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This section of the FEDERAL REGISTER contains regulatory documents having general applicability and legal effect, most of which are keyed to and codified in the Code of Federal Regulations, which is published under 50 titles pursuant to 44 U.S.C. 1510.

The Code of Federal Regulations is sold by the Superintendent of Documents. Prices of new books are listed in the first FEDERAL REGISTER issue of each week.

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA–2007–28855; Directorate Identifier 2007–NM–098–AD; Amendment 39–15323; AD 2007–26–21]

RIN 2120–AA64

Airworthiness Directives; EMBRAER Model EMB–120, –120ER, –120FC, –120QC, and –120RT Airplanes

AGENCY: Federal Aviation Administration (FAA), Department of Transportation (DOT).

ACTION: Final rule.

SUMMARY: We are adopting a new airworthiness directive (AD) for the products listed above. This AD results from mandatory continuing airworthiness information (MCAI) originated by an aviation authority of another country to identify and correct an unsafe condition on an aviation product. The MCAI describes the unsafe condition as:

> Icing tunnel tests on an EMB–120 wing section, conducted under a joint Embraer–NASA (National Aeronautics and Space Administration)—FAA–CTA (Centro Técnico Aeroespacial) research program well after the EMB–120( ) was type-certificated, have shown that stick shaker to stick pusher speed margins may drop below the minimum required by the applicable regulations in certain icing conditions. Although flight tests have shown that the aircraft handling qualities are not adversely affected, these reduced speed margins may significantly increase crew workload in certain flight phases.

The unsafe condition is reduced ability of the flightcrew to maintain the safe flight and landing of the airplane. We are issuing this AD to require actions to correct the unsafe condition on these products.

DATES: This AD becomes effective February 20, 2008.

The Director of the Federal Register approved the incorporation by reference of certain publications listed in this AD as of February 20, 2008.

ADDRESSES: You may examine the AD docket on the Internet at *http://www.regulations.gov* or in person at the U.S. Department of Transportation, Docket Operations, M–30, West Building Ground Floor, Room W12–140, 1200 New Jersey Avenue, SE., Washington, DC.

FOR FURTHER INFORMATION CONTACT: Dan Rodina, Aerospace Engineer, International Branch, ANM–116, FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW., Renton, Washington 98057–3356; telephone (425) 227–2125; fax (425) 227–1149.

SUPPLEMENTARY INFORMATION:

Discussion

We issued a notice of proposed rulemaking (NPRM) to amend 14 CFR part 39 to include an AD that would apply to the specified products. That NPRM was published in the **Federal Register** on August 2, 2007 (72 FR 42328). That NPRM proposed to correct an unsafe condition for the specified products. The MCAI states:

> Icing tunnel tests on an EMB–120 wing section, conducted under a joint Embraer–NASA (National Aeronautics and Space Administration)—FAA–CTA (Centro Técnico Aeroespacial) research program well after the EMB–120( ) was type-certificated, have shown that stick shaker to stick pusher speed margins may drop below the minimum required by the applicable regulations in certain icing conditions. Although flight tests have shown that the aircraft handling qualities are not adversely affected, these reduced speed margins may significantly increase crew workload in certain flight phases.

The unsafe condition is reduced ability of the flightcrew to maintain the safe flight and landing of the airplane. The corrective action includes modification of certain electrical wiring and installation of a new Stall Warning Computer. You may obtain further information by examining the MCAI in the AD docket.

Comments

We gave the public the opportunity to participate in developing this AD. We considered the comments received.

Requests To Change Certain Language

The Air Line Pilots Association, International (ALPA) asks that the unsafe condition specified in paragraph (e) of the NPRM be clarified. ALPA states that ''clearly, the accident/incident history of this aircraft indicates that handling qualities are adversely affected under icing conditions.'' ALPA disagrees with EMBRAER on the statement that icing conditions do not adversely affect handling characteristics.

EMBRAER also asks that the language specified in paragraph (e) of the NPRM be clarified. EMBRAER suggests changing the language specified in paragraph (e) as follows: ''During icing tunnel research tests conducted by the FAA and NASA with the support of CTA (Centro Técnico Aeroespacial) and EMBRAER in the year 2000, new ice shapes were defined for testing on the Model EMB–120 airplane. These ice shapes are representative of icing (now defined as intercycle icing) that may accumulate in between consecutive boot cycles. Although flight testing of these new ice shapes indicated that they do not adversely affect the handling characteristics of the Brasilia, the testing did indicate that the stick shaker to stick pusher speed margins for the intercycle ice shapes may be reduced below the minimum standard values set forth in the applicable CTA and FAA Regulations. In order to preserve the original certification stick-shaker-to-stick-pusher margins when operating under the newly defined intercycle icing conditions, an upgraded Stall Warning Computer with new settings for shaker firing AOA is required to be installed.'' EMBRAER adds that during the flight tests no noticeable increase in crew work load was experienced.

We acknowledge the commenter's concerns. However, ALPA's comment addresses icing conditions in general; whereas EMBRAER's comment addresses stick-shaker-to-stick-pusher speed margins that may drop below the minimum required by the applicable regulations in certain icing conditions (defined as intercycle icing), which the MCAI identifies, in part, as the unsafe condition. Therefore, we have clarified the unsafe condition in paragraph (e) by reiterating the content of EMBRAER's comment.

Delay in Issuing AD

ALPA states that, while a 36-month compliance time appears to be reasonable, given the number of aircraft in the U.S. registry, ALPA is disappointed that it has taken almost ten years to implement such a requirement. ALPA notes that its submission to the National Transportation Safety Board following the conclusion of the 1997 aircraft accident investigation included a proposed safety recommendation that was almost identical to the changes being suggested in the subject document.

We understand the commenter's concern regarding a delay in issuing this AD. However, the FAA did issue AD 2001–13–14, amendment 39–12295 (66 FR 34083, June 27, 2001), and AD 2001–20–17, amendment 39–12465 (66 FR 52027, October 12, 2001). These ADs mitigated the subject unsafe condition.

Conclusion

We reviewed the available data, including the comments received, and determined that air safety and the public interest require adopting the AD with the change described previously. This change will neither increase the economic burden on any operator nor increase the scope of the AD.

Differences Between This AD and the MCAI or Service Information

We have reviewed the MCAI and related service information and, in general, agree with their substance. But we might have found it necessary to use different words from those in the MCAI to ensure the AD is clear for U.S. operators and is enforceable. In making these changes, we do not intend to differ substantively from the information provided in the MCAI and related service information.

We might also have required different actions in this AD from those in the MCAI in order to follow our FAA policies. Any such differences are highlighted in a NOTE within the AD.

Costs of Compliance

We estimate that this AD will affect about 107 products of U.S. registry. We also estimate that it will take about 58 work-hours per product to comply with the basic requirements of this AD. The average labor rate is $80 per work-hour. Required parts will cost up to $2,000 per product, depending on airplane configuration. Where the service information lists required parts costs that are covered under warranty, we have assumed that there will be no charge for these costs. As we do not control warranty coverage for affected parties, some parties may incur costs higher than estimated here. Based on these figures, we estimate the cost of the AD on U.S. operators to be up to $710,480, or $6,640 per product.

Authority for This Rulemaking

Title 49 of the United States Code specifies the FAA's authority to issue rules on aviation safety. Subtitle I, section 106, describes the authority of the FAA Administrator. ''Subtitle VII: Aviation Programs,'' describes in more detail the scope of the Agency's authority.

We are issuing this rulemaking under the authority described in ''Subtitle VII, Part A, Subpart III, Section 44701: General requirements.'' Under that section, Congress charges the FAA with promoting safe flight of civil aircraft in air commerce by prescribing regulations for practices, methods, and procedures the Administrator finds necessary for safety in air commerce. This regulation is within the scope of that authority because it addresses an unsafe condition that is likely to exist or develop on products identified in this rulemaking action.

Regulatory Findings

We determined that this AD will not have federalism implications under Executive Order 13132. This AD will not have a substantial direct effect on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government.

For the reasons discussed above, I certify this AD:

1. Is not a ''significant regulatory action'' under Executive Order 12866;

2. Is not a ''significant rule'' under the DOT Regulatory Policies and Procedures (44 FR 11034, February 26, 1979); and

3. Will not have a significant economic impact, positive or negative, on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

We prepared a regulatory evaluation of the estimated costs to comply with this AD and placed it in the AD docket.

Examining the AD Docket

You may examine the AD docket on the Internet at *http://www.regulations.gov;* or in person at the Docket Operations office between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The AD docket contains the NPRM, the regulatory evaluation, any comments received, and other information. The street address for the Docket Operations office (telephone (800) 647–5527) is in the **ADDRESSES** section. Comments will be available in the AD docket shortly after receipt.

List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Incorporation by reference, Safety.

Adoption of the Amendment

■ Accordingly, under the authority delegated to me by the Administrator, the FAA amends 14 CFR part 39 as follows:

PART 39—AIRWORTHINESS DIRECTIVES

■ 1. The authority citation for part 39 continues to read as follows:

Authority: 49 U.S.C. 106(g), 40113, 44701.

§ 39.13 [Amended]

■ 2. The FAA amends § 39.13 by adding the following new AD:

2007–26–21 Empresa Brasileira de Aeronautica S.A. (EMBRAER): Amendment 39–15323. Docket No. FAA–2007–28855; Directorate Identifier 2007–NM–098–AD.

Effective Date

(a) This airworthiness directive (AD) becomes effective February 20, 2008.

Affected ADs

(b) None.

Applicability

(c) This AD applies to all EMBRAER Model EMB–120, –120ER, –120FC, –120QC, and –120RT airplanes; certificated in any category.

Subject

(d) Air Transport Association (ATA) of America Code 27: Flight controls.

Reason

(e) The mandatory continuing airworthiness information (MCAI) states:

Icing tunnel tests on an EMB–120 wing section, conducted under a joint Embraer-NASA (National Aeronautics and Space Administration)—FAA–CTA (Centro Técnico Aeroespacial) research program well after the EMB–120( ) was type-certificated, have shown that stick shaker to stick pusher speed margins may drop below the minimum required by the applicable regulations in certain icing conditions. Although flight tests have shown that the aircraft handling qualities are not adversely affected, these reduced speed margins may significantly increase crew workload in certain flight phases.

During icing tunnel research tests conducted by the FAA and NASA in the year 2000, with the support of CTA (Centro Técnico Aeroespacial) and EMBRAER, new ice shapes were defined for testing on the Model EMB–120 airplane. These ice shapes are representative of icing (now defined as intercycle icing) that may accumulate in between consecutive boot cycles. Although

flight testing of these new ice shapes indicated that they do not adversely affect the handling characteristics of the Brasilia, the testing did indicate that the stick-shaker-to-stick-pusher speed margins for the intercycle ice shapes may be reduced below the minimum standard values set forth in the applicable CTA and FAA Regulations. In order to preserve the original certification stick-shaker-to-stick-pusher margins when operating under the newly defined intercycle icing conditions, an upgraded Stall Warning Computer with new settings for shaker firing angle-of-attack (AOA) is required to be installed. The unsafe condition is reduced ability of the flightcrew to maintain the safe flight and landing of the airplane. The corrective action includes modification of certain electrical wiring and installation of a new Stall Warning Computer.

Actions and Compliance

(f) Within 36 months after the effective date of this AD, unless already done, do the following actions.

(1) Replace the current Stall Warning Computers with new improved ones in accordance with detailed instructions and procedures described in the EMBRAER Service Bulletin 120–27–0092, Revision 01, dated December 29, 2006.

(2) Before installing the improved Stall Warning Computers, accomplish the detailed instructions and procedures described in the EMBRAER Service Bulletin 120–27–0091, Change 02, dated September 29, 2003.

(3) As of 36 months after the effective date of this AD, no person may install a Stall Warning Computer; part number C–81806–1 or –2, Mod. A, or C–81806–3, on any airplane.

FAA AD Differences

Note: This AD differs from the MCAI and/or service information as follows: No differences.

Other FAA AD Provisions

(g) The following provisions also apply to this AD:

(1) *Alternative Methods of Compliance (AMOCs):* The Manager, International Branch, ANM–116, FAA, has the authority to approve AMOCs for this AD, if requested using the procedures found in 14 CFR 39.19. Send information to ATTN: Dan Rodina, Aerospace Engineer, International Branch, ANM–116, FAA, Transport Airplane Directorate, 1601 Lind Avenue SW., Renton, Washington 98057–3356; telephone (425) 227–2125; fax (425) 227–1149. Before using any approved AMOC on any airplane to which the AMOC applies, notify your appropriate principal inspector (PI) in the FAA Flight Standards District Office (FSDO), or lacking a PI, your local FSDO.

(2) *Airworthy Product:* For any requirement in this AD to obtain corrective actions from a manufacturer or other source, use these actions if they are FAA-approved. Corrective actions are considered FAA-approved if they are approved by the State of Design Authority (or their delegated agent). You are required to assure the product is airworthy before it is returned to service.

(3) *Reporting Requirements:* For any reporting requirement in this AD, under the provisions of the Paperwork Reduction Act, the Office of Management and Budget (OMB) has approved the information collection requirements and has assigned OMB Control Number 2120–0056.

Related Information

(h) Refer to MCAI Brazilian Airworthiness Directive 2007–03–03, effective April 10, 2007; and EMBRAER Service Bulletins 120–27–0091, Change 02, dated September 29, 2003; and 120–27–0092, Revision 01, dated December 29, 2006; for related information.

Material Incorporated by Reference

(i) You must use EMBRAER Service Bulletin 120–27–0091, Change 02, dated September 29, 2003; or EMBRAER Service Bulletin 120–27–0092, Revision 01, dated December 29, 2006; as applicable; to do the actions required by this AD, unless the AD specifies otherwise. EMBRAER Service Bulletin 120–27–0091, Change 02, contains the following list of effective pages:

Page Nos.	Change level shown on page	Date shown on page
1, 2, 51, 58	02	September 29, 2003.
3–50, 52–57, 59–87	01	October 15, 2002.

(1) The Director of the Federal Register approved the incorporation by reference of this service information under 5 U.S.C. 552(a) and 1 CFR part 51.

(2) For service information identified in this AD, contact Empresa Brasileira de Aeronautica S.A. (EMBRAER), P.O. Box 343—CEP 12.225, Sao Jose dos Campos—SP, Brazil.

(3) You may review copies at the FAA, Transport Airplane Directorate, 1601 Lind Avenue SW., Renton, Washington; or at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call (202) 741–6030, or go to: *http://www.archives.gov/federal-register/cfr/ibr-locations.html.*

Issued in Renton, Washington, on December 21, 2007.

