*) directs the Secretary of Commerce to allow, upon request, the incidental, but not intentional, taking of marine mammals by U.S. citizens who engage in a specified activity (other than commercial fishing) within a specified geographical region if certain findings are made and either regulations are issued or, if the taking is limited to harassment, notice of a proposed authorization is provided to the public for review.

Permission may be granted if NMFS finds that the taking will have a negligible impact on the species or stock(s), will not have an unmitigable adverse impact on the availability of the species or stock(s) for subsistence uses, and the permissible methods of taking and requirements pertaining to the monitoring and reporting of such taking are set forth.

On April 10, 1996 (61 FR 15884), NMFS published an interim rule establishing, among other things, procedures for issuing incidental harassment authorizations under section 101(a)(5)(D) of the MMPA for activities in Arctic waters, including requirements for peer-review of a monitoring program and a plan of cooperation between the applicant and affected subsistence users. For additional information on the procedures to be followed for this authorization, please refer to that document.

Summary of Request

On May 30, 1997, NMFS received an application from ARCO requesting a 1-year authorization for the possible harassment of small numbers of several species of marine mammals incidental to moving a Concrete Island Drilling System (CIDS) from Prudhoe Bay to Camden Bay, Alaska and drilling an oil exploration well at that location during the winter, 1997/98. Essentially, the project has several stages as summarized below:

(a) Deballast the bottom-founded Global Marine Drilling Co. ''Glomar Beaufort Sea #1'' CIDS and move it to the well site in Camden Bay on or about August 15, 1997;

(b) Transport drilling supplies, materials and other equipment to the CIDS. Transport fuel from Canada to the site;

(c) Warm shutdown mode until such time as ice in Camden Bay is fully formed (estimated to be around November 1, 1997). Crew change via helicopter during this and succeeding times;

(d) Drilling operations after ice formation on or around November 1, 1997. Drilling and well testing operations may occur from that date through mid-May 1998;

(e) Cold shutdown mode from completion of drilling and well testing operations until around July 1, 1998; and

(f) Towing CIDS from Camden Bay by tug boats to Prudhoe Bay or another location.

A more detailed description of the work planned is contained in the application (ARCO 1997) and is available upon request (see **ADDRESSES**).

Description of Habitat and Marine Mammals Affected by the Activity

A detailed description of the Beaufort Sea ecosystem and its associated marine mammals can be found in several documents (NMFS 1996, Minerals Management Service (MMS) 1992, 1996; NMFS 1989) and need not be repeated here.

Marine Mammals

The Beaufort/Chukchi Seas support a diverse assemblage of marine mammals including bowhead whales (*Balaena mysticetus*), gray whales (*Eschrichtius robustus*), beluga (*Delphinapterus leucas*), ringed seals (*Phoca hispida*), spotted seals (*Phoca largha*) and bearded seals (*Erignathus barbatus*). Descriptions of the biology and distribution of these species, and others, can be found in several other documents (LGL and Greeneridge 1996, 1997, Lentfer 1988, MMS 1992, NMFS 1989, 1990 and 1996, Small and DeMaster 1995). Please refer to those documents for information on the biology, distribution and abundance of these species.

Potential Impacts on Marine Mammals

Disturbance by noise is the principal means for potential takings by harassment by this activity. Vessels, aircraft, and drilling activities all provide potential sources for the harassment of marine mammals by noise at the activity site. These are summarized below.

Potential Harassment by Vessel Noise

No specific acoustic characterization of the CIDS under tow has been undertaken. However, the tow is performed by three ocean-going tugs of a type that are commonly used for transport activities in the Beaufort (e.g., the various sealifts to the oil fields, re-supply of offshore drilling operations, annual barge lifts to coastal communities).

Detailed information about noise levels produced by marine traffic employing comparable vessels in the Beaufort Sea is available elsewhere (Malme *et al.* 1989, Richardson and Malme 1993, Richardson *et al.* (1995)) and is incorporated here by reference. In summary, bowheads show avoidance reactions, at times being displaced by as much as a few kilometers (km) (Richardson *et al.* 1993), to ships and boats that proceed directly toward them but then frequently return to whatever was their behavior aspect (swimming, feeding, resting, etc), once the source of the disturbance has passed (Richardson and Malme 1993). Bowheads that are actively engaged in social interactions or mating may be less responsive to boats (Wartzok *et al.* 1989, Richardson and Malme 1993). Wartzok *et al.* (1989) also found that bowheads >1,640 ft (>500 m) to the side of or behind a small ship seemed unaffected and that bowheads often approached within 329–1640 ft (100–500 m) when the ship was not maneuvering toward the whales. Approximately 1 percent of bowheads (based on subsistence harvested animals) show scars from collisions with vessel propellers (George *et al.* 1994).

