Abstract: This collection of information will provide baseline data on the level of knowledge concerning college costs and college admission requirements among parents of middle school children. The data will help the U.S. Department of Education to evaluate and refine its early awareness initiative.

Office of Postsecondary Education

Type of Review: Reinstatement.
Title: Report of Financial Need and Certification Report for the Jacob K. Javits Fellowship Program.
Frequency: Annually.
Affected Public: Individuals or households; business or other for-profit; Not-for-profit institutions.
Annual Reporting and Recordkeeping Hour Burden: Responses: 100, Burden Hours: 400.
Abstract: These instructions and forms provide the means to collect data in order to make funding determinations for fellows selected under the Jacob K. Javits Fellowship Program.

Office of Special Education and Rehabilitative Services

Type of Review: Reinstatement.
Title: State Plan for Independent Living, Rehabilitation Act of 1973, as Amended (Act), Title VII, Chapter 1.
Frequency: Every three years.
Affected Public: State, local or Tribal Gov't, SEAs or LEAs.
Annual Reporting and Recordkeeping Hour Burden: Responses: 56, *Burden Hours:* 4,480.
Abstract: The purpose of Chapter 1 of Title VII of the Act (Ch.1) is to promote a philosophy of independent living which includes control, peer support, self-help, self-determination, equal access and individual and system advocacy, in order to maximize the leadership, empowerment, independence, and productivity of individuals with disabilities, and the integration and full inclusion of individuals with disabilities into the mainstream of American society. To implement this purpose, Ch.1 authorizes financial assistance to States for providing, expanding and improving the provisions of State independent living services (SILS), to develop and support statewide networks of centers for independent living (CILs), to improve working relationships among State IL services programs (SILS), CILs, Statewide Independent Living Councils (SILCs), programs funded under other titles of the Act, and other programs that address issues relevant to duals with disabilities funded by Federal and non-Federal authorities.

Section 704 of the Act requires the designated State unit(s) (DSU), jointly with the SILC to develop and sign an approvable SPIL in each State to receive financial assistance under Ch. 1.

[FR Doc. 97–33151 Filed 12–18–97; 8:45 am]
BILLING CODE 4000–01–P

DEPARTMENT OF ENERGY

Record of Decision: Supplemental Environmental Impact Statement/ Program Environmental Impact Report for the Sale of Naval Petroleum Reserve No. 1 (Elk Hills), Kern County, California

AGENCY: U.S. Department of Energy.

ACTION: Record of Decision.

SUMMARY: The Department of Energy (DOE) is issuing this Record of Decision to proceed, subject to review by Congress, with the sale to Occidental Petroleum Corporation (Occidental) of all right, title, and interest of the United States in Naval Petroleum Reserve No. 1 (NPR–1) located in Kern County, California, in accordance with Title XXXIV of the National Defense Authorization Act for Fiscal Year 1996, Public Law 104–106 (hereinafter the ''Elk Hills Sales Statute'' or ''Act'').

The Act requires that DOE undertake a process to sell NPR–1 in a manner consistent with commercial practices and in a manner that maximizes the proceeds to the Federal government. Furthermore, the Act requires DOE to complete the sale of NPR–1 by February 10, 1998, unless DOE and the Office of Management and Budget (OMB) jointly determine that (i) the sale is proceeding in a manner inconsistent with achievement of a sale price that reflects full value, or (ii) another course of action is in the best interests of the United States. The Act also specifies a process for determining the minimum acceptable price for the sale of NPR–1.

Based on the analyses in the Supplemental Environmental Impact Statement/Program Environmental Impact Report (SEIS/PEIR) titled, ''Sale of Naval Petroleum Reserve No. 1 (Elk Hills) Kern County, California,'' consideration of the Congressional direction contained in the Elk Hills Sales Statute, and an offer submitted by Occidental that exceeded the minimum acceptable sale price as determined pursuant to section 3412(d) of the Act and exceeded all other offers received following a competitive sales process, DOE has determined that implementation of the Proposed Action and Preferred Alternative in the SEIS/PEIR (i.e., the sale of all right, title and interest in NPR–1 in accordance with the Act to Occidental) is in the best interests of the United States. Accordingly, DOE is publishing this Record of Decision (ROD) under the authority of the National Environmental Policy Act (NEPA) of 1969 to proceed with the sale of NPR–1 to Occidental and to document the basis for this decision.

ADDRESSES: For further information on the sale of NPR–1 (Elk Hills), contact Anthony J. Como, NEPA Document Manager, Office of Fossil Energy, U.S. Department of Energy, 1000 Independence Avenue SW, Washington, D.C. 20585, (202) 586–5935 or 1–888–NPR–EIS1. For further information on the NEPA process, contact Carol Borgstrom, Director, Office of NEPA Policy and Assistance, U.S. Department of Energy, 1000 Independence Avenue SW, Washington, D.C. 20585, (202) 586–4600 or leave a message at 1–800–472–2756.

SUPPLEMENTARY INFORMATION: DOE is issuing a ROD pursuant to the regulations of the Council on Environmental Quality implementing the procedural provisions of NEPA [1] and DOE's NEPA implementing regulations.[2]

Background

The Elk Hills Sales Statute, signed by President Clinton on February 10, 1996, authorized and directed the Secretary of Energy (the ''Secretary'') to enter into one or more contracts for the sale of NPR–1 by February 10, 1998, unless the Secretary and the Director of OMB jointly determine that (i) the sale is proceeding in a manner inconsistent with achievement of a sale price that reflects full value, or (ii) another course of action is in the best interests of the United States. The Act further directed that the sales process be conducted ''in a manner consistent with commercial practices and in a manner that maximizes sale proceeds to the Government.''