Ali Bahrami,

Manager, Transport Airplane Directorate, Aircraft Certification Service.

[FR Doc. E8–170 Filed 1–15–08; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA–2007–0171; Directorate Identifier 2007–NM–220–AD; Amendment 39–15330; AD 2008–01–05]

RIN 2120–AA64

Airworthiness Directives; Airbus Model A310 Series Airplanes

AGENCY: Federal Aviation Administration (FAA), Department of Transportation (DOT).

ACTION: Final rule.

SUMMARY: The FAA is superseding an existing airworthiness directive (AD), that applies to certain Airbus Model A310 series airplanes. That AD currently requires modification of certain wires in the right-hand (RH) wing. This new AD requires further modification by installing an additional protection sleeve and segregating route 2S in the RH pylon area. This AD results from analysis of wire routing that revealed that route 2S of the fuel electrical circuit, located in the RH wing, does not provide adequate separation of fuel quantity indication wires from wires carrying 115-volt alternating current (AC). We are issuing this AD to ensure that fuel quantity indication wires are properly separated from wires carrying 115-volt AC. Improper separation of such wires, in the event of wire damage, could lead to a short circuit and a possible ignition source, which could result in a fire in the airplane.

DATES: This AD becomes effective February 20, 2008.

The Director of the Federal Register approved the incorporation by reference of a certain publication listed in the AD as of February 20, 2008.

On September 3, 2004 (69 FR 45578, July 30, 2004), the Director of the Federal Register approved the incorporation by reference of Airbus Service Bulletin A310–28–2148, Revision 01, dated October 29, 2002.

ADDRESSES: For service information identified in this AD, contact Airbus, 1 Rond Point Maurice Bellonte, 31707 Blagnac Cedex, France.

Examining the AD Docket

You may examine the AD docket on the Internet at *http://www.regulations.gov;* or in person at the Docket Management Facility between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The AD docket contains this AD, the regulatory evaluation, any comments received, and other information. The address for the Docket Office (telephone 800–647–5527) is the Document Management Facility, U.S. Department of Transportation, Docket Operations, M–30, West Building Ground Floor, Room W12–140, 1200 New Jersey Avenue, SE., Washington, DC 20590.

FOR FURTHER INFORMATION CONTACT: Tom Stafford, Aerospace Engineer, International Branch, ANM–116, Transport Airplane Directorate, FAA, 1601 Lind Avenue, SW., Renton, Washington 98057–3356; telephone (425) 227–1622; fax (425) 227–1149.

SUPPLEMENTARY INFORMATION:

Discussion

The FAA issued a notice of proposed rulemaking (NPRM) to amend 14 CFR part 39 to include an AD that supersedes AD 2004–15–16, amendment 39–13750 (69 FR 45578, July 30, 2004). The existing AD applies to certain Airbus Model A310 series airplanes. That NPRM was published in the **Federal Register** on November 9, 2007 (72 FR 63506). That NPRM proposed to continue to require modification of certain wires in the right-hand (RH) wing. That NPRM also proposed to require further modification by installing an additional protection sleeve and segregating route 2S in the RH pylon area.

Comments

We provided the public the opportunity to participate in the development of this AD. No comments have been received on the NPRM or on the determination of the cost to the public.

Conclusion

We have carefully reviewed the available data and determined that air safety and the public interest require adopting the AD as proposed.

Costs of Compliance

The following table provides the estimated costs for U.S. operators to comply with this AD.

ESTIMATED COSTS

Action	Work hours	Average labor rate per hour	Parts	Cost per airplane	Number of U.S.-registered airplanes	Fleet cost
Modification (required by AD 2004–15–16)	35	$80	$4,459	$7,259	68	$493,612
Further Modification (new proposed action)	22	80	1,870	3,630	68	246,840

Authority for This Rulemaking

Title 49 of the United States Code specifies the FAA's authority to issue rules on aviation safety. Subtitle I, Section 106, describes the authority of the FAA Administrator. Subtitle VII, Aviation Programs, describes in more detail the scope of the Agency's authority.

We are issuing this rulemaking under the authority described in Subtitle VII, Part A, Subpart III, Section 44701, ''General requirements.'' Under that section, Congress charges the FAA with promoting safe flight of civil aircraft in air commerce by prescribing regulations for practices, methods, and procedures the Administrator finds necessary for safety in air commerce. This regulation is within the scope of that authority because it addresses an unsafe condition that is likely to exist or develop on products identified in this rulemaking action.

Regulatory Findings

We have determined that this AD will not have federalism implications under Executive Order 13132. This AD will not have a substantial direct effect on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government.

For the reasons discussed above, I certify that this AD:

(1) Is not a ''significant regulatory action'' under Executive Order 12866;

(2) Is not a ''significant rule'' under DOT Regulatory Policies and Procedures (44 FR 11034, February 26, 1979); and

(3) Will not have a significant economic impact, positive or negative, on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

We prepared a regulatory evaluation of the estimated costs to comply with this AD and placed it in the AD docket. See the **ADDRESSES** section for a location to examine the regulatory evaluation.

List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Incorporation by reference, Safety.

Adoption of the Amendment

■ Accordingly, under the authority delegated to me by the Administrator, the FAA amends 14 CFR part 39 as follows:

PART 39—AIRWORTHINESS DIRECTIVES

■ 1. The authority citation for part 39 continues to read as follows:

Authority: 49 U.S.C. 106(g), 40113, 44701.

§ 39.13 [Amended]

■ 2. The Federal Aviation Administration (FAA) amends § 39.13 by removing amendment 39–13750 (69 FR 45578, July 30, 2004) and by adding the following new airworthiness directive (AD):

2008–01–05 Airbus: Amendment 39–15330. Docket No. FAA–2007–0171; Directorate Identifier 2007–NM–220–AD.

Effective Date

(a) This AD becomes effective February 20, 2008.

Affected ADs

(b) This AD supersedes AD 2004–15–16.

Applicability

(c) This AD applies to Model A310 series airplanes, certificated in any category, all certified models, all serial numbers, except airplanes on which Airbus Service Bulletin A310–28–2148, Revision 02, dated March 9, 2007, has been done (Airbus Modifications 12427 and 12435).

Unsafe Condition

(d) This AD results from analysis of wire routing that revealed that route 2S of the fuel electrical circuit, located in the right-hand (RH) wing, does not provide adequate separation of fuel quantity indication wires from wires carrying 115-volt alternating current (AC). We are issuing this AD to ensure that fuel quantity indication wires are properly separated from wires carrying 115-volt AC. Improper separation of such wires,

in the event of wire damage, could lead to a short circuit and a possible ignition source, which could result in a fire in the airplane.

Compliance

(e) You are responsible for having the actions required by this AD performed within the compliance times specified, unless the actions have already been done.

Restatement of Requirements of AD 2004–15–16

Modification

(f) Within 4,000 flight hours after September 3, 2004 (the effective date of AD 2004–15–16): Modify the routing of wires in the RH wing by installing cable sleeves, per the Accomplishment Instructions of Airbus Service Bulletin A310–28–2148, Revision 01, dated October 29, 2002; or Revision 02, dated March 9, 2007. As of the effective date of this AD, Revision 02 must be used.

Actions Accomplished Previously

(g) Modification of the routing of wires accomplished before September 3, 2004, per Airbus Service Bulletin A310–28–2148, dated January 23, 2002, is acceptable for compliance with the corresponding requirements of paragraph (f) of this AD.

New Requirements of This AD

Modification (Additional Work)

(h) For airplanes on which the actions specified in Airbus Service Bulletin A310–28–2148, dated January 23, 2002; or Airbus Service Bulletin A310–28–2148, Revision 01, dated October 29, 2002; have been done before the effective date of this AD: Within 6,000 flight hours or 30 months after the effective date of this AD, whichever occurs first, perform further modification by installing additional protection sleeves in the outer wing area near the cadensicon sensor and segregating wire route 2S in the RH pylon area, in accordance with the Accomplishment Instructions of Airbus Service Bulletin A310–28–2148, Revision 02, dated March 9, 2007.

Alternative Methods of Compliance (AMOCs)

(i)(1) The Manager, International Branch, ANM–116, Transport Airplane Directorate, FAA, has the authority to approve AMOCs for this AD, if requested in accordance with the procedures found in 14 CFR 39.19.

(2) To request a different method of compliance or a different compliance time for this AD, follow the procedures in 14 CFR 39.19. Before using any approved AMOC on any airplane to which the AMOC applies, notify your appropriate principal inspector (PI) in the FAA Flight Standards District Office (FSDO), or lacking a PI, your local FSDO.

Related Information

(j) European Aviation Safety Agency airworthiness directive 2007–0230, dated August 15, 2007, also addresses the subject of this AD.

Material Incorporated by Reference

(k) You must use Airbus Service Bulletin A310–28–2148, Revision 01, dated October 29, 2002; or Airbus Service Bulletin A310–28–2148, Revision 02, dated March 9, 2007; as applicable, to perform the actions that are required by this AD, unless the AD specifies otherwise.

(1) The Director of the Federal Register approved the incorporation by reference of Airbus Service Bulletin A310–28–2148, Revision 02, dated March 9, 2007, in accordance with 5 U.S.C. 552(a) and 1 CFR part 51.

(2) On September 3, 2004 (69 FR 45578, July 30, 2004), the Director of the Federal Register approved the incorporation by reference of Airbus Service Bulletin A310–28–2148, Revision 01, dated October 29, 2002.

(3) Contact Airbus, 1 Rond Point Maurice Bellonte, 31707 Blagnac Cedex, France, for a copy of this service information. You may review copies at the FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW., Renton, Washington; or at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call 202–741–6030, or go to: *http://www.archives.gov/federal-register/cfr/ibr-locations.html*.

Issued in Renton, Washington, on January 3, 2008.

Ali Bahrami,

Manager, Transport Airplane Directorate, Aircraft Certification Service.

[FR Doc. E8–370 Filed 1–15–08; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA–2007–0129; Directorate Identifier 2007–NM–099–AD; Amendment 39–15331; AD 2008–02–01]

RIN 2120–AA64

Airworthiness Directives; EMBRAER Model EMB–135BJ Airplanes

AGENCY: Federal Aviation Administration (FAA), Department of Transportation (DOT).

ACTION: Final rule.

SUMMARY: We are adopting a new airworthiness directive (AD) for the products listed above. This AD results from mandatory continuing airworthiness information (MCAI) originated by an aviation authority of another country to identify and correct an unsafe condition on an aviation product. The MCAI describes the unsafe condition as:

It has been found that some adhesive tapes used in the interior furnishings do not comply with the applicable flammability requirements. In case of some nearby ignition source, fire may propagate to the aircraft.

We are issuing this AD to require actions to correct the unsafe condition on these products.

DATES: This AD becomes effective February 20, 2008.

The Director of the Federal Register approved the incorporation by reference of a certain publication listed in this AD as of February 20, 2008.

ADDRESSES: You may examine the AD docket on the Internet at *http://www.regulations.gov* or in person at the U.S. Department of Transportation, Docket Operations, M–30, West Building Ground Floor, Room W12–140, 1200 New Jersey Avenue, SE., Washington, DC.

FOR FURTHER INFORMATION CONTACT: Todd Thompson, Aerospace Engineer, International Branch, ANM–116, FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW., Renton, Washington 98057–3356; telephone (425) 227–1175; fax (425) 227–1149.

SUPPLEMENTARY INFORMATION:

Discussion

We issued a notice of proposed rulemaking (NPRM) to amend 14 CFR part 39 to include an AD that would apply to the specified products. That NPRM was published in the **Federal Register** on November 1, 2007 (72 FR 61822). That NPRM proposed to correct an unsafe condition for the specified products. The MCAI states:

It has been found that some adhesive tapes used in the interior furnishings do not comply with the applicable flammability requirements. In case of some nearby ignition source, fire may propagate to the aircraft.

The corrective actions include an inspection to determine the presence of cotton adhesive tape, and replacement of the tape with new tape if necessary. You may obtain further information by examining the MCAI in the AD docket.

Comments

We gave the public the opportunity to participate in developing this AD. We received no comments on the NPRM or on the determination of the cost to the public.

Conclusion

We reviewed the available data and determined that air safety and the public interest require adopting the AD as proposed.

Differences Between This AD and the MCAI or Service Information

We have reviewed the MCAI and related service information and, in general, agree with their substance. But we might have found it necessary to use different words from those in the MCAI

to ensure the AD is clear for U.S. operators and is enforceable. In making these changes, we do not intend to differ substantively from the information provided in the MCAI and related service information.

We might also have required different actions in this AD from those in the MCAI in order to follow our FAA policies. Any such differences are highlighted in a NOTE within the AD.

Costs of Compliance

We estimate that this AD will affect about 41 products of U.S. registry. We also estimate that it will take about 2 work-hours per product to comply with the basic requirements of this AD. The average labor rate is $80 per work-hour. Based on these figures, we estimate the cost of this AD to the U.S. operators to be $6,560, or $160 per product.

Authority for This Rulemaking

Title 49 of the United States Code specifies the FAA's authority to issue rules on aviation safety. Subtitle I, section 106, describes the authority of the FAA Administrator. ''Subtitle VII: Aviation Programs,'' describes in more detail the scope of the Agency's authority.

We are issuing this rulemaking under the authority described in ''Subtitle VII, Part A, Subpart III, Section 44701: General requirements.'' Under that section, Congress charges the FAA with promoting safe flight of civil aircraft in air commerce by prescribing regulations for practices, methods, and procedures the Administrator finds necessary for safety in air commerce. This regulation is within the scope of that authority because it addresses an unsafe condition that is likely to exist or develop on products identified in this rulemaking action.

Regulatory Findings

We determined that this AD will not have federalism implications under Executive Order 13132. This AD will not have a substantial direct effect on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government.

For the reasons discussed above, I certify this AD:

1. Is not a ''significant regulatory action'' under Executive Order 12866;

2. Is not a ''significant rule'' under the DOT Regulatory Policies and Procedures (44 FR 11034, February 26, 1979); and

3. Will not have a significant economic impact, positive or negative, on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

We prepared a regulatory evaluation of the estimated costs to comply with this AD and placed it in the AD docket.

Examining the AD Docket

You may examine the AD docket on the Internet at *http://www.regulations.gov;* or in person at the Docket Operations office between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The AD docket contains the NPRM, the regulatory evaluation, any comments received, and other information. The street address for the Docket Operations office (telephone (800) 647–5527) is in the **ADDRESSES** section. Comments will be available in the AD docket shortly after receipt.

List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Incorporation by reference, Safety.