In addition to tugs moving the CIDS, additional vessel traffic will consist of barges transporting drilling supplies from Prudhoe Bay and fuel from a port in the Canadian Arctic. An estimated ten barge loads (two barges at five loads per barge) of material will travel after the CIDS to the well location from Prudhoe Bay, AK. These barges will contain the drilling supplies and other materials needed to support the operation through the 1997/98 winter drilling season. After offloading at the CIDS on or about September 1, 1997, they will return to Prudhoe Bay area. This activity is expected to occur from about August 27, 1997 to about September 9, 1997, weather permitting.

In addition to the above barges, there will be two barge loads (one barge/two loads) traveling from the Canadian Beaufort Sea area westward to the CIDS to provide fuel for the upcoming drilling operations. The barge will offload the fuel at the CIDS and return to Canada area as soon as fuel transfer operations are completed. This activity is expected to occur from about August 27 through September 9, 1997, weather permitting.

There is no evidence from past monitoring programs in the Beaufort Sea that marine traffic of the type discussed above causes avoidance reactions in those seal species which may be present in the area. Beluga whales, which migrate through the Beaufort Sea, but far to the north of the activity, have shown strong avoidance at great distances from tugboats, especially in spring (Richardson *et al.* 1995).

Potential Harassment by Aircraft Noise

Crew changes and supplies of fresh food will be handled by helicopter(s) based in Deadhorse, AK. Helicopters have the potential to harass marine mammals. However, because these flights will fly mostly over land, any potential harassment is expected to be limited to seals inhabiting shore-fast ice. Ringed and bearded seals hauled out on ice often dive when approached by low flying aircraft or helicopters (Harbo 1972, Burns and Frost 1979, and Allison 1981 as reported in Richardson *et al.* 1995) but do not always do so (e.g., Burns *et al.* 1982).

As detailed in Richardson *et al.* (1995), reactions of ringed seals concealed in subnivean lairs (below snow on ice) varied with aircraft altitude and lateral distance (Kelly *et al.* 1986). Radiotelemetry showed that some seals left the ice when a helicopter was at an altitude 1,000 ft (<305 m) within 1.25 mi (2 km) lateral distance. The noise in a subnivean lair is reduced by snow (Cummings and Holliday 1983). However, counts of ringed seal calls in water suggests that seal abundance in one area subjected to low-flying aircraft and other disturbances was similar to that in less disturbed areas (Calvert and Stirling 1985).

To minimize potential harassment, NMFS proposes to require helicopters supplying the CIDS to maintain an altitude of 1,000 ft (305 m) until within .5 mi (.80 km) of the CIDS, except in emergency situations.

Potential Harassment by Drilling Operations

The CIDS is an offshore drilling platform specifically designed to operate in relatively shallow 30–50 ft (10–16 m) Arctic waters. Although close to shore (3.5 mi (5.6 km)), the platform may be visible to those few bowheads that approach the shoreline. However, the platform should not be visible to the great majority of bowheads which will be within the main westward migratory path in waters 65–165 ft (20–50 m) deep. During 1979–94, only about 3.0 percent of the bowheads traveled west within 12.5 mi (20 km) of from the barrier islands (LGL and Greeneridge 1996). While the platform is in warm shutdown, underwater wideband sound pressure levels (SPLs) are expected to be approximately 109 db (re 1 μPa @ 1 m) at a range of 912 ft (278 m) with running generators as the only significant source of man-made sounds from the operations during this period (Hall and Francine 1991). Hall and Francine (1989) report that 13 bowhead whales approached to within 656 ft (200 m) of a stationary drilling platform in 1989 while it was in a quiet mode.