The Act directed the Secretary to take certain measures which were designed to assure that the sale of NPR–1 would result in the maximum return to the government and that the full value of the reserve would be realized. These measures included:

(1) The retention of an investment banker to independently administer the sale in a manner that maximizes sale proceeds to the government;

(2) The hiring of an independent petroleum engineer to prepare a reserve report in a manner consistent with commercial practices;

(3) The finalization of equity interests of known oil and gas zones;

[1] 40 CFR Parts 1500–1508.
[2] 10 CFR Part 1021.

(4) Conducting a competitive sale that was fair and open to all interested and qualified parties;

(5) The establishment of a process for setting the minimum acceptable sales price; and

(6) The authority to transfer to the purchaser(s) of NPR–1 the otherwise nontransferable incidental take permit[3] issued to the Secretary by the U.S. Fish and Wildlife Service (FWS) under section 7 of the Endangered Species Act (ESA).

The Act also requires that DOE submit a written notification to Congress of the conditions of the proposed sale at least 31 days before DOE enters into any contract(s).

Minimum Acceptable Sales Price

Section 3412(d) of the Act prescribes a process for the Secretary of Energy, in consultation with the Director of OMB, to set the minimum acceptable price for the sale of NPR–1. As required by this section of the Act, the Secretary retained the services of five independent experts in the valuation of oil and gas fields to conduct separate assessments, in a manner consistent with commercial practices, of the value of NPR–1 to the United States under continued government ownership and operation. Section 3412(d) specifies that in making their assessments, the independent experts shall consider, among other factors, the net present value of the anticipated revenue stream that the Secretary and the Director of OMB jointly determine the Treasury would receive from NPR–1 if it were not sold, adjusted for any anticipated increases in tax revenues that would result if NPR–1 were sold. This net present value determination was prepared jointly by DOE and OMB and was provided to the five independent experts for consideration in making their assessments.

Section 3412(d)(3) of the Act specifies that the Secretary may not set the minimum acceptable sale price below the higher of: (a) The average of the five independent assessments; and (b) the average of three assessments after excluding the high and low assessments. The five independent assessments were submitted to DOE on September 15, 1997. After reviewing these assessments, on September 26, 1997, the Secretary and the Director of OMB jointly established the minimum acceptable price for the sale of NPR–1 as the average of the five assessments, which average was higher than the average of the middle three assessments. The best and final offer submitted by Occidental on October 3, 1997, exceeded the minimum acceptable sale price established by the above process, as well as all other offers, and combinations of other offers, submitted by qualified offerors.

Transfer of Incidental Take Permit

Section 3413(d) of the Elk Hills Sales Statute permits the Secretary to transfer to the purchaser(s) of NPR–1 the incidental take permit issued to the Secretary by the FWS and in effect on February 10, 1996, ''if the Secretary determines that transfer of the permit is necessary to expedite the sale of the reserve in a manner that maximizes the value of the sale to the United States.'' At the beginning of the commercial sales process, DOE decided that transferring to the purchaser(s) of NPR–1 the Biological Opinion (and incidental take statement contained therein) issued to DOE by the FWS on November 8, 1995, should help maximize the proceeds from the sale of NPR–1. However, in the event that not all potential purchasers of NPR–1 would be willing to accept the transferred Biological Opinion and its terms and conditions, DOE determined to make the transfer optional on the part of the prospective operators in the draft Purchase and Sale Agreement distributed to potential purchasers during the sales process.

In its offer to purchase NPR–1, Occidental agreed to accept DOE's Biological Opinion and incidental take statement. Accordingly, under the terms of the Purchase and Sale Agreement, Occidental will assume and agree to be bound by and perform all of DOE's obligations (terms, conditions, and mitigation measures) under the Biological Opinion, including the on-going monitoring requirements and the obligation to establish a 7,075-acre conservation area.

NEPA Process

The continued operation of NPR–1 by DOE has been analyzed in two previously-issued environmental impact statements (EISs): the 1979 EIS titled ''Petroleum Production at Maximum Efficient Rate, Naval Petroleum Reserve No. 1 (Elk Hills), Kern County, California'' (DOE/EIS-0012) and a 1993 supplement to the 1979 EIS titled ''Petroleum Production at Maximum Efficient Rate, Naval Petroleum Reserve No. 1 (Elk Hills), Kern County, California'' (DOE/EIS–0158). However, neither of those documents addressed the possible divestiture of NPR–1. Therefore, subsequent to the enactment of the Elk Hills Sales Statute, DOE determined that the sale of NPR–1 would constitute a major Federal action that may have a significant impact upon the environment within the meaning of NEPA. Accordingly, on March 21, 1996, DOE published a notice in the **Federal Register** (61 FR 11617) announcing its intention to prepare a supplement to the 1993 Supplemental EIS to address foreseeable impacts from the sale of NPR–1 and reasonable alternatives. On April 16, 1996, DOE conducted two public scoping meetings in Bakersfield, California, to identify major issues and concerns that should be addressed in the SEIS.

After consultation with the Kern County (California) Planning Department, Kern County determined that the proposed sale was a project within the meaning of the California Environmental Quality Act of 1970 (CEQA) requiring the preparation of a environmental impact report (EIR). Kern County also determined that, because of the unknown future development decisions of the potential new owners, the EIR should be a program EIR (PEIR) with future additional analyses to be conducted under CEQA as required. Then the determination was made by DOE and Kern County to prepare a joint SEIS/PEIR as allowed by the NEPA and CEQA regulations.