Adoption of the Amendment

■ Accordingly, under the authority delegated to me by the Administrator, the FAA amends 14 CFR part 39 as follows:

PART 39—AIRWORTHINESS DIRECTIVES

■ 1. The authority citation for part 39 continues to read as follows:

Authority: 49 U.S.C. 106(g), 40113, 44701.

§ 39.13 [Amended]

■ 2. The FAA amends § 39.13 by adding the following new AD:

2008–02–01 Empresa Brasileira De Aeronautica S.A. (EMBRAER): Amendment 39–15331. Docket No. FAA–2007–0129; Directorate Identifier 2007–NM–099–AD.

Effective Date

(a) This airworthiness directive (AD) becomes effective February 20, 2008.

Affected ADs

(b) None.

Applicability

(c) This AD applies to EMBRAER Model EMB–135BJ airplanes, certificated in any category, as identified in EMBRAER Service Bulletin 145LEG–25–0080, dated October 10, 2006.

Subject

(d) Air Transport Association (ATA) of America Code 25: Equipment/Furnishings.

Reason

(e) The mandatory continuing airworthiness information (MCAI) states:

It has been found that some adhesive tapes used in the interior furnishings do not comply with the applicable flammability requirements. In case of some nearby ignition source, fire may propagate to the aircraft.

The corrective actions include an inspection to determine the presence of cotton adhesive tape, and replacement of the tape with new tape if necessary.

Actions and Compliance

(f) Within 48 months or 5,000 flight hours after the effective date of this AD, whichever occurs first, unless already done: Carry out a general visual inspection (GVI) for presence of cotton adhesive tape, part number (P/N) FMM 1121–5, in the interior of center-passenger cabin furnishings, in accordance with the Accomplishment Instructions of EMBRAER Service Bulletin 145LEG–25–0080, dated October 10, 2006. If any cotton tape, P/N FMM 1121–5, is found, before further flight, replace it with new PVF adhesive tape bearing P/N KB42/75, as specified in paragraphs (f)(1) and (f)(2) of this AD.

(1) Replace cotton adhesive tapes, P/N FMM 1121–5, located under the center-passenger cabin carpet, with new PVF adhesive tapes bearing P/N KB42/75, in accordance with the Accomplishment Instructions of the service bulletin.

(2) Replace cotton adhesive tapes, P/N FMM 1121–5, applied to electrical cables in the bottom of the forward galley assembly, to electrical cables and inside the left-hand (LH) and right-hand (RH) forward and LH aft side ledges, and to electrical cables, flexible hose of the video monitor, soundproofing blanket, and in the LH and RH forward and RH aft pocket door covers and partitions, with new PVF adhesive tapes bearing P/N KB42/75 with heat-shrinkable sleeve, P/N RNF–100–1–0, in accordance with the Accomplishment Instructions of the service bulletin.

Note 1: For the purpose of this AD, a general visual inspection (GVI) is: ''A visual examination of the interior or exterior area of an installation or assembly to detect obvious damage, failure or irregularity. This level of inspection is made from within touching distance, unless otherwise specified. A mirror may be necessary to enhance visual access to all exposed surfaces in the inspection area. This level of inspection is made under normally available lighting conditions such as daylight, hangar lighting, flashlight or drop-light, and may require removal or opening of access panels or doors. Stands, ladders or platforms may be required to gain proximity to the area being checked.''

FAA AD Differences

Note 2: This AD differs from the MCAI and/or service information as follows: No differences.

Other FAA AD Provisions

(g) The following provisions also apply to this AD:

(1) *Alternative Methods of Compliance (AMOCs):* The Manager, International Branch, ANM–116, Transport Airplane Directorate, FAA, has the authority to approve AMOCs for this AD, if requested using the procedures found in 14 CFR 39.19. Send information to ATTN: Todd Thompson, Aerospace Engineer, International Branch,

ANM–116, FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW., Renton, Washington 98057–3356; telephone (425) 227–1175; fax (425) 227–1149. Before using any approved AMOC on any airplane to which the AMOC applies, notify your appropriate principal inspector (PI) in the FAA Flight Standards District Office (FSDO), or lacking a PI, your local FSDO.

(2) *Airworthy Product:* For any requirement in this AD to obtain corrective actions from a manufacturer or other source, use these actions if they are FAA-approved. Corrective actions are considered FAA-approved if they are approved by the State of Design Authority (or their delegated agent). You are required to assure the product is airworthy before it is returned to service.

(3) *Reporting Requirements:* For any reporting requirement in this AD, under the provisions of the Paperwork Reduction Act, the Office of Management and Budget (OMB) has approved the information collection requirements and has assigned OMB Control Number 2120–0056.

Related Information

(h) Refer to MCAI Brazilian Airworthiness Directive 2007–03–04, effective April 10, 2007, and EMBRAER Service Bulletin 145LEG–25–0080, dated October 10, 2006, for related information.

Material Incorporated by Reference

(i) You must use EMBRAER Service Bulletin 145LEG–25–0080, dated October 10, 2006, to do the actions required by this AD, unless the AD specifies otherwise.

(1) The Director of the Federal Register approved the incorporation by reference of this service information under 5 U.S.C. 552(a) and 1 CFR part 51.

(2) For service information identified in this AD, contact Empresa Brasileira de Aeronautica S.A. (EMBRAER), P.O. Box 343—CEP 12.225, Sao Jose dos Campos—SP, Brazil.

(3) You may review copies at the FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW., Renton, Washington; or at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call (202) 741–6030, or go to: *http://www.archives.gov/federal-register/cfr/ibr-locations.html.*

Issued in Renton, Washington, on January 4, 2008.

Ali Bahrami,

Manager, Transport Airplane Directorate, Aircraft Certification Service.

[FR Doc. E8–470 Filed 1–15–08; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA–2007–0082; Directorate Identifier 2007–NM–219–AD; Amendment 39–15332; AD 2008–02–02]

RIN 2120–AA64

Airworthiness Directives; Empresa Brasileira de Aeronautica S.A. (EMBRAER) Model ERJ 170 and ERJ 190 Airplanes

AGENCY: Federal Aviation Administration (FAA), Department of Transportation (DOT).

ACTION: Final rule.

SUMMARY: We are adopting a new airworthiness directive (AD) for the products listed above. This AD results from mandatory continuing airworthiness information (MCAI) originated by an aviation authority of another country to identify and correct an unsafe condition on an aviation product. The MCAI describes the unsafe condition as:

It has been found that the implementation of the Inertial Reference Units (IRU) on the ERJ–170 [and ERJ–190] may lead, in certain degraded modes, to an erroneous Flight Path Angle (FPA) indication on both Primary Flight Displays, with no alert to the flight crew. On the ERJ–170 [and ERJ–190], FPA is considered as important as pitch and bank angle for piloting purposes.

The unsafe condition is reduced ability of the flightcrew to control the flight path of the airplane. We are issuing this AD to require actions to correct the unsafe condition on these products.

DATES: This AD becomes effective February 20, 2008.

The Director of the Federal Register approved the incorporation by reference of certain publications listed in this AD as of February 20, 2008.

ADDRESSES: You may examine the AD docket on the Internet at *http://www.regulations.gov* or in person at the U.S. Department of Transportation, Docket Operations, M–30, West Building Ground Floor, Room W12–140, 1200 New Jersey Avenue, SE., Washington, DC.

FOR FURTHER INFORMATION CONTACT: Sanjay Ralhan, Aerospace Engineer, International Branch, ANM–116, Transport Airplane Directorate, FAA, 1601 Lind Avenue, SW., Renton, Washington 98057–3356; telephone (425) 227–1405; fax (425) 227–1149.

SUPPLEMENTARY INFORMATION:

Discussion

We issued a notice of proposed rulemaking (NPRM) to amend 14 CFR part 39 to include an AD that would apply to the specified products. That NPRM was published in the **Federal Register** on October 25, 2007 (72 FR 60599). That NPRM proposed to correct an unsafe condition for the specified products. The MCAI states:

It has been found that the implementation of the Inertial Reference Units (IRU) on the ERJ–170 [and ERJ–190] may lead, in certain degraded modes, to an erroneous Flight Path Angle (FPA) indication on both Primary Flight Displays, with no alert to the flight crew. On the ERJ–170 [and ERJ–190], FPA is considered as important as pitch and bank angle for piloting purposes.

The unsafe condition is reduced ability of the flightcrew to control the flight path of the airplane. The corrective action is removal of certain wiring connections in the electrical connectors of both IRUs. You may obtain further information by examining the MCAI in the AD docket.

Comments

We gave the public the opportunity to participate in developing this AD. We received no comments on the NPRM or on the determination of the cost to the public.

Revision to Final Rule for New Service Information

EMBRAER has issued a revision to a service bulletin identified in the NPRM as an appropriate source of service information for the AD. EMBRAER Service Bulletin 190–34–0009, Revision 01, dated October 9, 2007, incorporates an existing information notice that revises the wiring manual reference, and adds a serial number to the effectivity of the in-production airplanes that have an equivalent modification. We have changed paragraphs (c) and (f) of this AD accordingly, and added a statement in paragraph (f) giving credit for work performed in accordance with the original version of the service bulletin.

Conclusion

We reviewed the available data and determined that air safety and the public interest require adopting the AD with the changes described previously. We determined that these changes will not increase the economic burden on any operator or increase the scope of the AD.

Differences Between This AD and the MCAI or Service Information

We have reviewed the MCAI and related service information and, in general, agree with their substance. But

we might have found it necessary to use different words from those in the MCAI to ensure the AD is clear for U.S. operators and is enforceable. In making these changes, we do not intend to differ substantively from the information provided in the MCAI and related service information.

We might also have required different actions in this AD from those in the MCAI in order to follow our FAA policies. Any such differences are highlighted in a NOTE within the AD.

Costs of Compliance

We estimate that this AD will affect about 108 products of U.S. registry. We also estimate that it will take about 6 work-hours per product to comply with the basic requirements of this AD. The average labor rate is $80 per work-hour. Required parts will cost about $62 per product. Where the service information lists required parts costs that are covered under warranty, we have assumed that there will be no charge for these parts. As we do not control warranty coverage for affected parties, some parties may incur costs higher than estimated here. Based on these figures, we estimate the cost of this AD to the U.S. operators to be $58,536, or $542 per product.

Authority for This Rulemaking

Title 49 of the United States Code specifies the FAA's authority to issue rules on aviation safety. Subtitle I, section 106, describes the authority of the FAA Administrator. ''Subtitle VII: Aviation Programs,'' describes in more detail the scope of the Agency's authority.

We are issuing this rulemaking under the authority described in ''Subtitle VII, Part A, Subpart III, Section 44701: General requirements.'' Under that section, Congress charges the FAA with promoting safe flight of civil aircraft in air commerce by prescribing regulations for practices, methods, and procedures the Administrator finds necessary for safety in air commerce. This regulation is within the scope of that authority because it addresses an unsafe condition that is likely to exist or develop on products identified in this rulemaking action.

Regulatory Findings

We determined that this AD will not have federalism implications under Executive Order 13132. This AD will not have a substantial direct effect on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government.

For the reasons discussed above, I certify this AD:

1. Is not a ''significant regulatory action'' under Executive Order 12866;

2. Is not a ''significant rule'' under the DOT Regulatory Policies and Procedures (44 FR 11034, February 26, 1979); and

3. Will not have a significant economic impact, positive or negative, on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

We prepared a regulatory evaluation of the estimated costs to comply with this AD and placed it in the AD docket.

Examining the AD Docket

You may examine the AD docket on the Internet at *http://www.regulations.gov;* or in person at the Docket Operations office between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The AD docket contains the NPRM, the regulatory evaluation, any comments received, and other information. The street address for the Docket Operations office (telephone (800) 647–5527) is in the **ADDRESSES** section. Comments will be available in the AD docket shortly after receipt.

List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Incorporation by reference, Safety.

Adoption of the Amendment

■ Accordingly, under the authority delegated to me by the Administrator, the FAA amends 14 CFR part 39 as follows:

PART 39—AIRWORTHINESS DIRECTIVES

■ 1. The authority citation for part 39 continues to read as follows:

Authority: 49 U.S.C. 106(g), 40113, 44701.

§ 39.13 [Amended]

■ 2. The FAA amends § 39.13 by adding the following new AD:

2008–02–02 Empresa Brasileira de Aeronautica S.A. (EMBRAER): Amendment 39–15332. Docket No. FAA–2007–0082; Directorate Identifier 2007–NM–219–AD.

Effective Date

(a) This airworthiness directive (AD) becomes effective February 20, 2008.

Affected ADs

(b) None.

Applicability

(c) This AD applies to EMBRAER Model ERJ 170–100 LR, –100 STD, –100 SE, –100 SU, –200 LR, –200 STD, and –200 SU airplanes, certificated in any category, as identified in EMBRAER Service Bulletin 170–34–0019, dated February 26, 2007; and Model ERJ 190–100 STD, –100 LR, –100 IGW, –200 STD, –200 LR, and –200 IGW airplanes; certificated in any category, as identified in EMBRAER Service Bulletin 190–34–0009, Revision 01, dated October 9, 2007.

Subject

(d) Air Transport Association (ATA) of America Code 34: Navigation.

Reason

(e) The mandatory continuing airworthiness information (MCAI) states:

It has been found that the implementation of the Inertial Reference Units (IRU) on the ERJ–170 [and ERJ–190] may lead, in certain degraded modes, to an erroneous Flight Path Angle (FPA) indication on both Primary Flight Displays, with no alert to the flight crew. On the ERJ–170 [and ERJ–190], FPA is considered as important as pitch and bank angle for piloting purposes.

The unsafe condition is reduced ability of the flightcrew to control the flight path of the airplane. The corrective action is removal of certain wiring connections in the electrical connectors of both IRUs.

Actions and Compliance

(f) Within 18 months after the effective date of this AD, unless already done, remove the wiring connections from pins 51 and 52 in the electrical connectors of both IRUs, in accordance with the Accomplishment Instructions of EMBRAER Service Bulletin 170–34–0019, dated February 26, 2007; or 190–34–0009, Revision 01, dated October 9, 2007; as applicable. Actions done before the effective date of this AD in accordance with EMBRAER Service Bulletin 190–34–0009, dated February 26, 2007, are considered acceptable for compliance with the requirements of this AD.

FAA AD Differences

Note: This AD differs from the MCAI and/or service information as follows:

No differences.

Other FAA AD Provisions

(g) The following provisions also apply to this AD:

(1) Alternative Methods of Compliance (AMOCs): The Manager, International Branch, ANM–116, Transport Airplane Directorate, FAA, has the authority to approve AMOCs for this AD, if requested using the procedures found in 14 CFR 39.19. Send information to ATTN: Sanjay Ralhan, Aerospace Engineer, International Branch, ANM–116, Transport Airplane Directorate, FAA, 1601 Lind Avenue, SW., Renton, Washington 98057–3356; telephone (425) 227–1405; fax (425) 227–1149. Before using any approved AMOC on any airplane to which the AMOC applies, notify your appropriate principal inspector (PI) in the FAA Flight Standards District Office (FSDO), or lacking a PI, your local FSDO.