Once freeze-up is completed, drilling operations can begin. Hall and Francine (1991) measured the SPL from a CIDS in the Beaufort Sea at 134–137 dB (re 1 μPa @ 1 m) after freeze-up at 656 ft (200 m) and 89 dB at 0.87 mi (1.4 km) (Richardson *et al.* 1995). While SPLs at this level of intensity are considered by NMFS to be too low to be injurious to pinnipeds, there may be some effects in the immediate vicinity of the CIDS due either to associated sounds, human activity, or the structure itself. Frost and Lowry (1988), for example, found in springtime that densities of ringed seals were reduced within 2.3 mi (3.7 km) of artificial islands, on some of which drilling was underway. Alternatively, the creation of polynas (areas of open water) in the wake of artificial islands, bottom founded structures, or occurring naturally, could attract seals. This attraction could lead to increased mortality by predating polar bears, which, by spring, could lead to a local decrease in the seal population.

Potential Effects on Subsistence Needs

Provided the mitigation measures described below are followed, NMFS has not identified any unmitigable adverse impacts on the availability of the species or stock(s) for subsistence needs. The CIDS will be placed on location by September 1, 1997, prior to the beginning of the annual bowhead whaling season. Also, since no drilling operations will be conducted until after freeze-up, there will be only minimal noise generated from the rig that could influence, or otherwise impact, subsistence whaling operations. It should be noted that the CIDS location is approximately 35 mi (56.3 km) west of the Kaktovik and 100 mi (161 km) east of the Nuiqsut communities.

Potential Effect on Habitat

The CIDS is a mobile offshore drilling unit that has a ''footprint'' of 295 ft (90 m) X 312.5 ft (95.25 m). The temporary loss of this area is negligible when compared to the size of the nearshore Beaufort Sea. When drilling and well-testing operations are completed, the well will be plugged and abandoned in accordance with MMS and Alaska Oil and Gas Conservation Commission regulations. This abandonment will leave the project area in essentially an unmodified condition, since there will be no wellhead or other structures remaining above the ocean floor. In the unlikely event that there is a significant oil spill, ARCO has prepared an oil discharge prevention and contingency plan (ODPCP) specifically for the Warthog #1 exploration well. The ODPCP is an extensive document that addresses spill response, several spill scenarios, cleanup activities, and numerous other aspects of oil spill prevention and response.

Potential Impacts on Polar Bears and Walrus

ARCO believes that small numbers of polar bears (*Ursus maritimus*) and Pacific walrus (*Odobenus rosmarus*) may be present at various times in the drilling area. As a result, ARCO applied for a Letter of Authorization from the U.S. Fish and Wildlife Service (USFWS) for the taking of these two species incidental to the Warthog #1 drilling project. This authorization was granted by the USFWS on May 21, 1997, under 50 CFR Part 18, subpart J.

Mitigation

Several mitigation measures to reduce the potential for marine mammal harassment will be implemented by ARCO as part of their proposed activity. These include:

(a) Moving the CIDS from Prudhoe Bay to Camden Bay prior to the westward migration period for bowhead whales;

(b) Completion of supply and construction of the CIDS prior to the start of the Kaktovik subsistence bowhead hunt;

(c) Maintaining the CIDS in a warm shutdown mode until such time as ice in Camden Bay is fully formed (e.g., during the time period for bowhead whale migration);

(d) Using the CIDS platform instead of a floating platform, or semisubmersible platform eliminating the need for icebreaker vessels;

(e) Conducting drilling operations during winter months instead of during the open water season as done in previous years;

(f) Maintaining the CIDS in a cold shutdown mode after completion of drilling in May 1998; and

(g) Not moving the CIDS to Prudhoe Bay during the spring bowhead migration period.

In addition to mitigation proposed by ARCO as part of their application, NMFS will caution ARCO from conducting any activities relating to the operation of the CIDS, to the extent practicable, in the vicinity of ice pressure ridges or other areas where ringed seal lairs may be present.

Monitoring

The monitoring program will consist of two phases:

Phase I-Open Water Season. Arco will utilize trained personnel onboard the various transport vessels to conduct visual observations to locate and assess the behavior of those six species of marine mammals that are known to use the open-water area between Prudhoe Bay and Camden Bay. The monitoring program will commence with the movement of the CIDS to Camden Bay in mid- to late-August 1997 and will end at the time that freeze-up of Camden Bay is complete. Observers will be trained by a marine biologist (approved in advance by NMFS) and an experienced Native marine mammal subsistence hunter. Both of these individuals will accompany the vessels transporting the CIDS and will remain with the CIDS until freeze-up. All marine mammal observations will be provided daily to NMFS.