In July 1997, the DOE and Kern County published a Draft SEIS/PEIR on the proposed divestiture of NPR–1 titled ''Draft Supplemental Environmental Impact Statement/Program Environmental Impact Report for the Sale of NPR–1, Kern County, California (DOE/SEIS/PEIR–0158–S2). This document addressed the environmental impacts associated with the Proposed Action (sale of all right, title, and interest of the United States in NPR–1 as required by the Elk Hills Sales Statute) and two possible alternatives. DOE and Kern County distributed approximately 300 copies of the Draft SEIS/PEIR to members of Congress, Federal, state and local agencies, Native American organizations, environmental groups, businesses, and interested individuals. On July 25, 1997, the U.S. Environmental Protection Agency published a notice in the **Federal Register** (62 FR 40074) announcing the availability of the Draft SEIS/PEIR and the start of a 45-day public comment period, which ended on September 8, 1997. As part of the public comment process, DOE and Kern County held two

[3] The authority for Federal agencies to incidentally ''take'' (i.e., kill, harm, hunt, wound, trap, etc.) endangered species is granted by the FWS through a consultation process. Such consultation results in the issuance of a Biological Opinion, which includes an incidental take statement. As used in this Record of Decision, the term ''incidental take permit'' or ''permit'' refers collectively to the Biological Opinion and the incidental take statement contained therein.

public hearings on August 26, 1997, in Bakersfield, California.

In preparing the Final SEIS/PEIR, DOE and Kern County considered all public comments received, including comments received after the September 8, 1997, comment closing date as well as the oral comments made during the public hearings. Over 300 comments were received from 29 written comment letters and 7 oral statements made at the public hearings. The Final SEIS/PEIR was distributed on October 17, 1997. This Final SEIS/PEIR consisted of the Draft SEIS/PEIR and a comment-response document that included public comments received on the Draft SEIS/PEIR, responses to those comments, and changes in the Draft SEIS/PEIR in response to public comments. The Final SEIS/PEIR identified the Proposed Action as DOE's Preferred Alternative. DOE and Kern County distributed approximately 300 copies of the Final SEIS/PEIR to members of Congress, Federal, state and local agencies, Native American organizations, environmental groups, businesses, and interested individuals. On October 24, 1997, the U.S. Environmental Protection Agency published a notice in the **Federal Register** (62 FR 55399) announcing the availability of the Final SEIS/PEIR.

Sales Process

In order to meet the February 10, 1998, statutory deadline contained in the Elk Hills Sales Statute for the completion of the sale, DOE conducted its sales process concurrently with the NEPA and CEQA processes. On May 21, 1997, DOE announced the start of the sales process, which culminated on October 1, 1997, with the submission of bids for the purchase of NPR–1.

To comply with the provisions of the Act, DOE implemented a sales strategy designed to maximize the proceeds to the Federal government. To comply with DOE's further obligations under NEPA to identify all practicable means of mitigating adverse impacts, DOE structured the sales process to incorporate mitigation in a manner that would not impair the ability of DOE to maximize the proceeds from the sale of NPR–1. To meet DOE's obligations under the Elk Hills Sales Statute and NEPA, the Purchase and Sale Agreement provided to prospective offerors during the sales process (May 21, 1997, through October 1, 1997) contained three optional provisions designed to incorporate mitigation into the sale of NPR–1 in a manner that did not impair DOE's ability to maximize proceeds from the sale. These optional provisions were:

(1) Acceptance of the Biological Opinion (including incidental take statement) issued to DOE by the FWS;

(2) Identification of mitigation measures (contained in the SEIS/PEIR) that would be committed to, without reducing the offering price; and

(3) A guarantee that small and independent refiners in the region would have access to 25% of the new operator's NPR–1 oil production for three years following the sale.

During the sales process, prospective purchasers were notified that, even after offers were submitted and the ''highest offer(s)'' identified, DOE could not enter into a sales contract until:

(1) The NEPA process is completed and DOE publishes a Record of Decision;

(2) The Justice Department completes an antitrust review of the sale; and

(3) A 31-day Congressional review period expires with no adverse Congressional action.

On October 1, 1997, DOE received twenty-two (22) offers from fifteen (15) entities. After a preliminary evaluation of these offers, DOE requested submission of ''best and final'' offers from all offerors whose initial offer exceeded the minimum acceptable price. After review of the ''best and final'' offers, DOE identified Occidental as the firm submitting the highest offer for the purchase of NPR–1. In the final Purchase and Sale Agreement to purchase NPR–1, Occidental proposed to accept the transfer of DOE's Biological Opinion and to submit to DOE, within ten (10) business days following the publication of the Final SEIS/PEIR, a list of mitigation measures Occidental would implement after the closing date of the sale, which is scheduled to occur no later than February 10, 1998. This list of mitigation measures[4] is described in this Record of Decision.

Description of Alternatives

Three alternative actions were analyzed in the SEIS/PEIR: (1) Sale of all right, title, and interest of the Federal government in NPR–1 in accordance with the Act (the Proposed Action); (2) continued DOE ownership and operation of NPR–1 (the No-Action Alternative); and (3) withdrawal of DOE from direct petroleum production activities at NPR–1 but continued Federal ownership (Alternative to the Proposed Action).

Comments received during the scoping process suggested that, depending upon how NPR–1 was offered for sale and the type of entity(ies) to whom NPR–1 was sold, different types and levels of environmental impacts could result. Based on these scoping comments, DOE and Kern County developed and analyzed three different divestiture scenarios under the Proposed Action and two different divestiture scenarios under the Alternative to the Proposed Action. In each case, the analyses in the SEIS/PEIR were based upon either a government approach to field development or a commercial approach, depending upon the type of entity(ies) assumed to be the eventual owner(s) of NPR–1. The three alternatives, five divestiture scenarios, and the two field development approaches combine to produce varying types and levels of environmental impacts that are identified in the SEIS/PEIR. These differences in types and levels of impacts result from differences in the rate and level of intensity of oil field development among the three alternatives.

The No Action Alternative assumes continued government ownership and operation of NPR–1 and is based upon the lowest rate and level of intensity of field development activities among the three alternatives. Because the Proposed Action and the Alternative to the Proposed Action both assume operation of NPR–1 by a private entity, these two alternatives are based upon the same rate and level of intensity of field development activities, which is above that assumed in the No Action Alternative.