(2) Airworthy Product: For any requirement in this AD to obtain corrective actions from a manufacturer or other source, use these actions if they are FAA-approved. Corrective actions are considered FAA-approved if they are approved by the State

of Design Authority (or their delegated agent). You are required to assure the product is airworthy before it is returned to service.

(3) Reporting Requirements: For any reporting requirement in this AD, under the provisions of the Paperwork Reduction Act, the Office of Management and Budget (OMB) has approved the information collection requirements and has assigned OMB Control Number 2120–0056.

Related Information

(h) Refer to MCAI Brazilian Airworthiness Directives 2007–08–03 and 2007–08–04, both effective August 27, 2007, and to EMBRAER Service Bulletins 170–34–0019, dated February 26, 2007; and 190–34–0009, Revision 01, dated October 9, 2007; for related information.

Material Incorporated by Reference

(i) You must use the service information specified in Table 1 of this AD to do the actions required by this AD, unless the AD specifies otherwise.

(1) The Director of the Federal Register approved the incorporation by reference of this service information under 5 U.S.C. 552(a) and 1 CFR part 51.

(2) For service information identified in this AD, contact Empresa Brasileira de Aeronautica S.A. (EMBRAER), P.O. Box 343–CEP 12.225, Sao Jose dos Campos–SP, Brazil.

(3) You may review copies at the FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW., Renton, Washington; or at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call (202) 741–6030, or go to: *http://www.archives.gov/federal-register/cfr/ibr-locations.html.*

TABLE 1.—MATERIAL INCORPORATED BY REFERENCE

EMBRAER Service Bulletin	Revision level	Date
170–34–0019	Original	February 26, 2007.
190–34–0009	01	October 9, 2007.

Issued in Renton, Washington, on January 4, 2008.

Ali Bahrami,

Manager, Transport Airplane Directorate, Aircraft Certification Service.

[FR Doc. E8–469 Filed 1–13–08; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA–2007–0116 Directorate Identifier 2007–CE–082–AD; Amendment 39–15333; AD 2008–02–03]

RIN 2120–AA64

Airworthiness Directives; Pilatus Aircraft Limited Model PC–12, PC–12/45, and PC–12/47 Airplanes

AGENCY: Federal Aviation Administration (FAA), Department of Transportation (DOT).

ACTION: Final rule.

SUMMARY: We are adopting a new airworthiness directive (AD) for the products listed above. This AD results from mandatory continuing airworthiness information (MCAI) issued by an aviation authority of another country to identify and correct an unsafe condition on an aviation product. The MCAI describes the unsafe condition as:

It has been found that some of the above mentioned MLG special bolts can be defective. The problem is only applicable to specific bolts with serial numbers that start with the letters AT or have the supplier code AT. Investigations revealed that there is a possibility for hydrogen embrittlement which occurs during the manufacture process. Components in this condition can decrease the specific fatigue life and could lead to MLG collapse during operation with consequent loss of airplane control.

We are issuing this AD to require actions to correct the unsafe condition on these products.

DATES: This AD becomes effective February 20, 2008.

On February 20, 2008, the Director of the Federal Register approved the incorporation by reference of certain publications listed in this AD.

ADDRESSES: You may examine the AD docket on the Internet at *http://www.regulations.gov* or in person at Document Management Facility, U.S. Department of Transportation, Docket Operations, M–30, West Building Ground Floor, Room W12–140, 1200 New Jersey Avenue, SE., Washington, DC 20590.

FOR FURTHER INFORMATION CONTACT: Doug Rudolph, Aerospace Engineer, FAA, Small Airplane Directorate, 901 Locust, Room 301, Kansas City, Missouri 64106; telephone: (816) 329–4059; fax: (816) 329–4090.

SUPPLEMENTARY INFORMATION:

Discussion

We issued a notice of proposed rulemaking (NPRM) to amend 14 CFR part 39 to include an AD that would apply to the specified products. That NPRM was published in the **Federal Register** on October 31, 2007 (72 FR 61580). That NPRM proposed to correct an unsafe condition for the specified products. The MCAI states:

It has been found that some of the above mentioned MLG special bolts can be defective. The problem is only applicable to specific bolts with serial numbers that start with the letters AT or have the supplier code AT. Investigations revealed that there is a possibility for hydrogen embrittlement which occurs during the manufacture process.

Components in this condition can decrease the specific fatigue life and could lead to MLG collapse during operation with consequent loss of airplane control.

In order to correct the situation, this AD requires the identification of all MLG special bolts to determine if the bolts have serial numbers that start with the letters AT or have the supplier code AT and the replacement of affected special bolts.

Comments

We gave the public the opportunity to participate in developing this AD. We considered the comment received.

Comment Issue: Revision of Service Bulletin No. 32–020

PILATUS AIRCRAFT LTD. comments they have revised the applicable service information, and the latest version is PILATUS AIRCRAFT LTD. Service Bulletin No. 32–020, Rev. No. 1, dated November 22, 2007. They request we incorporate the revised version of the service bulletin into our AD.

We agree that we should incorporate the revised version of the service bulletin into our AD. We have discussed the revised service bulletin with the Federal Office of Civil Aviation (FOCA), which is the aviation authority for Switzerland, and they also agree we should incorporate the revised version of the service bulletin into our AD.

We will change the final rule AD action to incorporate PILATUS AIRCRAFT LTD. Service Bulletin No. 32–020, Rev. No. 1, dated November 22, 2007.

Conclusion

We reviewed the available data, including the comment received, and determined that air safety and the public interest require adopting the AD

with the changes described previously. We determined that these changes will not increase the economic burden on any operator or increase the scope of the AD.

Differences Between This AD and the MCAI or Service Information

We have reviewed the MCAI and related service information and, in general, agree with their substance. But we might have found it necessary to use different words from those in the MCAI to ensure the AD is clear for U.S. operators and is enforceable. In making these changes, we do not intend to differ substantively from the information provided in the MCAI and related service information.

We might also have required different actions in this AD from those in the MCAI in order to follow FAA policies. Any such differences are highlighted in a NOTE within the AD.

Costs of Compliance

We estimate that this AD will affect 480 products of U.S. registry. We also estimate that it will take about .5 work-hour per product to comply with basic requirements of this AD. The average labor rate is $80 per work-hour.

Based on these figures, we estimate the cost of this AD to the U.S. operators to be $19,200, or $40 per product.

In addition, we estimate that any necessary follow-on actions would take about 4 work-hours and require parts costing $2,300, for a cost of $2,620 per product. We have no way of determining the number of products that may need these actions.

Authority for This Rulemaking

Title 49 of the United States Code specifies the FAA's authority to issue rules on aviation safety. Subtitle I, section 106, describes the authority of the FAA Administrator. ''Subtitle VII: Aviation Programs,'' describes in more detail the scope of the Agency's authority.

We are issuing this rulemaking under the authority described in ''Subtitle VII, Part A, Subpart III, Section 44701: General requirements.'' Under that section, Congress charges the FAA with promoting safe flight of civil aircraft in air commerce by prescribing regulations for practices, methods, and procedures the Administrator finds necessary for safety in air commerce. This regulation is within the scope of that authority because it addresses an unsafe condition that is likely to exist or develop on products identified in this rulemaking action.

Regulatory Findings

We determined that this AD will not have federalism implications under Executive Order 13132. This AD will not have a substantial direct effect on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government.

For the reasons discussed above, I certify this AD:

(1) Is not a ''significant regulatory action'' under Executive Order 12866;

(2) Is not a ''significant rule'' under DOT Regulatory Policies and Procedures (44 FR 11034, February 26, 1979); and

(3) Will not have a significant economic impact, positive or negative, on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

We prepared a regulatory evaluation of the estimated costs to comply with this AD and placed it in the AD Docket.

Examining the AD Docket

You may examine the AD docket on the Internet at *http://www.regulations.gov*; or in person at the Docket Management Facility between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The AD docket contains the NPRM, the regulatory evaluation, any comments received, and other information. The street address for the Docket Office (telephone (800) 647–5527) is in the **ADDRESSES** section. Comments will be available in the AD docket shortly after receipt.

List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Incorporation by reference.

Adoption of the Amendment

■ Accordingly, under the authority delegated to me by the Administrator, the FAA amends 14 CFR part 39 as follows:

PART 39—AIRWORTHINESS DIRECTIVES

■ 1. The authority citation for part 39 continues to read as follows:

Authority: 49 U.S.C. 106(g), 40113, 44701.

§ 39.13 [Amended]

■ 2. The FAA amends § 39.13 by adding the following new AD:

2008–02–03 Pilatus Aircraft Limited: Amendment 39–15333; Docket No. FAA–2007–0116; Directorate Identifier 2007–CE–082–AD.

Effective Date

(a) This airworthiness directive (AD) becomes effective February 20, 2008.

Affected ADs

(b) None.

Applicability

(c) This AD applies to PC–12, PC–12/45, and PC–12/47 airplanes, serial numbers 101 through 749, certificated in any category; that have not incorporated the actions in their entirety of PILATUS AIRCRAFT LTD. PC–12 Service Bulletin No: 32–020, dated July 24, 2007; and with one or more of the following installed:

(1) Main landing gear (MLG) assemblies delivered before December 31, 2006, with the following part numbers (P/N): 532.10.12.037, 532.10.12.038, 532.10.12.041, 532.10.12.042, 532.10.12.043, 532.10.12.044, 532.10.12.047, 532.10.12.048, 532.10.12.049, 532.10.12.050, 532.10.12.051, or 532.10.12.052;

(2) Special bolts P/N 532.10.12.110, 532.10.12.205, 532.10.12.077, or 532.10.12.202 delivered before December 31, 2006; or

(3) Modification kit numbers 500.50.12.267, 500.50.12.286, or 500.50.12.299 delivered before December 31, 2006.

Subject

(d) Air Transport Association of America (ATA) Code 32: Landing Gear.

Reason

(e) The mandatory continuing airworthiness information (MCAI) states:

It has been found that some of the above mentioned MLG special bolts can be defective. The problem is only applicable to specific bolts with serial numbers that start with the letters AT or have the supplier code AT. Investigations revealed that there is a possibility for hydrogen embrittlement which occurs during the manufacture process.

Components in this condition can decrease the specific fatigue life and could lead to MLG collapse during operation with consequent loss of airplane control.

In order to correct the situation, this AD requires the identification of all MLG special bolts to determine if the bolts have serial numbers that start with the letters AT or have the supplier code AT and the replacement of affected special bolts.

Actions and Compliance

(f) Unless already done, do the following actions:

(1) Within the next 100 hours time-in-service (TIS) after February 20, 2008 (the effective date of this AD) or within the next 3 months after February 20, 2008 (the effective date of this AD), whichever occurs first, inspect the special bolts that attach the MLG retraction actuators and the special bolts that attach the shock absorbers to the MLG assemblies to identify the serial numbers that start with the letters AT or have the supplier code AT following PILATUS AIRCRAFT LTD. PC–12 Service Bulletin No: 32–020, Rev. No. 1, dated November 22, 2007.

(2) If during the inspection required in paragraph (f)(1) of this AD any special bolts with the serial number starting with the letters AT or special bolts with the supplier code AT are found, before further flight,

replace the specified bolts with new bolts with the new part numbers in all MLG assemblies following PILATUS AIRCRAFT LTD. PC–12 Service Bulletin No: 32–020, Rev. No. 1, dated November 22, 2007.

(3) As of February 20, 2008 (the effective date of this AD), do not install any of the special bolts that have serial numbers that start with the letters AT or have the supplier code AT on Models PC–12, PC–12/45, and PC–12/47 airplanes as indicated in PILATUS AIRCRAFT LTD. PC–12 Service Bulletin No: 32–020, Rev. No. 1, dated November 22, 2007. MLG assemblies, special bolts, and modifications kits, as referenced in paragraphs (c)(1), (c)(2), and (c)(3) of this AD, delivered from PILATUS AIRCRAFT LTD. on or after December 31, 2006, will not incorporate the unsafe condition.

FAA AD Differences

Note: This AD differs from the MCAI and/or service information as follows: No differences.

Other FAA AD Provisions

(g) The following provisions also apply to this AD:

(1) Alternative Methods of Compliance (AMOCs): The Manager, Standards Office, FAA, has the authority to approve AMOCs for this AD, if requested using the procedures found in 14 CFR 39.19. Send information to ATTN: Doug Rudolph, Aerospace Engineer, FAA, Small Airplane Directorate, 901 Locust, Room 301, Kansas City, Missouri 64106; telephone: (816) 329–4059; fax: (816) 329–4090. Before using any approved AMOC on any airplane to which the AMOC applies, notify your appropriate principal inspector (PI) in the FAA Flight Standards District Office (FSDO), or lacking a PI, your local FSDO.

(2) Airworthy Product: For any requirement in this AD to obtain corrective actions from a manufacturer or other source, use these actions if they are FAA-approved. Corrective actions are considered FAA-approved if they are approved by the State of Design Authority (or their delegated agent). You are required to assure the product is airworthy before it is returned to service.

(3) Reporting Requirements: For any reporting requirement in this AD, under the provisions of the Paperwork Reduction Act (44 U.S.C. 3501 et. seq.), the Office of Management and Budget (OMB) has approved the information collection requirements and has assigned OMB Control Number 2120–0056.

Related Information

(h) Refer to Federal Office of Civil Aviation (FOCA) AD HB–2007–382, dated August 27, 2007; and PILATUS AIRCRAFT LTD. PC–12 Service Bulletin No: 32–020, Rev. No. 1, dated November 22, 2007, for related information.

Material Incorporated by Reference

(i) You must use PILATUS AIRCRAFT LTD. PC–12 Service Bulletin No: 32–020, Rev. No. 1, dated November 22, 2007, to do the actions required by this AD, unless the AD specifies otherwise.

(1) The Director of the Federal Register approved the incorporation by reference of this service information under 5 U.S.C. 552(a) and 1 CFR part 51.

(2) For service information identified in this AD, contact PILATUS AIRCRAFT LTD., Customer Support Manager, CH–6371 STANS, Switzerland; telephone: +41 41 619 6208; fax: +41 41 619 7311; e-mail: *SupportPC12@pilatus-aircraft.com*.

(3) You may review copies at the FAA, Central Region, Office of the Regional Counsel, 901 Locust, Room 506, Kansas City, Missouri 64106; or at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call 202–741–6030, or go to: *http://www.archives.gov/federal-register/cfr/ibr-locations.html*.