NMFS proposes, as part of this Authorization, if granted, to also require the above-mentioned monitoring program during deballasting and movement of the CIDS back to Prudhoe Bay, or another location. NMFS, however, will require notification if the CIDS is to be moved to a location other than between Camden Bay and Prudhoe Bay.

Phase II-Ice Season. Although not mentioned in the application, monitoring during the ice-drilling season will also be necessary. However, because of the low expectation of interactions with marine mammals that are under the jurisdiction of NMFS, dedicated observers are not considered necessary. As a result, NMFS proposes to require as part of the Authorization that ARCO instruct the polar bear watchperson to maintain a sightings-and-behavior log for seals that is separate from the Polar Bear Sightings Log. This latter reporting requirement is mandated by 50 CFR 18.27 and the Letter of Authorization issued to ARCO by the USFWS on May 21, 1997.

NMFS does not propose to require any seal or whale monitoring program during the cold shutdown phase.

Reporting

In addition to daily reporting via radio during the open water season, NMFS proposes to require ARCO to submit two reports, the first to be submitted 60 days after starting oil drilling for the open-water monitoring period. The second report will be required 90 days after completion of activities authorized for marine mammal takings.

Consultation

Under section 7 of the Endangered Species Act, NMFS has begun consultation on the proposed issuance of an incidental harassment authorization. Consultation will be concluded upon completion of the comment period and consideration of those comments in the final determination on issuance of an authorization.

National Environmental Policy Act (NEPA)

In conjunction with this notice, NMFS has released an EA that addresses the impacts on the human environment from issuance of the authorization and the alternatives to the proposed action. A copy of the EA is available upon request (see **ADDRESSES**).

Conclusions

NMFS has preliminarily determined that the short-term impact of exploration drilling and related activities in the Beaufort Sea will result, at worst, in a temporary modification in behavior by certain species of pinnipeds, and possibly some individual bowhead or beluga whales. While behavioral modifications may be made by these species of marine mammals to avoid the resultant noise from tugs either towing the CIDS or transporting supplies, or due to drilling activities, this behavioral change is expected to have a negligible impact on the animals.

While the number of potential incidental harassment takes will depend on the distribution and abundance of marine mammals (which vary annually due to variable ice conditions and other factors) in the activity area, the number of potential harassment takings is estimated to be small. In addition, no take by injury and/or death is anticipated and takes will be at the lowest level practicable due to incorporation of the mitigation measures mentioned above. No rookeries, mating grounds, areas of concentrated feeding, or other areas of special significance for marine mammals occur within or near the planned area of operations during the season of operations.

Because bowhead whales are east of the area in the Canadian Beaufort Sea until late August/early September, moving the CIDS during August is not expected to impact subsistence hunting of bowhead whales.

Appropriate mitigation measures to avoid an unmitigable adverse impact on the availability of bowhead whales for subsistence needs is expected to be the subject of consultation between ARCO and subsistence users.

Proposed Authorization

NMFS proposes to issue an incidental harassment authorization to ARCO for the possible harassment of small numbers of several species of marine mammals incidental to moving a CIDS from Prudhoe Bay to Camden Bay, Alaska and drilling an oil exploration well at that location during the winter 1997/98, provided the above mentioned mitigation, monitoring and reporting requirements are incorporated. NMFS has preliminarily determined that the proposed activities would result in the harassment of only small numbers of ringed seals, bearded seals, spotted seals and, possibly bowhead and beluga whales; will have a negligible impact on these marine mammal stocks; and will not have an unmitigable adverse impact on the availability of these stocks for subsistence uses.

Information Solicited

NMFS requests interested persons to submit comments, information, and suggestions concerning this request (see **ADDRESSES**).

Dated: July 9, 1997.

Patricia A. Montanio,

Deputy Director, Office of Protected Resources, National Marine Fisheries Service.

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DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

[I.D. 070797D]

Western Pacific Fishery Management Council; Public Meeting

AGENCY: National Marine Fisheries Service (NMFS), National Oceanic and