In order to provide a development baseline against which to analyze the environmental impacts resulting from each alternative, the SEIS/PEIR also included a Reference Case. The Reference Case is based on continued production of NPR–1 at maximum efficient rate (MER) in compliance with the Naval Petroleum Reserves Production Act of 1976, 10 U.S.C. 7420 *et seq.* The 1976 Production Act defines MER as ''the maximum sustainable daily oil and gas rate from a reservoir which will permit economic development and depletion of that reservoir without detriment to the ultimate recovery'' (10 U.S.C. 7420). Such a case formed the basis of the Proposed Action in the 1993 SEIS. The Reference Case in the SEIS/PEIR is

[4] The final Purchase and Sale Agreement negotiated with Occidental contained a provision in which Occidental agreed ''to deliver a list of mitigation measures to be implemented by Buyer [Occidental] after Closing.'' In compliance with this provision, on November 7, 1997, Occidental submitted a list of thirty-three (33) mitigation measures that it intends to implement. In this letter, Occidental also identified the appropriate State, local, or Federal agency which is expected to monitor compliance with each of the measures.

based upon NPR–1's 1995 Long Range Plan.

Proposed Action

The Proposed Action and DOE's Preferred Alternative is the sale of all the Federal government's right, title, and interest in NPR–1 as directed by the Elk Hills Sales Statute. Under the Proposed Action, one or more private entities would purchase NPR–1 and continue to develop and operate it as a commercial oil and gas field for at least the next 40 years. This alternative would result in a higher rate and level of intensity of development for NPR–1 than would be the case under continued government ownership and operation (the No Action Alternative). This higher rate and level of intensity of development would result in the construction and operation of more oil field infrastructure (wells, pipelines, gas processing facilities) than under government operation with a resulting increase in the level of environmental impacts.

No Action Alternative

The No Action Alternative assumes continued Federal ownership of NPR–1 with ongoing responsibility for the field continuing to be assumed by DOE. This could occur if the Secretary exercises his authority under section 3414(b) of the Act to suspend the sale. If such a recommendation were made, new and separate Congressional action would be required before further action with respect to the disposition of NPR–1 could take place.

However, section 3412(h) of the Act specifies that, until sale, production at NPR–1 is to continue at ''the maximum daily oil or gas rate from a reservoir, which will permit maximum economic development of the reservoir consistent with sound oil field engineering practices.'' Therefore, under the No Action Alternative, continued ownership and operation by DOE would result in a higher rate and level of intensity of development and associated environmental impacts than those that formed the basis of the Proposed Action in the 1993 SEIS and that are above those characterized by the Reference Case in the SEIS/PEIR.

Alternative to the Proposed Action

Under this alternative, the Federal government would take some action other than that required by the Act to sell part, but not all, of its interest in NPR–1, with the same objective of maximizing the value of the reserve to the government. Under this alternative, some level of Federal ownership and control over NPR–1 would be retained. Future oil and gas development of NPR–1 would be at the same rate and level of intensity as the Proposed Action but at a higher rate and level of intensity than under the No Action Alternative. However, the continued Federal role in the overall management of the property would result in a lower level of environmental impacts than under the Proposed Action. Implementation of this alternative would require additional legislation.

Environmentally Preferable Alternative

The Environmentally Preferable Alternative is the No Action Alternative: continued ownership and operation of NPR–1 by DOE. This alternative would result in a continuation of the present level of Federal protection for the threatened and endangered species that are found on NPR–1. Also, under this alternative, the Federal government would develop NPR–1 at a lower rate and level of intensity than would a private entity under the Proposed Action or the Alternative to the Proposed Action. This lower rate and level of intensity of development would produce proportionately lower levels of impacts across the full spectrum of environmental resources. Finally, under the No Action Alternative, NPR–1 likely would revert to some form of conservation area after the completion of oil and gas operations. The environmentally preferable alternative was not selected as DOE's preferred alternative because it would not permit DOE to comply with the Congressional direction contained in the Act of divesting the Federal government of all right, title, and interest in NPR–1.

Major Environmental Impacts and Mitigation Measures

NPR–1 is expected to remain exclusively an oil field for about the next half century. The differences in environmental impacts among alternatives are driven by the rate and level of intensity of development. Development by a private entity under the Proposed Action or the Alternative to the Proposed Action would occur at a higher rate and level of intensity than development by the Federal government under the No Action Alternative.

The two most import resource areas expected to be impacted by the Proposed Action (as well as the No Action Alternative and the Alternative to the Proposed Action) are biological and cultural resources. The SEIS/PEIR also identified two other potentially significant resource areas for the three alternatives. These include air resources and water resources. Other potential resource areas and impacts analyzed in the SEIS/PEIR include geology and soils, hazardous waste, land use, noise, socioeconomic, energy conservation, and environmental justice. However, none of the impacts occurring in these areas were considered likely to be significant. The SEIS/PEIR concludes that all of the impacts resulting from the three alternatives could be mitigated to levels that are less than significant.

Proposed Action

Because the proposed sale of NPR–1 to Occidental would involve the sale of all of the Federal government's right, title, and interest, implementation of mitigation measures under the Proposed Action would be accomplished, for the most part (except for the completion of certain mitigation measures related to cultural resources), by the proposed purchaser of NPR–1, Occidental, with enforcement by the Federal, state and local agencies that have regulatory responsibility for the activities occurring at NPR–1.

Biological Resources

Impacts: The most significant impacts from the Proposed Action and the attendant future development of NPR–1 would be on biological resources. NPR–1 serves as an important habitat for a number of threatened and endangered species, including the San Joaquin kit fox, the blunt nose leopard lizard, the giant kangaroo rat, the Tipton kangaroo rat, the antelope squirrel, and Hoover's woolly-star (a flowering plant).