Issued in Kansas City, Missouri, on January 8, 2008.

John Colomy,

Acting Manager, Small Airplane Directorate, Aircraft Certification Service.

[FR Doc. E8–479 Filed 1–15–08; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA–2007–27926; Directorate Identifier 2006–NM–050–AD; Amendment 39–15316; AD 2007–26–14]

RIN 2120–AA64

Airworthiness Directives; Airbus Model A300 Airplanes; and Model A300 B4–600, B4–600R, and F4–600R Series Airplanes, and Model C4–605R Variant F Airplanes (Collectively Called A300–600 Series Airplanes)

AGENCY: Federal Aviation Administration (FAA), Department of Transportation (DOT).

ACTION: Final rule.

SUMMARY: The FAA is superseding an existing airworthiness directive (AD), which applies to all Airbus Model A300 B2 and B4 series airplanes; and all Model A300 B4–600, B4–600R, and F4–600R (collectively called A300–600) series airplanes. That AD currently requires repetitive inspections to detect cracking of the upper radius of the forward fitting of frame 47, and repair if necessary. This new AD retains those requirements, but reduces inspection thresholds and repetitive intervals, and adds related investigative and corrective actions. This AD also provides an optional terminating action for the repetitive inspections only for airplanes with cracking that is within certain limits, and a post-repair inspection program following the optional terminating action. This AD results from reports of additional cracking in airplanes that were inspected in accordance with the existing AD. We are issuing this AD to detect and correct fatigue cracking of the left and right upper radius at frame 47, which could propagate and result in reduced structural integrity of the airplane.

DATES: This AD becomes effective February 20, 2008.

The Director of the Federal Register approved the incorporation by reference of certain publications listed in the AD as of February 20, 2008.

On May 1, 2003 (68 FR 14894, March 27, 2003), the Director of the Federal Register approved the incorporation by reference of certain publications listed in the AD.

ADDRESSES: For service information identified in this AD, contact Airbus, 1 Rond Point Maurice Bellonte, 31707 Blagnac Cedex, France.

Examining the AD Docket

You may examine the AD docket on the Internet at *http://www.regulations.gov;* or in person at the Docket Management Facility between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The AD docket contains this AD, the regulatory evaluation, any comments received, and other information. The address for the Docket Office (telephone 800–647–5527) is the Document Management Facility, U.S. Department of Transportation, Docket Operations, M–30, West Building Ground Floor, Room W12–140, 1200 New Jersey Avenue, SE., Washington, DC 20590.

FOR FURTHER INFORMATION CONTACT: Thomas Stafford, Aerospace Engineer, International Branch, ANM–116, FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW., Renton, Washington 98057–3356; telephone (425) 227–1622; fax (425) 227–1149.

SUPPLEMENTARY INFORMATION:

Discussion

The FAA issued a notice of proposed rulemaking (NPRM) to amend 14 CFR part 39 to include an AD that supersedes AD 2003–06–04, amendment 39–13091 (68 FR 14894, March 27, 2003). The existing AD applies to all Airbus Model A300 B2 and B4 series airplanes; and all Model A300 B4–600, B4–600R, and F4–600R (collectively called A300–600) series airplanes. That NPRM was published in the **Federal Register** on April 20, 2007 (72 FR 19818). That NPRM proposed to continue to require repetitive inspections to detect cracking of the upper radius of the forward fitting of frame 47, and repair if necessary. That NPRM also proposed to reduce

inspection thresholds and repetitive intervals, and to add related investigative and corrective actions. That NPRM also proposed to provide an optional terminating action for the repetitive inspections only for airplanes with cracking that is within certain limits.

Comments

We provided the public the opportunity to participate in the development of this AD. We have considered the comments that have been received on the NPRM.

Request To Clarify Requirements of Paragraph (l) of the NPRM

Air Transport Association (ATA), on behalf of its member American Airlines (AA), and supported by Airbus, points out that paragraph (l)(2) of the NPRM specifies performing repetitive inspections on airplanes with cracks ''30 millimeters (mm) (1.181 inch) or less in length.'' AA believes that the length should be 50 mm. AA explains that Table 2 (Figure 1, Sheet 1) of Airbus Service Bulletin A300–53–6029, Revision 08, dated October 19, 2005 (for Model A300–600 series airplanes), allows repetitive inspections for cracks equal to or less than 50 mm. AA also points out that the table titled ''Related Investigative and Corrective Actions Following Eddy Current Inspection'' in the ''Relevant Service Information'' section of the NPRM states that repetitive inspections are applicable for cracks equal to or less than 50 mm in size.

We agree that paragraph (l)(2) of the NPRM needs to be clarified. Therefore, we have revised paragraph (l)(2) of the AD to clarify the crack size that applies to each model.

Request To Apply Certain Actions Only to Airplanes With Known Cracks

ATA, on behalf of its member AA, states that paragraph (m), ''Abnormal Load Events,'' of the NPRM should apply only to airplanes with known cracks. Airbus supports this statement. AA explains that Figure 1, Sheet 1, of Airbus Service Bulletin A300–53–6029, Revision 08, requires the inspections only if a crack exists. AA also points out that the table titled ''Related Investigative and Corrective Actions Following Eddy Current Inspection'' in the ''Relevant Service Information'' section of the NPRM states that the inspection is for an ''abnormal load event on an airplane with any crack finding.''

We agree with the commenters for the reasons stated by the commenters. Paragraph (m) of the AD should apply only to airplanes with known cracks. We have revised paragraph (m) of this AD to state that it applies only to airplanes on which any crack was found during any inspection required by this AD.

Request To Refer to Latest Revision of Service Bulletin

Airbus states that Airbus Service Bulletin A300–53–6144, dated July 16, 2004, which we referred to in the NPRM as the appropriate source of service information for accomplishing the optional terminating action, has now been revised. Airbus requests that we refer to Airbus Service Bulletin A300–53–6144, Revision 01, dated October 15, 2007.

We agree with the request to refer to Revision 01 of Airbus Service Bulletin A300–53–6144. The procedures in Revision 01 and the original issue are essentially the same. Revision 01 revises the effectivity of the service bulletin, but states that no additional work is required for airplanes modified in accordance with the previous issue. We have revised paragraph (n) of this AD to refer to Revision 01 of the service bulletin. We have also revised paragraph (r) of this AD to give credit to operators that have accomplished the actions in accordance with the previous issue of the service bulletin.

Request To Revise Contact Information

Airbus requests that we revise the address for submitting reports of inspection findings in paragraph (q) of the NPRM. We have revised paragraph (q) of the AD to include the information provided by Airbus.

Explanation of Clarifications

We have clarified paragraph (m) of the AD by replacing the ''or'' with an ''and'' in the statement ''Do the actions in paragraph (m)(1), (m)(2), or (m)(3), as applicable * * *'' An ''and'' in this case more clearly conveys the intent of the paragraph because it is possible that operators might need to do more than one of those actions.

We have also revised paragraph (s)(2) of the AD to clarify the appropriate procedure for notifying the principal inspector before using any approved AMOC on any airplane to which the AMOC applies.

Conclusion

We have carefully reviewed the available data, including the comments that have been received, and determined that air safety and the public interest require adopting the AD with the changes described previously. We have determined that these changes will neither increase the economic burden on any operator nor increase the scope of the AD.

Costs of Compliance

There are about 163 U.S.-registered airplanes that are affected by this AD. The following table provides the estimated costs for U.S. operators to comply with this AD. The average labor rate is $80 per work hour.

ESTIMATED COSTS

Action	Work hours	Parts	Cost per airplane	Fleet cost
Actions required by AD 2003–06–04	9	$0	$720, per inspection cycle	$117,360, per inspection cycle.
Inspection (new action)	1	$0	$80, per inspection cycle	$13,040, per inspection cycle.

Authority for This Rulemaking

Title 49 of the United States Code specifies the FAA's authority to issue rules on aviation safety. Subtitle I, Section 106, describes the authority of the FAA Administrator. Subtitle VII, Aviation Programs, describes in more detail the scope of the Agency's authority.

We are issuing this rulemaking under the authority described in Subtitle VII, Part A, Subpart III, Section 44701, ''General requirements.'' Under that section, Congress charges the FAA with promoting safe flight of civil aircraft in air commerce by prescribing regulations for practices, methods, and procedures the Administrator finds necessary for safety in air commerce. This regulation is within the scope of that authority because it addresses an unsafe condition that is likely to exist or develop on

products identified in this rulemaking action.

Regulatory Findings

We have determined that this AD will not have federalism implications under Executive Order 13132. This AD will not have a substantial direct effect on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government.

For the reasons discussed above, I certify that this AD:

(1) Is not a ''significant regulatory action'' under Executive Order 12866;

(2) Is not a ''significant rule'' under DOT Regulatory Policies and Procedures (44 FR 11034, February 26, 1979); and

(3) Will not have a significant economic impact, positive or negative, on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

We prepared a regulatory evaluation of the estimated costs to comply with this AD and placed it in the AD docket. See the **ADDRESSES** section for a location to examine the regulatory evaluation.

List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Incorporation by reference, Safety.

Adoption of the Amendment

■ Accordingly, under the authority delegated to me by the Administrator, the FAA amends 14 CFR part 39 as follows:

PART 39—AIRWORTHINESS DIRECTIVES

■ 1. The authority citation for part 39 continues to read as follows:

Authority: 49 U.S.C. 106(g), 40113, 44701.

§ 39.13 [Amended]

■ 2. The Federal Aviation Administration (FAA) amends § 39.13 by removing amendment 39–13091 (68 FR 14894, March 27, 2003) and by adding the following new airworthiness directive (AD):

2007–26–14 Airbus: Amendment 39–15316. Docket No. FAA–2007–27926; Directorate Identifier 2006–NM–050–AD.

Effective Date

(a) This AD becomes effective February 20, 2008.

Affected ADs

(b) This AD supersedes AD 2003–06–04.

Applicability

(c) This AD applies to all Airbus Model A300 airplanes; and all Model A300 B4–601, B4–603, B4–620, B4–622, B4–605R, B4–622R, F4–605R, F4–622R, and C4–605R Variant F airplanes; certificated in any category.

Unsafe Condition

(d) This AD results from reports of additional cracking in airplanes that were inspected in accordance with AD 2003–06–04. We are issuing this AD to detect and correct fatigue cracking of the left and right upper radius at frame 47, which could propagate and result in reduced structural integrity of the airplane.

Compliance

(e) You are responsible for having the actions required by this AD performed within the compliance times specified, unless the actions have already been done.

Requirements of AD 2003–06–04

Model A300–600: Inspection

(f) For Model A300–600 series airplanes: At the earlier of the times specified by paragraphs (f)(1) and (f)(2) of this AD, perform an eddy current inspection to detect cracking of the upper radius of the left and right forward fitting of frame 47, in accordance with Airbus Service Bulletin A300–53–6029, Revision 02, dated November 7, 1994; Revision 05, including Appendix 01, dated April 11, 2001; or Revision 08, including Appendix 01, dated October 19, 2005. After the effective date of this AD, only Revision 08 of the service bulletin may be used.

(1) Before the accumulation of 17,300 total flight cycles, or within one year after October 16, 1996 (the effective date of AD 96–18–18, amendment 39–9744), whichever occurs later.

(2) At the later of the times specified by paragraphs (f)(2)(i) and (f)(2)(ii) of this AD.

(i) Before the accumulation of 10,000 total flight cycles or 26,000 total flight hours, whichever occurs first.

(ii) Within 750 flight cycles or 1,900 flight hours, whichever occurs first after May 1, 2003 (the effective date of AD 2003–06–04).

Model A300–600: Follow-On (Repetitive) Inspections

(g) For Model A300–600 series airplanes on which no cracking is found during any inspection required by paragraph (f) of this AD, repeat the inspection required by paragraph (f) of this AD at the applicable times specified in paragraphs (g)(1) and (g)(2) of this AD until the inspection required by paragraph (j) of this AD is done.

(1) If the initial inspection was accomplished before May 1, 2003, repeat the inspection at the later of the times specified in paragraphs (g)(1)(i) and (g)(1)(ii) of this AD. Thereafter, repeat the inspection at intervals not to exceed 6,100 flight cycles or 15,600 flight hours, whichever occurs first.

(i) Re-inspect within 6,100 flight cycles after the initial inspection.

(ii) Re-inspect within 750 flight cycles or 1,900 flight hours, whichever occurs first after May 1, 2003.

(2) If the initial inspection was not accomplished before May 1, 2003, repeat the inspection thereafter at intervals not to exceed 6,100 flight cycles or 15,600 flight hours, whichever occurs first.

Model A300–600: Corrective Action

(h) For Model A300–600 series airplanes on which any cracking is found during any inspection required by paragraph (f) of this AD: Before further flight, contact the Manager, International Branch, ANM–116, Transport Airplane Directorate, FAA; or the Direction Générale de l'Aviation Civile (DGAC) (or its delegated representative); or the European Aviation Safety Agency (EASA) (or its delegated agent); for instructions regarding repair or for an applicable re-inspection interval, in accordance with Airbus Service Bulletin A300–53–6029, Revision 05, including Appendix 01, dated April 11, 2001; or Revision 08, including Appendix 01, dated October 19, 2005. After the effective date of this AD, only Revision 08 may be used. Repair and/or re-inspection accomplished before May 1, 2003, in accordance with a method approved by the Manager, International Branch, ANM–116, is acceptable for compliance with the requirements of paragraph (h) of this AD.

Model A300 B2 and B4: Repetitive Inspections and Follow-On Actions

(i) For Model A300 B2 and B4 series airplanes: At the applicable time specified in paragraph (i)(1), (i)(2), or (i)(3) of this AD, perform repetitive eddy current inspections to detect cracking of the upper radius of the forward fitting of frame 47, left and right sides, per Airbus Service Bulletin A300–53–0246, Revision 03, including Appendix 01, dated April 11, 2001; or Revision 06, including Appendix 01, dated October 19, 2005. After the effective date of this AD, only Revision 06 may be used. Accomplishing this requirement terminates the corresponding inspection requirement of the A300 Supplemental Structural Inspection Document (SSID) for Model A300 B2 and B4 series airplanes. (That SSID is mandated by AD 96–13–11, amendment 39–9679.)

(1) For Model A300 B2 series airplanes: Perform the initial inspection at the later of the times specified by paragraphs (i)(1)(i) and (i)(1)(ii) of this AD. Repeat the inspection thereafter at intervals not to exceed 10,400 flight cycles or 13,300 flight hours, whichever occurs first, until the inspection required by paragraph (j) of this AD is done.