Oil and gas development on NPR–1 would continue to alter habitat and destroy or injure individuals of threatened and endangered species under the Proposed Action. Development under private ownership of NPR–1 would be at a higher rate and level of intensity and, consequently, have a greater impact on plant and animal communities in general and on threatened and endangered species in particular. Under the Proposed Action, potentially significant impacts include: (1) loss of the affirmative Federal obligation under section 7(a)(1) of the ESA to protect, conserve and help recover threatened and endangered species and their habitats, because the degree of mitigation required of private entities by the ESA is lower than that required of the Federal government; (2) the potential lack of funds for protection and management of the habitat conservation area required to be created by the 1995 Biological Opinion; (3) reduced potential for recovery of listed species and increased potential for listing additional species; and (4) increase in habitat loss and mortality, injury or displacement of plant and

animal communities, including threatened and endangered species.

The impacts under private ownership from future development following the depletion of the reserves and the end of oil and gas production are too speculative to be predicted with any specificity. However, it is possible that additional stress to biological resources could occur, depending on how the owners use the land.

Mitigation: The principal mitigation for the potentially significant impacts on biological resources is Occidental's decision to accept transfer of and agreement to be bound by all the terms and conditions of the Biological Opinion and incidental take statement issued to DOE by the FWS on November 8, 1995. Those terms and conditions, including the mitigation commitments made by DOE, will be in effect until Occidental applies for and receives a new incidental take permit from the FWS under section 10 of the ESA.[5] A new section 10 permit would contain appropriate terms and conditions agreed to by the FWS and Occidental. The principal mitigation measures contained in the 1995 Biological Opinion include:

(1) Creation of a 7,075-acre conservation area and habitat management program;

(2) Conducting research, monitoring, and biological survey programs;

(3) Incorporation of a variety of measures to limit disturbance or destruction of individuals of threatened and endangered species during operation and construction activities;

(4) Prohibitions of public access, hunting, and livestock grazing within NPR–1; and

(5) Restrictions on the use of pesticides, herbicides, and rodenticides.

In addition to accepting the terms and conditions of the 1995 Biological Opinion, Occidental will enter into and implement an Interim Memorandum of Understanding with the California Department of Fish and Game pursuant to Section 2081 of California's Endangered Species Act. The terms, conditions, and mitigation measures that would be contained in this Memorandum of Understanding will mitigate potentially significant impacts on those plant and animal species listed as threatened or endangered by the State of California.

Cultural Resources

Impacts: The second major resource area impacted by the Proposed Action is cultural resources. Approximately 60 percent of the area of NPR–1 has been subject to archaeological survey and inventory. There are two historic archaeological sites at NPR–1 that the California State Historic Preservation Officer (SHPO) has determined are eligible for inclusion on the National Register of Historic Places (discussed below). There are also four prehistoric sites that are eligible for the National Register. Additional inventory efforts are underway and more prehistoric sites are likely to be found (discussed below). The documented prehistoric sites are represented by accumulations of flaked and ground stone, shell and bone artifacts, features, faunal dietary remains and human remains (at two known sites), all of which may be relevant to the prehistory of the area.

Although many potentially significant individual historic archaeological sites or buildings at NPR–1 have been so disturbed that their archaeological values have been destroyed, DOE recommended to the SHPO that NPR–1 be eligible for inclusion on the National Register as an historic landscape. The SHPO concluded, however, that NPR–1 was not an historic landscape but found that three early production wells (the Hay No. 1 Discovery Well, the Hay No. 5 well, and the Hay No. 7 natural gas well) appear to be eligible for the National Register.

Discussions with the SHPO on prehistoric sites indicate that NPR–1 development may disturb the four individual prehistoric sites eligible for the National Register. In September 1997, DOE completed a survey of 3,000 acres previously unsurveyed but predicted to be sensitive for prehistoric archeological resources, and by the end of November 1997, archeological testing at the most promising sites within the 3,000-acre survey area had been completed. Data recovery on significant prehistoric archeological resources will be completed prior to the conclusion of the sales process which is presently scheduled for early February 1998.

Mitigation: Pursuant to sections 106 and 110 of the National Historic Preservation Act, DOE is in the process of finalizing a Programmatic Agreement with the California SHPO and the Advisory Council on Historic Preservation concerning surveys, research, data recordation, documentation and other preservation activities, as appropriate, to mitigate the impacts of the Proposed Action. A set of prehistoric resources representative of the types found on NPR–1 would be treated by a combination of surface mapping, collection, subsurface excavations and analysis to recover data and to address important scientific research questions. A Cultural Resources Management Plan (CRMP) will address the appropriate mitigation required to recover important data from these resources and preserve them through appropriate documentation and publication. The CRMP will be made a part of the Programmatic Agreement.

The Programmatic Agreement will also include mitigation measures specifically designed to address the impacts on resources of particular concern to Native Americans. The mitigation measures will be performed under appropriate archeological protection permits with notice to Native Americans in accordance with Native American Graves Protection and Repatriation Act (NAGPRA) and the Archeological Resources Protection Act. As one of the mitigation measures, DOE will inform Occidental and the California Department of Conservation, Division of Oil, Gas, and Geothermal Resources that sites of this type are known to exist in particular areas of the Reserve, although without providing specific locations so as to protect Native American values.

The SHPO has indicated to DOE that the Programmatic Agreement must also address the concerns related to NAGPRA. As DOE develops the Programmatic Agreement with the SHPO, DOE will provide for involvement and comment by Native Americans, both from tribes on the NAGPRA list and from others with traditional ties to Elk Hills. In addition, DOE will work closely with the FWS and with Occidental in determining the location of the land to be included in the conservation set aside area required under the terms of the 1995 Biological Opinion, in order to maximize the inclusion of areas that archaeologists and Native Americans have identified as known or likely to contain human remains.

With respect to the two historic oil and gas wells that the SHPO has determined are eligible for the National Register, the Programmatic Agreement will provide for a treatment plan to describe the historic context of these wells, as well as to publish the descriptions and distribute the descriptions to public libraries.

In addition to DOE's mitigation, the mitigation measures Occidental intends to implement include:

(1) Evaluate inclusion of the two locations of suspected human remains identified by DOE within the conservation area to be established pursuant to the 1995 Biological Opinion;

(2) Implement a cultural resources training plan supervised by an archaeologist; and

[5] This is the section of the ESA which contains requirements applicable to private landowners.

(3) Implement a plan to address the discovery of suspected human remains, other than human remains addressed by the Programmatic Agreement between DOE and the SHPO, which may be unexpectedly encountered during construction activities. The plan may include consulting with the County Coroner, an archaeologist and/or a local Native American Representative to avoid disturbing suspected human remains.

Other Potentially Significant Impacts

Impacts: The two other potentially significant resource areas impacted by the Proposed Action are air quality and water resources. Future development of NPR–1 under the proposed action would likely result in higher levels of air emissions. Modeling of projected emissions for the year 2001, the highest expected emission year, shows the potential that the state ambient air quality standards for PM_{10} (particulate matter 10 microns or larger) could be exceeded off-site. In addition, on-site Federal ambient air quality standards for NO_2 (Nitrous Oxide) and state ambient air quality standards for PM_{10} and SO_2 (Sulfur Dioxide) might be exceeded. However, these results are conservatively based on maximum permitted emission rates rather than likely lower actual emission rates, so the actual future emissions are expected to be within the National and state standards.

The last potential significant impact area from the Proposed Action is the potential impact on water resources. The higher rate and level of intensity of development under the Proposed Action would increase water use in the enhanced oil recovery technique knows as ''water flooding'' and increase in treatment and disposal requirements for ''produced waters.''

Mitigation: The impacts to these resources would be roughly proportional to oil production levels and can be mitigated through compliance with applicable National and state air emission standards and a continuation of the ongoing NPR–1 program to use treated produced waters in ''water flood'' projects. Occidental intends to implement two mitigation measures with respect to air quality and fifteen (15) water resource mitigation measures. These mitigation measures by Occidental would continue existing DOE practices.

Other Resources

Impacts: Additional areas of potential concern are geology and soils, hazardous waste management and disposal, land use, noise, socioeconomic, energy conservation, and environmental justice. Impacts in these areas are not likely to be significant.

Comments received during scoping and comments received on the Draft SEIS/PEIR expressed concern that the possible loss of access to NPR–1 oil for use in local refineries and as a diluent for pipeline transmission could lead to a premature loss of local refinery production and/or the inability of local crude oil producers to deliver their products to market. Some local small and independent refiners and/or producers of heavy crude oil are dependent on continued access to the lighter NPR–1 oil, and concern was expressed that the proposed sale could limit their access to the oil. Although the proposed purchaser of NPR–1, Occidental, did not accept the optional sales provision to guarantee access to small and independent refiners, Occidental does not refine oil in California and is expected to put its share of the production from NPR–1 on the market. Therefore, small and independent refiners in the region should have access to NPR–1 crude oil under the Proposed Action (sale of NPR–1 to Occidental).

Mitigation: Occidental intends to implement 10 additional mitigation measures (see Footnote 4) with respect to these other impact areas. In addition, all known hazardous waste sites at NPR–1 have been or will be remediated by DOE using appropriate remediation technology. However, remediated sites have, as yet, not received determinations that no further actions are needed from the relevant regulatory agencies. DOE will continue to work with these agencies to achieve final closure on the sites, including any additional mitigation work if required. In the unlikely event that any previously undiscovered reportable hazardous waste sites are encountered prior to the sale, DOE will characterize the contamination and disclose it to Occidental.

No Action Alternative

Government development of NPR–1 under the No Action Alternative would likely be at a lower rate and level of intensity than under the Proposed Action or the Alternative to the Proposed Action. Further, DOE would retain the affirmative Federal obligation to mitigate the environmental consequences of its actions. However, the affected environment and the types of impacts to the affected environment would be the same under both the Proposed Action and the No Action Alternative. In addition, the SEIS/PEIR recognizes the possibility (although an unlikely one) of a higher rate and level of intensity of development under government operation than might occur under commercial operation.

For biological resources, there would be less destruction, disturbance and fragmentation of endangered species habitat under the No Action Alternative compared to the Proposed Action because it is expected that fewer wells would be drilled under the No Action Alternative. In addition, the level of mitigation required of Federal agencies under the ESA is greater than that for private industry. Furthermore, although future development cannot be predicted, at the end of NPR–1's useful life as an oil and gas field, it is more likely to be converted to wildlife habitat under government ownership than under private ownership.

For cultural resources, again there would be less disturbance of surface areas under the No Action Alternative than under the Proposed Action. Further, the requirements placed on Federal agencies by the National Historic Preservation Act to protect historic properties would continue under this alternative.

For air resources and water resources, the lower rate and level of intensity of development under the No Action Alternative would mean fewer impacts to these affected environments than under the Proposed Action or the Alternative to the Proposed Action. However, the difference in impacts between the No Action Alternative and the Proposed Action is not expected to be significant. The additional areas of potential concern of geology and soils, hazardous waste management and disposal, land use, noise, socioeconomic, energy conservation, and environmental justice would not involve significant differences in level of impacts between the No Action Alternative and the Proposed Action. However, the implementation of mitigation measures in each of the resource areas would reduce potential impacts to levels that are less than significant.

Alternative to the Proposed Action

Development of NPR–1 by a private entity under the Alternative to the Proposed Action would likely occur at the same rate and level of intensity as the Proposed Action. However, the continuing government interest in NPR–1, although not direct operation, would mean that development would continue to be subject to the affirmative Federal obligation to mitigate the environmental consequences of its actions, especially for biological and cultural resources.

Again, the affected environment and the types of impacts to the affected environment would be the same under both the Proposed Action and the Alternative to the Proposed Action.