(i) Before the accumulation of 16,500 total flight cycles or 21,000 total flight hours, whichever occurs first.

(ii) Within 1,000 flight cycles or 1,300 flight hours after May 1, 2003, whichever occurs first.

(2) For Model A300 B4–100 series airplanes: Perform the initial inspection at the later of the times specified by paragraphs (i)(2)(i) and (i)(2)(ii) of this AD. Repeat the inspection thereafter at intervals not to exceed 8,500 flight cycles or 16,400 flight hours, whichever occurs first, until the inspection required by paragraph (j) of this AD is done.

(i) Before the accumulation of 10,300 total flight cycles or 19,800 total flight hours, whichever occurs first.

(ii) Within 750 flight cycles or 1,500 flight hours after May 1, 2003, whichever occurs first.

(3) For Model A300 B4–200 series airplanes: Perform the initial inspection at the later of the times specified by paragraphs (i)(3)(i) and (i)(3)(ii) of this AD. Repeat the inspection thereafter at intervals not to exceed 7,000 flight cycles or 13,600 flight hours, whichever occurs first, until the inspection required by paragraph (j) of this AD is done.

(i) Before the accumulation of 11,000 total flight cycles or 21,200 total flight hours, whichever occurs first.

(ii) Within 750 flight cycles or 1,500 flight hours after May 1, 2003, whichever occurs first.

New Requirements of This AD

Inspections and Corrective Actions

(j) At the applicable time in paragraph (k) or (l) of this AD: Except as provided by paragraphs (n) and (p) of this AD, do an eddy current inspection to detect cracking of the upper radius of the forward fitting of frame 47, and do all applicable related investigative and corrective actions, by accomplishing all the applicable actions specified in the Accomplishment Instructions of the applicable service bulletin specified in paragraph (j)(1) or (j)(2) of this AD. Do all applicable investigative and corrective actions before further flight. Where the service bulletins specify to contact Airbus for repair instructions: Before further flight, repair using a method approved by either the Manager, International Branch, ANM–116; or the EASA (or its delegated agent). Doing the inspections required by this paragraph terminates the inspections required by paragraphs (f), (g), and (i) of this AD.

(1) For Airbus Model A300 airplanes: Airbus Service Bulletin A300–53–0246, Revision 06, including Appendix 01, dated October 19, 2005.

(2) For Airbus Model A300 B4–601, B4–603, B4–620, B4–622, B4–605R, B4–622R, F4–605R, F4–622R, and C4–605R Variant F airplanes: Airbus Service Bulletin A300–53–6029, Revision 08, including Appendix 01, dated October 19, 2005.

(k) For airplanes on which the inspection required by paragraph (f), (g), or (i) of this AD, as applicable, has not been done prior to the effective date of this AD: Do the initial inspection required by paragraph (j) of this AD before the accumulation of 10,000 total flight cycles, or within 1,400 flight cycles after the effective date of this AD, whichever occurs later. Repeat the inspection thereafter at the applicable interval specified in Figure 1, Sheet 1, of the Accomplishment Instructions of the applicable service bulletin.

(l) For airplanes on which the inspection required by paragraph (f), (g), or (i) of this AD, as applicable, has been done prior to the effective date of this AD: Inspect at the applicable times specified in paragraph (l)(1) or (l)(2) of this AD. Repeat the inspection thereafter at the applicable interval specified in Figure 1, Sheet 1, of the Accomplishment Instructions of the applicable service bulletin.

(1) For airplanes on which no cracking was found during any inspection required by this AD: Do the next inspection at the earlier of the times specified in paragraphs (l)(1)(i) and (l)(1)(ii) of this AD.

(i) At the next repetitive interval specified in the applicable service bulletin specified in paragraph (j)(1) or (j)(2) of this AD, or within 1,400 flight cycles after the effective date of this AD, whichever occurs later.

(ii) At the next repetitive interval specified in paragraph (g) or (i) of this AD, as applicable.

(2) For airplanes on which any crack was found during any inspection required by this AD, and the crack is the size specified in paragraph (l)(2)(i), (l)(2)(ii), or (l)(2)(iii) of this AD: Do the next inspection at the applicable times specified in paragraph (l)(2)(i), (l)(2)(ii), or (l)(2)(iii) of this AD, as applicable.

(i) For Airbus Model A300 airplanes on which the crack is 30 millimeters (mm) (1.181 inch) or less in length: At the next repetitive interval specified in the service bulletin specified in paragraph (j)(1) of this AD, or within 500 flight cycles after the effective date of this AD, whichever occurs later.

(ii) For Airbus Model A300 airplanes on which the crack is greater than 30 millimeters (mm) (1.181 inch) in length, but less than or equal to 50 mm in length (1.97 inch): At the next repetitive interval specified in paragraph (l) of this AD (Figure 1, Sheet 1, of the Accomplishment Instructions of the applicable service bulletin).

(iii) For Airbus Model A300 B4–601, B4–603, B4–620, B4–622, B4–605R, B4–622R, F4–605R, F4–622R, and C4–605R Variant F airplanes on which the crack is 50 mm (1.97 inch) or less in length: At the next repetitive interval specified in the service bulletin specified in paragraph (j)(2) of this AD; without, however, exceeding the previous inspection interval specified in paragraph (g) of this AD.

Abnormal Load Events

(m) For airplanes on which any crack was found during any inspection required by this AD and on which any abnormal load event occurs after the effective date of this AD: Do the actions in paragraphs (m)(1), (m)(2), and (m)(3) of this AD, as applicable, at the time specified in the applicable paragraph.

(1) Within 3 months after the event, or at the next applicable repetitive interval required by paragraph (k) or (l) of this AD, whichever occurs first: Do the next repetitive inspection required by paragraph (j) of this AD.

(2) Before further flight following any additional abnormal load event that occurs following the first event but before the next repetitive inspection required by paragraph (k) or (l) of this AD: Contact the Manager, International Branch, ANM–116, or the EASA (or its delegated agent), for further instructions.

(3) Within 3 months after any abnormal load event: Report the event to Airbus in accordance with the requirements of paragraph (q) of this AD.

Optional Terminating Action (Repair) for Certain Cracks

(n) Repairing any crack greater than 30 mm but less than or equal to 50 mm in size, in accordance with the Accomplishment Instructions of Airbus Service Bulletin A300–53–0370, including Appendix 01, dated July 16, 2004; or Airbus Service Bulletin A300–53–6144, Revision 01, including Appendix 01, dated July October 15, 2007; as applicable; terminates the repetitive inspection requirements of paragraph (k) or (l) of this AD for that area only. Where the service bulletins specify to contact Airbus for repair instructions: Repair the crack using a method approved by either the Manager, International Branch, ANM–116; or the EASA (or its delegated agent).

Repetitive Inspections Following Optional Terminating Action

(o) Within 6 months after repair in accordance with paragraph (n) of this AD: Submit a post-repair inspection program for monitoring the repair to the Manager, International Branch, ANM–116, for approval.

Repair of Any Crack Greater than 50 mm in Size

(p) If any crack that is greater than 50 mm in size is found during any inspection required by paragraph (j), (k), or (l) of this AD: Before further flight, repair according to a method approved by the Manager, International Branch, ANM–116.

Reporting Requirement

(q) At the applicable time specified in paragraph (q)(1) or (q)(2) of this AD: Submit a report of all results of each inspection required by this AD to Airbus, 1 Rond Point Maurice Bellonte, 31707 Blagnac Cedex, France, Attention: Davide Cavazzini, fax 33–5–61–93–36–14. The report must include the inspection results, a description of any discrepancies found, the airplane serial number, and the number of landings and flight hours on the airplane. Information collection requirements contained in this AD have been approved by the Office of Management and Budget (OMB) under the provisions of the Paperwork Reduction Act (44 U.S.C. 3501 et seq.) and have been assigned OMB Control Number 2120–0056.

(1) For airplanes on which the inspection is accomplished after the effective date of this AD: Submit the report within 30 days after performing the inspection.

(2) For airplanes on which the inspection has been accomplished before the effective date of this AD: Submit the report within 30 days after the effective date of this AD.

Actions Accomplished in Accordance With Previous Issues of Service Bulletins

(r) Actions done before the effective date of this AD in accordance with the service bulletins listed in Table 1 of this AD are acceptable for compliance with the corresponding requirements of paragraphs (i), (j), and (n) of this AD.

TABLE 1.—PREVIOUS ISSUES OF SERVICE BULLETINS

Model	Airbus Service Bulletin	Revision level	Date
A300 airplanes	A300–53–0246	03	April 11, 2001.
	A300–53–0246	04	November 12, 2002.
	A300–53–0246	05	January 19, 2004.
A300 B4–601, B4–603, B4–620, B4–622, B4–605R, B4–622R, F4–605R, F4–622R, and C4–605R Variant F airplanes.	A300–53–6029	05	April 11, 2001.
	A300–53–6029	06	November 12, 2002.
	A300–53–6029	07	January 19, 2004.
	A300–53–6144	Original	July 16, 2004.

Alternative Methods of Compliance (AMOCs)

(s)(1) The Manager, International Branch, ANM–116, has the authority to approve AMOCs for this AD, if requested in accordance with the procedures found in 14 CFR 39.19.

(2) To request a different method of compliance or a different compliance time for this AD, follow the procedures in 14 CFR 39.19. Before using any approved AMOC on any airplane to which the AMOC applies, notify your appropriate principal inspector (PI) in the FAA Flight Standards District Office (FSDO), or lacking a PI, your local FSDO.

(3) AMOCs approved previously in accordance with AD 2003–06–04 are approved as AMOCs with this AD until paragraph (j) of this AD is accomplished.

Related Information

(t) French airworthiness directive F–2006–016, dated January 18, 2006, also addresses the subject of this AD.

Material Incorporated by Reference

(u) You must use the service information listed in Table 2 of this AD to perform the actions that are required by this AD, unless the AD specifies otherwise.

TABLE 2.—ALL MATERIAL INCORPORATED BY REFERENCE

Airbus Service Bulletin	Revision level	Date
A300–53–0246, including Appendix 01	03	April 11, 2001.
A300–53–0246, including Appendix 01	06	October 19, 2005.
A300–53–0370, including Appendix 01	Original	July 16, 2004.
A300–53–6029	02	November 7, 1994.
A300–53–6029, including Appendix 01	05	April 11, 2001.
A300–53–6029, including Appendix 01	08	October 19, 2005.
A300–53–6144, including Appendix 01	Original	July 16, 2004.

(1) The Director of the Federal Register approved the incorporation by reference of the documents listed in Table 3 of this AD in accordance with 5 U.S.C. 552(a) and 1 CFR part 51.

TABLE 3.—NEW MATERIAL INCORPORATED BY REFERENCE

Airbus Service Bulletin	Revision level	Date
A300–53–0246, including Appendix 01	06	October 19, 2005.
A300–53–0370, including Appendix 01	Original	July 16, 2004.
A300–53–6029, including Appendix 01	08	October 19, 2005.
A300–53–6144, including Appendix 01	Original	July 16, 2004.

(2) On May 1, 2003 (68 FR 14894, March 27, 2003), the Director of the Federal Register approved the incorporation by reference of the documents listed in Table 4 of this AD.

TABLE 4.—MATERIAL INCORPORATED BY REFERENCE IN PREVIOUS AD

Airbus Service Bulletin	Revision level	Date
A300–53–0246, including Appendix 01	03	April 11, 2001.
A300–53–6029, including Appendix 01	05	April 11, 2001.

(3) On October 16, 1996 (61 FR 47808, September 11, 1996), the Director of the Federal Register approved the incorporation by reference of Airbus Service Bulletin A300–53–6029, Revision 02, dated November 7, 1994.

(4) Contact Airbus, 1 Rond Point Maurice Bellonte, 31707 Blagnac Cedex, France, for a copy of this service information. You may review copies at the FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW., Renton, Washington; or at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call 202–741–6030, or go to: *http://www.archives.gov/federal-register/cfr/ibr-locations.html.*

Issued in Renton, Washington, on December 19, 2007.

Ali Bahrami,

Manager, Transport Airplane Directorate, Aircraft Certification Service.

[FR Doc. E7–25503 Filed 1–15–08; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

21 CFR Part 520

Oral Dosage Form New Animal Drugs; Firocoxib Tablets

AGENCY: Food and Drug Administration, HHS.

ACTION: Final rule.

SUMMARY: The Food and Drug Administration (FDA) is amending the animal drug regulations to reflect approval of a supplemental new animal drug application (NADA) filed by Merial Ltd. The supplemental NADA provides for veterinary prescription use of firocoxib chewable tablets in dogs for the control of postoperative pain and inflammation associated with soft-tissue surgery.

DATES: This rule is effective January 16, 2008.

FOR FURTHER INFORMATION CONTACT: Melanie R. Berson, Center for Veterinary Medicine (HFV–110), Food and Drug Administration, 7500 Standish Pl., Rockville, MD 20855, 240–276–8337, e-mail: *melanie.berson@fda.hhs.gov*.

SUPPLEMENTARY INFORMATION: Merial Ltd., 3239 Satellite Blvd., Bldg. 500, Duluth, GA 30096–4640, filed a supplement to NADA 141–230 for PREVICOX (firocoxib) Chewable Tablets. The supplemental application provides for the veterinary prescription use of firocoxib chewable tablets in dogs for the control of postoperative pain and inflammation associated with soft-tissue surgery. The NADA is approved as of December 18, 2007, and the regulations in 21 CFR 520.928 are amended to reflect the approval.

In accordance with the freedom of information provisions of 21 CFR part 20 and 21 CFR 514.11(e)(2)(ii), a summary of safety and effectiveness data and information submitted to support approval of this application may be seen in the Division of Dockets Management (HFA–305), Food and Drug Administration, 5630 Fishers Lane, rm. 1061, Rockville, MD 20852, between 9 a.m. and 4 p.m., Monday through Friday.

Under section 512(c)(2)(F)(iii) of the Federal Food, Drug, and Cosmetics Act (21 U.S.C. 360b(c)(2)(F)(iii)), this approval qualifies for 3 years of marketing exclusivity beginning on the date of approval.

The agency has determined under 21 CFR 25.33(d)(1) that this action is of a type that does not individually or cumulatively have a significant effect on the human environment. Therefore, neither an environmental assessment nor an environmental impact statement is required.

This rule does not meet the definition of ''rule'' in 5 U.S.C. 804(3)(A) because it is a rule of ''particular applicability.'' Therefore, it is not subject to the congressional review requirements in 5 U.S.C. 801–808.

List of Subjects in 21 CFR Part 520

Animal drugs.