For biological resources, there would be the same destruction, disturbance and fragmentation of endangered species habitat under the Alternative to the Proposed Action as for the Proposed Action because it is expected that the same number of wells would be drilled. However, the higher levels of mitigation required of government agencies would continue to apply and although future development cannot be predicted, at the end of the field's life, it is more likely to be converted to wildlife habitat under this limited amount of government ownership than under complete private ownership.

For cultural resources, again there would be the same disturbance of surface under the Alternative to the Proposed Action as the Proposed Action. Further, the requirements placed on Federal agencies by the National Historic Preservation Act to protect historic properties would continue under this alternative.

For air resources and water resources, the similarity of the rate and level of intensity of development likely for this alternative compared to the Proposed Action would mean similar impacts to these affected environments as in the Proposed Action. The impacts to additional areas of potential concern of geology and soils, hazardous waste management and disposal, land use, noise, socioeconomic, energy conservation, and environmental justice would not be significantly different from the impacts in these areas under the Proposed Action. However, the implementation of mitigation measures in each of the resource areas would reduce potential impacts to levels that are less than significant.

Cumulative Impacts

Section 3416 of the Elk Hills Sales Statute directed the Secretary to study four options for the disposition of the other Naval Petroleum Reserves (other than NPR–1)[6] and to recommend to Congress which option or combination of options would maximize the value of the reserves to the United States. These options included:

(1) Retention and continued operation by DOE;

(2) Transfer to the Department of the Interior (DOI) for leasing;

(3) Transfer of all or part of the other reserves to another Federal agency; and

(4) Sale of the interest of the United States in the other reserves.

Included in these other reserves is NPR–2, which consists of approximately 30,181 acres located immediately adjacent to NPR–1. The Federal government owns approximately 35 percent of the acreage of NPR–2, with the mineral rights associated with 9,224 of these acres leased to seven oil companies under 15 active leases. DOE administers these leases but has no active role in the day-to-day operation of NPR–2.

The SEIS/PEIR examined the cumulative impacts of the Proposed Action for NPR–1 in conjunction with three possible actions for NPR–2: transfer to DOI; a No Action Alternative; and a sales alternative. The analysis in the SEIS/PEIR indicated that the sales alternative for NPR–2 coupled with the Proposed Action for NPR–1 could result in significant adverse impacts to biological and cultural resources because of the loss of the affirmative Federal obligation to protect sensitive environmental resources on the additional land comprising NPR–2. However, the SEIS/PEIR concluded that there would be no significant adverse impact resulting from either transfer to DOI or the No Action Alternative for NPR–2 because both actions would continue Federal ownership of the land and the attendant protections for critical environmental resources.

Based on the results of the study of options for the other Naval Petroleum Reserves directed by the Act, in March 1997 DOE recommended to Congress that NPR–2 be transferred to the Department of the Interior's Bureau of Land Management (BLM) for management of the surface rights under the Federal Land Policy and Management Act and for possible leasing of currently unleased acreage under the Mineral Leasing Act. As discussed in the SEIS/PEIR, the combination of the Proposed Action for NPR–1 and the recommended action for NPR–2 would produce no increased stresses on the critical biological and cultural resources in the region and result in no significant adverse cumulative impacts.

Congress has not yet authorized DOE to take any action with respect to the future disposition of NPR–2.

Response to Comments Received After the Final SEIS/PEIR

Following publication of the Final SEIS/PEIR, DOE received a letter dated November 26, 1997, from the Pacific Environmental Advocacy Center (PEAC) notifying DOE that the Southwest Center for Biological Diversity intends to file suit against DOE for failure to reinitiate consultation with the FWS under section 7(a)(2) of the ESA before selling NPR–1. PEAC asserted that DOE is required to reinitiate consultation with the FWS independent of the authority contained in the Elk Hills Sales Statute, to transfer DOE's incidental take permit to the purchaser of NPR–1.

The issue of reconsultation was discussed extensively in the Final SEIS/PEIR in response to several comments received (Final SEIS/PEIR, pages 1–5 and 1–6). DOE explained in that discussion the basis for concluding that a new consultation was not required. DOE's conclusion is supported by an interpretation of the pertinent provisions of the Elk Hills Sales Statute provided by the DOI Regional Solicitor. DOE believes that PEAC has not provided any new information that would change the conclusions contained in the Final SEIS/PEIR or in this Record of Decision.

Decision

DOE has decided to proceed with the sale of all right, title, and interest of the United States in the NPR–1 to Occidental, subject to other requirements of law, including completion of a 31-day Congressional review period with no adverse legislative action by Congress. This action will allow compliance with the Congressional direction contained in the Elk Hills Sales Statute of removing the Federal government from the inherently non-Federal role of operating a commercial oil and gas field and also maximizing the value of NPR–1 to the United States. This decision also is based in part on the offer submitted by Occidental being the highest offer received by DOE at the conclusion of the bidding process in 1997, and the fact that the Occidental offer exceeds the minimum acceptable sale price set by DOE in consultation with OMB consistent with the provisions of section 3412(d) of the Act.

DOE has considered the information contained within the SEIS/PEIR and comments received in response to the Draft SEIS/PEIR. In making this decision, DOE has considered in particular: any potential adverse impacts to threatened and endangered plant and animal species which are found within NPR–1, as analyzed in the SEIS/PEIR; the decision by Occidental to accept the transfer of and to be bound by the terms and conditions of the

[6] The other Naval Petroleum Reserves include NPR–2 located adjacent to NPR–1 in Kern County, California; NPR–3 located in Natrona County, Wyoming; Naval Oil Shale Reserve Nos. 1 and 3 located in Garfield County, Colorado; and Naval Oil Shale Reserve No. 2 located in Uintah and Carbon Counties, Utah.

Biological Opinion issued to DOE by the FWS on November 8, 1995; the intention of Occidental to implement thirty-three (33) mitigation measures identified in a letter submitted to DOE on November 7, 1997, and which are generally described above; and the mitigation of potential adverse impacts to cultural resources through the implementation of mitigation measures by DOE pursuant to a Programmatic Agreement to be executed among DOE, the California SHPO, and the Advisory Council on Historic Preservation.