■ Therefore, under the Federal Food, Drug, and Cosmetic Act and under authority delegated to the Commissioner of Food and Drugs and redelegated to the Center for Veterinary Medicine, 21 CFR part 520 is amended as follows:

PART 520—ORAL DOSAGE FORM NEW ANIMAL DRUGS

■ 1. The authority citation for 21 CFR part 520 continues to read as follows:

Authority: 21 U.S.C. 360b.

■ 2. In § 520.928, revise paragraphs (c)(1) and (c)(2) to read as follows:

§ 520.928 Firocoxib tablets.

* * * * *

(c) * * *

(1) *Amount.* 5 mg/kg (2.27 mg/lb) body weight. Administer once daily for osteoarthritis. Administer approximately 2 hours before soft-tissue surgery.

(2) *Indications for use.* For the control of pain and inflammation associated with osteoarthritis and for the control of postoperative pain and inflammation associated with soft-tissue surgery.

* * * * *

Dated: January 4, 2008.

Bernadette Dunham,

Deputy Director, Center for Veterinary Medicine.

[FR Doc. E8–730 Filed 1–15–08; 8:45 am]

BILLING CODE 4160–01–S

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

21 CFR Part 522

Implantation or Injectable Dosage Form New Animal Drugs; Flunixin

AGENCY: Food and Drug Administration, HHS.

ACTION: Final rule.

SUMMARY: The Food and Drug Administration (FDA) is amending the animal drug regulations to reflect approval of a supplemental abbreviated new animal drug application (ANADA) filed by Norbrook Laboratories, Ltd. The supplemental ANADA provides for the veterinary prescription use of flunixin meglumine solution by intravenous injection in lactating dairy cattle for control of pyrexia associated with acute bovine mastitis.

DATES: This rule is effective January 16, 2008.

FOR FURTHER INFORMATION CONTACT: John K. Harshman, Center for Veterinary Medicine (HFV–104), Food and Drug Administration, 7500 Standish Pl., Rockville, MD 20855, 301–827–0169, e-mail: *john.harshman@fda.hhs.gov*.

SUPPLEMENTARY INFORMATION: Norbrook Laboratories, Ltd., Station Works, Newry BT35 6JP, Northern Ireland, filed supplemental ANADA 200–308 that provides for veterinary prescription use of Flunixin Injection intravenously in lactating dairy cattle for control of pyrexia associated with acute bovine mastitis. The supplemental ANADA is approved as of December 19, 2007, and the regulations are amended in 21 CFR 522.970 to reflect the approval.

In accordance with the freedom of information provisions of 21 CFR part 20 and 21 CFR 514.11(e)(2)(ii), a summary of safety and effectiveness data and information submitted to support approval of this application may be seen in the Division of Dockets Management (HFA–305), Food and Drug Administration, 5630 Fishers Lane, rm. 1061, Rockville, MD 20852, between 9 a.m. and 4 p.m., Monday through Friday.

The agency has determined under 21 CFR 25.33(a)(1) that this action is of a type that does not individually or cumulatively have a significant effect on the human environment. Therefore, neither an environmental assessment nor an environmental impact statement is required.

This rule does not meet the definition of ''rule'' in 5 U.S.C. 804(3)(A) because it is a rule of ''particular applicability.'' Therefore, it is not subject to the congressional review requirements in 5 U.S.C. 801–808.

List of Subject in 21 CFR Part 522

Animal drugs.

■ Therefore, under the Federal Food, Drug, and Cosmetic Act and under authority delegated to the Commissioner of Food and Drugs and redelegated to the Center for Veterinary Medicine, 21 CFR part 522 is amended as follows:

PART 522—IMPLANTATION OR INJECTABLE DOSAGE FORM NEW ANIMAL DRUGS

■ 1. The authority citation for 21 CFR part 522 continues to read as follows:

Authority: 21 U.S.C. 360b.

■ 2. In § 522.970, revise paragraph (b)(2) and add paragraph (b)(4) to read as follows:

§ 522.970 Flunixin.

* * * * *

(b) * * *

(2) See Nos. 057561, 059130, and 061623 for use as in paragraphs (e)(1), (e)(2)(i)(A), (e)(2)(ii)(A), and (e)(2)(iii), of this section.

* * * * *

(4) See No. 055529 for use as in paragraphs (e)(1) and (e)(2) of this section.

* * * * *

Dated: January 4, 2008.

Bernadette Dunham,

Deputy Director, Center for Veterinary Medicine.

[FR Doc. E8–699 Filed 1–15–08; 8:45 am]

BILLING CODE 4160–01–S

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 180

[EPA–HQ–OPP–2006–0733; FRL–8348–1]

Acetamiprid; Pesticide Tolerance

AGENCY: Environmental Protection Agency (EPA).

ACTION: Final rule.

SUMMARY: This regulation establishes tolerances for residues of acetamiprid in or on bushberry subgroup 13–07B; caneberry subgroup 13–07A; low growing berry subgroup 13–07G; onion, bulb, subgroup 3–07A; and onion, green, subgroup 3–07B. Nippon Soda Co., Ltd. requested these tolerances under the Federal Food, Drug, and Cosmetic Act (FFDCA).

DATES: This regulation is effective January 16, 2008. Objections and requests for hearings must be received on or before March 17, 2008, and must be filed in accordance with the instructions provided in 40 CFR part 178 (see also Unit I.C. of the **SUPPLEMENTARY INFORMATION.**

ADDRESSES: EPA has established a docket for this action under docket identification (ID) number EPA–HQ–OPP–2006–0733. To access the electronic docket, go to *http://www.regulations.gov*, select ''Advanced Search,'' then ''Docket Search.'' Insert the docket ID number where indicated and select the ''Submit'' button. Follow the instructions on the regulations.gov website to view the docket index or access available documents. All documents in the docket are listed in the docket index available in regulations.gov. Although listed in the index, some information is not publicly available, e.g., Confidential Business Information (CBI) or other information whose disclosure is restricted by statute. Certain other material, such as copyrighted material, is not placed on the Internet and will be publicly available only in hard copy form. Publicly available docket materials are available in the electronic docket at *http://www.regulations.gov*, or, if only available in hard copy, at the OPP Regulatory Public Docket in Rm. S–4400, One Potomac Yard (South Bldg.), 2777 S. Crystal Dr., Arlington, VA. The Docket Facility is open from 8:30 a.m. to 4 p.m., Monday through Friday, excluding legal holidays. The Docket Facility telephone number is (703) 305–5805.

FOR FURTHER INFORMATION CONTACT: Susan Stanton, Registration Division (7505P), Office of Pesticide Programs, Environmental Protection Agency, 1200 Pennsylvania Ave., NW., Washington, DC 20460–0001; telephone number: (703) 305–5218; e-mail address: *stanton.susan@epa.gov*.

SUPPLEMENTARY INFORMATION:

I. General Information

A. Does this Action Apply to Me?

You may be potentially affected by this action if you are an agricultural producer, food manufacturer, or pesticide manufacturer. Potentially affected entities may include, but are not limited to those engaged in the following activities:

- Crop production (NAICS code 111), e.g., agricultural workers; greenhouse, nursery, and floriculture workers; farmers.
- Animal production (NAICS code 112), e.g., cattle ranchers and farmers, dairy cattle farmers, livestock farmers.
- Food manufacturing (NAICS code 311), e.g., agricultural workers; farmers; greenhouse, nursery, and floriculture workers; ranchers; pesticide applicators.
- Pesticide manufacturing (NAICS code 32532), e.g., agricultural workers; commercial applicators; farmers; greenhouse, nursery, and floriculture workers; residential users.

This listing is not intended to be exhaustive, but rather to provide a guide for readers regarding entities likely to be affected by this action. Other types of entities not listed in this unit could also be affected. The North American Industrial Classification System (NAICS) codes have been provided to assist you and others in determining whether this action might apply to certain entities. If you have any questions regarding the applicability of this action to a particular entity, consult the person listed under **FOR FURTHER INFORMATION CONTACT**.

B. How Can I Access Electronic Copies of this Document?

In addition to accessing an electronic copy of this **Federal Register** document through the electronic docket at *http://www.regulations.gov*, you may access this **Federal Register** document electronically through the EPA Internet under the ''**Federal Register**'' listings at *http://www.epa.gov/fedrgstr*. You may also access a frequently updated electronic version of EPA's tolerance regulations at 40 CFR part 180 through the Government Printing Office's pilot e-CFR site at *http://www.gpoaccess.gov/ecfr*.

C. Can I File an Objection or Hearing Request?

Under section 408(g) of FFDCA, any person may file an objection to any aspect of this regulation and may also request a hearing on those objections. You must file your objection or request a hearing on this regulation in accordance with the instructions provided in 40 CFR part 178. To ensure proper receipt by EPA, you must identify docket ID number EPA–HQ–OPP–2006–0733 in the subject line on the first page of your submission. All requests must be in writing, and must be mailed or delivered to the Hearing Clerk as required by 40 CFR part 178 on or before March 17, 2008.

In addition to filing an objection or hearing request with the Hearing Clerk as described in 40 CFR part 178, please submit a copy of the filing that does not contain any CBI for inclusion in the public docket that is described in **ADDRESSES**. Information not marked confidential pursuant to 40 CFR part 2 may be disclosed publicly by EPA without prior notice. Submit this copy, identified by docket ID number EPA–HQ–OPP–2006–0733, by one of the following methods:

- *Federal eRulemaking Portal*: *http://www.regulations.gov*. Follow the on-line instructions for submitting comments.
- *Mail*: Office of Pesticide Programs (OPP) Regulatory Public Docket (7502P), Environmental Protection Agency, 1200 Pennsylvania Ave., NW., Washington, DC 20460–0001.

• *Delivery*: OPP Regulatory Public Docket (7502P), Environmental Protection Agency, Rm. S–4400, One Potomac Yard (South Bldg.), 2777 S. Crystal Dr., Arlington, VA. Deliveries are only accepted during the Docket's normal hours of operation (8:30 a.m. to 4 p.m., Monday through Friday, excluding legal holidays). Special arrangements should be made for deliveries of boxed information. The Docket Facility telephone number is (703) 305–5805.

II. Petition for Tolerance

In the **Federal Register** of September 22, 2006 (71 FR 55468) (FRL–8091–9), EPA issued a notice pursuant to section 408(d)(3) of FFDCA, 21 U.S.C. 346a(d)(3), announcing the filing of a pesticide petition (PP 6F7051) by Nippon Soda Co., Ltd., c/o Nisso America Inc., 45 Broadway, Suite 2120, New York, NY, 10006. The petition requested that 40 CFR 180.578 be amended by establishing tolerances for residues of the insecticide acetamiprid, *N*1-[(6-chloro-3-pyridyl)methyl]-*N*2-cyano-*N*1-methylacetamidine, in or on bulb vegetables crop group 3 at 3 ppm; edible podded legume vegetables, crop subgroup 6a at 0.5 ppm; succulent shelled peas and beans, crop subgroup 6b, at 0.5 ppm; and berries, crop group 13 at 1 ppm. That notice referenced a summary of the petition prepared by Nippon Soda Co., Ltd., the registrant, which is available to the public in the docket ID Number EPA–HQ–OPP–2006–0733, *http://www.regulations.gov*. There were no comments received in response to the notice of filing.

In the **Federal Register** of April 2, 2007 (72 FR 16352) (FRL–8119–2), EPA issued a notice pursuant to section 408(d)(3) of FFDCA, 21 U.S.C. 346a(d)(3), announcing the filing of a pesticide petition (PP 6E7163) by Interregional Research Project Number 4 (IR-4), 500 College Road East, Suite 201 W, Princeton, NJ 08540. The petition requested that 40 CFR 180.578 be amended by establishing tolerances for residues of the insecticide acetamiprid, *N*1-[(6-chloro-3-pyridyl)methyl]-*N*2-cyano-*N*1-methylacetamidine, in or on strawberry, bearberry, bilberry, lowbush blueberry, cloudberry, cranberry, lingonberry, muntries and partridgeberry at 0.60 parts per million (ppm). That notice referenced a summary of the petition prepared by Nippon Soda Co., Ltd., the registrant, which is available to the public in the docket ID Number EPA–HQ–OPP–2007–0105, *http://www.regulations.gov*. There were no comments received in response to the notice of filing.

In the **Federal Register** of November 28, 2007 (72 FR 67256) (FRL–8340–6), EPA issued a final rule establishing tolerances for residues of acetamiprid in/on edible-podded legume vegetables and succulent shelled peas and beans but deferred to a later date the decision on the petitioned-for tolerances on the bulb vegetable and berry commodities requested in these petitions. EPA is establishing the bulb vegetable and berry tolerances at this time but has modified the commodity terms and most of the proposed tolerance levels. The reasons for these changes are explained in Unit V.

III. Aggregate Risk Assessment and Determination of Safety

Section 408(b)(2)(A)(i) of FFDCA allows EPA to establish a tolerance (the legal limit for a pesticide chemical residue in or on a food) only if EPA determines that the tolerance is ''safe.'' Section 408(b)(2)(A)(ii) of FFDCA defines ''safe'' to mean that ''there is a reasonable certainty that no harm will result from aggregate exposure to the pesticide chemical residue, including all anticipated dietary exposures and all other exposures for which there is reliable information.'' This includes exposure through drinking water and in residential settings, but does not include occupational exposure. Section 408(b)(2)(C) of FFDCA requires EPA to give special consideration to exposure of infants and children to the pesticide chemical residue in establishing a tolerance and to ''ensure that there is a reasonable certainty that no harm will result to infants and children from aggregate exposure to the pesticide chemical residue. . . .'' These provisions were added to FFDCA by the Food Quality Protection Act (FQPA) of 1996.

Consistent with FFDCA section 408(b)(2)(D), and the factors specified in FFDCA section 408(b)(2)(D), EPA has reviewed the available scientific data and other relevant information in support of this action. EPA has sufficient data to assess the hazards of and to make a determination on aggregate exposure for the petitioned-for tolerance for residues of acetamiprid on bushberry subgroup 13–07B at 1.6 ppm; caneberry subgroup 13–07A at 1.6 ppm; low growing berry subgroup 13–07G at 0.60 ppm; onion, bulb, subgroup 3–07A at 0.02 ppm; and onion, green, subgroup 3–07B at 4.5 ppm. EPA's assessment of exposures and risks associated with establishing the tolerance follows.