Mitigation Action Plan

Section 1201.331(a) of the DOE regulations implementing NEPA (10 CFR Part 1021) states that DOE shall prepare a Mitigation Action Plan that addresses mitigation commitments expressed in the ROD. A Mitigation Action Plan regarding DOE's commitments for the divestiture of NPR–1 is being developed to ensure implementation of all mitigation commitments. Copies of the Plan may be obtained from Mr. Anthony Como at the above address.

Issued in Washington, D.C. this 12th day of December 1997.

Patricia Fry Godley,

Assistant Secretary for Fossil Energy.

[FR Doc. 97–33208 Filed 12–18–97; 8:45 am]

BILLING CODE 6450–01–P

DEPARTMENT OF ENERGY

Aluminum Partnerships Solicitation

AGENCY: Idaho Operations Office, DOE.

ACTION: Notice of Solicitation for Financial Assistance Number DE–PS07–98ID13599 Aluminum Partnerships Solicitation.

SUMMARY: The U.S. Department of Energy (DOE), Idaho Operations Office (ID) is seeking applications for cost-shared research and development of technologies which will enhance economic competitiveness, and reduce energy consumption and environmental impacts for the aluminum industry. The research is to address research priorities identified by the aluminum industry in the ''Aluminum Industry Technology Roadmap'' (November 1997) for the aluminum sector areas of Primary Aluminum Production, Semi-Fabricated Products, and Finished Products. Approximately $4,000,000 in federal funds ($2,000,000 in fiscal year 1998 funds and $2,000,000 in fiscal year 1999 funds) is available to totally fund the first year of selected research efforts. DOE anticipates making five to six cooperative agreement awards for projects with durations of four years or less. A minimum 30% non-federal cost share is required for research and development projects. Collaborations between industry, national laboratory, and university participants are encouraged.

FOR FURTHER INFORMATION CONTACT: T. Wade Hillebrant, Contract Specialist; Procurement Services Division; U.S. DOE, Idaho Operations Office, 850 Energy Drive, MS 1221, Idaho Falls, ID 83401–1563; telephone (208) 526–0547.

SUPPLEMENTARY INFORMATION: The statutory authority for the program is the Federal Non-Nuclear Energy Research and Development Act of 1974 (Pub. L. 93–577). The Catalog of Federal Domestic Assistance (CFDA) Number for this program is 81.086. The solicitation text is expected to be posted on the ID Procurement Services Division home page on or about December 20, 1997, and may be accessed using Universal Resource Locator address http://www.inel.gov/doeid/solicit.html. Application package forms will not be included on the home page and should be requested from the contract specialist. Requests for application packages must be written. Include company name, mailing address, point of contact, telephone number, and fax number. Write to the contract specialist at the address above, via fax number (208) 526–5548, or via email to hillebtw@inel.gov.

Issued in Idaho Falls, Idaho, on December 5, 1997.

Michael Adams,

Acting Director, Procurement Services Division.

[FR Doc. 97–33206 Filed 12–18–97; 8:45 am]

BILLING CODE 6450–01–P

DEPARTMENT OF ENERGY

Financial Assistance Award (Grant)

AGENCY: U.S. Department of Energy.

ACTION: Solicitation of Applications for Grant Awards for High-Energy-Density and Laser-Matter Interaction Studies.

SUMMARY: Pursuant to 10 CFR 600.8, the Department of Energy (DOE) announces that it plans to conduct a technically competitive solicitation for basic research experiments in high-energy-density and laser-matter interaction studies at the National Laser Users' Facility (NLUF) located at the University of Rochester Laboratory for Laser Energetics (UR/LLE). Grant Solicitation No. DE–PS03–98SF21535. Universities or other higher education institutions, private sector not-for-profit organizations, or other entities are invited to submit grant applications. The total amount of funding expected to be available for the Fiscal Year 1999 (FY99) program cycle is $700,000. Multiple awards are anticipated.

FOR FURTHER INFORMATION CONTACT: James Solomon, Contracting Officer, DOE Oakland Operations Office, 1301 Clay Street, Room 700N, Oakland, CA 94612–5208, Telephone No.: (510) 637–1865, Facsimile No.: (510) 637–2074, E Mail: james.solomon@oak.doe.gov.

SUPPLEMENTARY INFORMATION: The solicitation document contains all the information relative to this action for prospective applicants. The solicitation is targeted for release on or about January 9, 1998. The actual work to be accomplished will be determined by the experiments and diagnostic techniques that are selected for award. Proposed experiments and diagnostic techniques will be evaluated through scientific peer review against predetermined, published and available criteria. Final selection will be made by the DOE. It is anticipated that multiple grants will be awarded within the available funding. The unique resources of the NLUF are available, on a no-fee basis, to scientists for state-of-the art experiments primarily in the area of inertial confinement fusion (ICF) and related plasma physics. Other areas such as spectroscopy of high ionized atoms, laboratory astrophysics, fundamental physics, materials science and biology and chemistry will be considered on a secondary basis.

The LLE was established in 1970 to investigate the interaction of high-power lasers with matter. Available at the LLE for NLUF researchers is the upgraded Omega Laser, a 30–40 kJ UV, 60-beam laser system (at 0.35 um) suitable for direct-drive ICF implosions and other experimental configurations. This system is suitable for a variety of experiments including laser-plasma interactions and atomic spectroscopy. The NLUF program for FY99 will support experiments that can be done with the Omega Laser at the University of Rochester and development of diagnostic techniques suitable for the Omega Laser system. Measurements of the laser coupling, laser-plasma interactions, core temperature, and core density are needed to determine the characteristics of target implosions. Diagnostic techniques could include either new instrumentation, development of analysis tools, or development of targets that are applicable for 30–40 kJ implosions. Additional technical information about the available facilities and potential collaboration at the NLUF can be