As noted above, on November 28, 2007, EPA issued a final rule in the **Federal Register** establishing tolerances for residues of acetamiprid in/on edible-podded legume vegetables and succulent shelled peas and beans. When the Agency conducted the risk assessments in support of this tolerance action it assumed that acetamiprid residues would be present on bulb vegetables and commodities in the aforementioned berry subgroups as well as on all foods covered by the proposed and established tolerances. Therefore, establishing the bulb vegetable and berry tolerances will not change the most recent estimated aggregate risks resulting from use of acetamiprid, as discussed in the November 28, 2007 **Federal Register**. Refer to the November 28, 2007 **Federal Register** document (72 FR 67256) (FRL–8340–6), available at *http://www.regulations.gov*, for a detailed discussion of the aggregate risk assessments and determination of safety. EPA relies upon those risk assessments and the findings made in the **Federal Register** document in support of this action.

Based on the risk assessments discussed in the final rule published in the **Federal Register** of November 28, 2007 (72 FR 67256) (FRL–8340–6), EPA concludes that there is a reasonable certainty that no harm will result to the general population, and to infants and children from aggregate exposure to acetamiprid residues.

IV. Other Considerations

A. Analytical Enforcement Methodology

Adequate residue analytical methods gas chromatography/electron-capture detection (GC/ECD) and high-performance liquid chromatography/ultraviolet detector (HPLC/UV)) are available for the enforcement of established and new tolerances for plant and animal commodities. These methods may be requested from: Chief, Analytical Chemistry Branch, Environmental Science Center, 701 Mapes Rd., Ft. Meade, MD 20755–5350; telephone number: (410) 305–2905; e-mail address: *residuemethods@epa.gov*.

B. International Residue Limits

There are no Codex, Canadian or Mexican MRLs established for acetamiprid on the commodities associated with these petitions.

V. Conclusion

The registrant, Nippon Soda Co., Ltd., petitioned for tolerances on bulb vegetables group 3 and berries group 13 as those crop groups were defined at the time of the petition. IR-4 also petitioned for individual tolerances on strawberry, bearberry, bilberry, lowbush blueberry, cloudberry, cranberry, lingonberry, muntries and partridgeberry (PP 6E7163). In the **Federal Register** of

December 7, 2007 (72 FR 69150) (FRL–8340–6), EPA issued a final rule that revised the crop grouping regulations. As part of this action, EPA expanded and revised bulb vegetables group 3 and berries group 13. Changes to crop group 3 (bulb vegetables) included adding new commodities, creating subgroups for bulb and green onions, and changing the name of one of the representative commodities from ''onion, dry bulb'' to ''onion, bulb''. Changes to crop group 13 (berries) included adding new commodities, revising existing subgroups and creating new subgroups (including a low growing berry subgroup consisting of the commodities requested in PP 6E7163 and cultivars, varieties, and/or hybrids of these).

EPA indicated in the December 7, 2007 final rule as well as the earlier May 23, 2007 proposed rule (72 FR 28920) (FRL–8126–1) that, for existing petitions for which a notice of filing had been published, the Agency would attempt to conform these petitions to the rule. Therefore, consistent with this rule, EPA is establishing tolerances on bushberry subgroup 13–07B; caneberry subgroup 13–07A; low growing berry subgroup 13–07G; onion, bulb, subgroup 3–07A; and onion, green, subgroup 3–07B. The low growing berry subgroup 13–07G consists of the berries for which tolerances were requested in PP 6E7163. The other subgroups include the remaining berries and bulb vegetables for which tolerances were requested in PP 6F7051.

EPA concludes it is reasonable to revise the petitioned-for tolerances so that they agree with the recent crop grouping revisions because (1) although the new crop groups/subgroups include several new commodities, the added commodities are closely related minor crops which contribute little to overall dietary or aggregate exposure and risk; and acetamiprid exposure from these added commodities was considered when EPA conducted the dietary and aggregate risk assessments supporting this action; and (2) the representative commodities for the revised crop groups/subgroups have not changed.

Based upon review of the data supporting PP 6F7051, EPA has also revised the tolerance levels for bushberry subgroup 13–07B and caneberry subgroup 13–07A to 1.6 ppm; onion, bulb, subgroup 3–07A to 0.02 ppm; and onion, green, subgroup 3–07B to 4.5 ppm. EPA revised these tolerance levels based on analyses of the residue field trial data using the Agency's Tolerance Spreadsheet in accordance with the Agency's Guidance for Setting Pesticide Tolerances Based on Field Trial Data Standard Operating Procedure (SOP).

Therefore, tolerances are established for residues of acetamiprid, *N*1-[(6-chloro-3-pyridyl)methyl]-*N*2-cyano-*N*1-methylacetamidine, in or on bushberry subgroup 13–07B at 1.6 ppm; caneberry subgroup 13–07A at 1.6 ppm; low growing berry subgroup 13–07G at 0.60 ppm; onion, bulb, subgroup 3–07A at 0.02 ppm; and onion, green, subgroup 3–07B at 4.5 ppm.

VI. Statutory and Executive Order Reviews

This final rule establishes a tolerance under section 408(d) of FFDCA in response to a petition submitted to the Agency. The Office of Management and Budget (OMB) has exempted these types of actions from review under Executive Order 12866, entitled *Regulatory Planning and Review* (58 FR 51735, October 4, 1993). Because this rule has been exempted from review under Executive Order 12866, this rule is not subject to Executive Order 13211, *Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution, or Use* (66 FR 28355, May 22, 2001) or Executive Order 13045, entitled *Protection of Children from Environmental Health Risks and Safety Risks* (62 FR 19885, April 23, 1997). This final rule does not contain any information collections subject to OMB approval under the Paperwork Reduction Act (PRA), 44 U.S.C. 3501 *et seq.*, nor does it require any special considerations under Executive Order 12898, entitled *Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations* (59 FR 7629, February 16, 1994).

Since tolerances and exemptions that are established on the basis of a petition under section 408(d) of FFDCA, such as the tolerance in this final rule, do not require the issuance of a proposed rule, the requirements of the Regulatory Flexibility Act (RFA) (5 U.S.C. 601 *et seq.*) do not apply.

This final rule directly regulates growers, food processors, food handlers, and food retailers, not States or tribes, nor does this action alter the relationships or distribution of power and responsibilities established by Congress in the preemption provisions of section 408(n)(4) of FFDCA. As such, the Agency has determined that this action will not have a substantial direct effect on States or tribal governments, on the relationship between the national government and the States or tribal governments, or on the distribution of power and responsibilities among the various levels of government or between the Federal Government and Indian tribes. Thus, the Agency has determined that Executive Order 13132, entitled *Federalism* (64 FR 43255, August 10, 1999) and Executive Order 13175, entitled *Consultation and Coordination with Indian Tribal Governments* (65 FR 67249, November 6, 2000) do not apply to this rule. In addition, This rule does not impose any enforceable duty or contain any unfunded mandate as described under Title II of the Unfunded Mandates Reform Act of 1995 (UMRA) (Public Law 104–4).

This action does not involve any technical standards that would require Agency consideration of voluntary consensus standards pursuant to section 12(d) of the National Technology Transfer and Advancement Act of 1995 (NTTAA), Public Law 104–113, section 12(d) (15 U.S.C. 272 note).

VII. Congressional Review Act

The Congressional Review Act, 5 U.S.C. 801 *et seq.*, generally provides that before a rule may take effect, the agency promulgating the rule must submit a rule report to each House of the Congress and to the Comptroller General of the United States. EPA will submit a report containing this rule and other required information to the U.S. Senate, the U.S. House of Representatives, and the Comptroller General of the United States prior to publication of this final rule in the **Federal Register**. This final rule is not a ''major rule'' as defined by 5 U.S.C. 804(2).

List of Subjects in 40 CFR Part 180

Environmental protection, Administrative practice and procedure, Agricultural commodities, Pesticides and pests, Reporting and recordkeeping requirements.

Dated: January 8, 2008.

Donald R. Stubbs,

Acting Director, Registration Division, Office of Pesticide Programs.

■ Therefore, 40 CFR chapter I is amended as follows:

PART 180—[AMENDED]

■ 1. The authority citation for part 180 continues to read as follows:

Authority: 21 U.S.C. 321(q), 346a and 371.

■ 2. Section 180.578 is amended by alphabetically adding the following commodities to the table in paragraph (a)(1) to read as follows:

180.578 Acetamiprid; tolerances for residues.

(a) * * * (1) * * *

Commodity	Parts per million
* * * * *	
Berry, low growing subgroups 13–07G	0.60
Bushberry subgroup 13–07B	1.6
Caneberry subgroup 13–07A	1.6
* * * * *	
Onion, bulb, subgroup 3–07A	0.02
Onion, green, subgroup 3–07B	4.5
* * * * *	

* * * * *

[FR Doc. E8–683 Filed 1–15–08; 8:45 am]

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ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 180

[EPA–HQ–OPP–2007–0461; FRL–8346–6]

Mandipropamid; Pesticide Tolerance

AGENCY: Environmental Protection Agency (EPA).

ACTION: Final rule.

SUMMARY: This regulation establishes a tolerance for residues of mandipropamid, 4-chloro-N-[2-[3-methoxy-4-(2-propynyloxy)phenyl]ethyl]-alpha-(2-propynyloxy)-benzeneacetamide in or on Brassica, head and stem, subgroup 5A; Brassica, leafy greens, subgroup 5B; vegetable, cucurbit, group 9; vegetable, fruiting, group 8; okra; vegetable, leafy except brassica, group 4; vegetable, tuberous and corm, subgroup 1C; grape; grape, raisin; onion, dry bulb; onion, green; and potato, wet peel. Syngenta Crop Protection Inc. requested this tolerance under the Federal Food, Drug, and Cosmetic Act (FFDCA).

DATES: This regulation is effective January 16, 2008. Objections and requests for hearings must be received on or before March 17, 2008, and must be filed in accordance with the instructions provided in 40 CFR part 178 (see also Unit I.C. of the **SUPPLEMENTARY INFORMATION**).

ADDRESSES: EPA has established a docket for this action under docket identification (ID) number EPA–HQ–OPP–2007–0461. To access the electronic docket, go to *http://www.regulations.gov*, select ''Advanced Search,'' then ''Docket Search.'' Insert the docket ID number where indicated and select the ''Submit'' button. Follow the instructions on the regulations.gov website to view the docket index or access available documents. All documents in the docket are listed in the docket index available in regulations.gov. Although listed in the index, some information is not publicly available, e.g., Confidential Business Information (CBI) or other information whose disclosure is restricted by statute. Certain other material, such as copyrighted material, is not placed on the Internet and will be publicly available only in hard copy form. Publicly available docket materials are available in the electronic docket at *http://www.regulations.gov*, or, if only available in hard copy, at the OPP Regulatory Public Docket in Rm. S–4400, One Potomac Yard (South Bldg.), 2777 S. Crystal Dr., Arlington, VA. The Docket Facility is open from 8:30 a.m. to 4 p.m., Monday through Friday, excluding legal holidays. The Docket Facility telephone number is (703) 305–5805.

FOR FURTHER INFORMATION CONTACT: Rose Mary Kearns, Registration Division (7505P), Office of Pesticide Programs, Environmental Protection Agency, 1200 Pennsylvania Ave., NW., Washington, DC 20460–0001; telephone number: (703) 305-5611; e-mail address: *kearns.rosemary@epa.gov*.

SUPPLEMENTARY INFORMATION:

I. General Information

A. Does this Action Apply to Me?

You may be potentially affected by this action if you are an agricultural producer, food manufacturer, or pesticide manufacturer. Potentially affected entities may include, but are not limited to those engaged in the following activities:

- Crop production (NAICS code 111), e.g., agricultural workers; greenhouse, nursery, and floriculture workers; farmers.
- Animal production (NAICS code 112), e.g., cattle ranchers and farmers, dairy cattle farmers, livestock farmers.
- Food manufacturing (NAICS code 311), e.g., agricultural workers; farmers; greenhouse, nursery, and floriculture workers; ranchers; pesticide applicators.
- Pesticide manufacturing (NAICS code 32532), e.g., agricultural workers; commercial applicators; farmers; greenhouse, nursery, and floriculture workers; residential users.

This listing is not intended to be exhaustive, but rather to provide a guide for readers regarding entities likely to be affected by this action. Other types of entities not listed in this unit could also be affected. The North American Industrial Classification System (NAICS) codes have been provided to assist you and others in determining whether this action might apply to certain entities. If you have any questions regarding the applicability of this action to a particular entity, consult the person listed under **FOR FURTHER INFORMATION CONTACT**.

B. How Can I Access Electronic Copies of this Document?

In addition to accessing an electronic copy of this **Federal Register** document through the electronic docket at *http://www.regulations.gov*, you may access this **Federal Register** document electronically through the EPA Internet under the ''**Federal Register**'' listings at *http://www.epa.gov/fedrgstr*. You may also access a frequently updated electronic version of EPA's tolerance regulations at 40 CFR part 180 through the Government Printing Office's pilot e-CFR site at *http://www.gpoaccess.gov/ecfr*.

C. Can I File an Objection or Hearing Request?

Under section 408(g) of FFDCA, any person may file an objection to any aspect of this regulation and may also request a hearing on those objections. You must file your objection or request a hearing on this regulation in accordance with the instructions provided in 40 CFR part 178. To ensure proper receipt by EPA, you must identify docket ID number EPA–HQ–OPP–2007–0461 in the subject line on the first page of your submission. All requests must be in writing, and must be mailed or delivered to the Hearing Clerk as required by 40 CFR part 178 on or before March 17, 2008.

In addition to filing an objection or hearing request with the Hearing Clerk as described in 40 CFR part 178, please submit a copy of the filing that does not contain any CBI for inclusion in the public docket that is described in

ADDRESSES. Information not marked confidential pursuant to 40 CFR part 2 may be disclosed publicly by EPA without prior notice. Submit this copy, identified by docket ID number EPA–HQ–OPP–2007–0461, by one of the following methods:

• *Federal eRulemaking Portal*: *http://www.regulations.gov*. Follow the on-line instructions for submitting comments.

• *Mail*: Office of Pesticide Programs (OPP) Regulatory Public Docket (7502P), Environmental Protection Agency, 1200 Pennsylvania Ave., NW., Washington, DC 20460–0001.

• *Delivery*: OPP Regulatory Public Docket (7502P), Environmental Protection Agency, Rm. S–4400, One Potomac Yard (South Bldg.), 2777 S. Crystal Dr., Arlington, VA. Deliveries are only accepted during the Docket's normal hours of operation (8:30 a.m. to 4 p.m., Monday through Friday, excluding legal holidays). Special arrangements should be made for deliveries of boxed information. The Docket Facility telephone number is (703) 305–5805.

II. Petition for Tolerance

In the **Federal Register** of July 25, 2007 (72 FR 40877) (FRL–8137–1) and October 31, 2007 (72 FR 61637) (FRL 8154-8) EPA issued notices pursuant to section 408(d)(3) of FFDCA, 21 U.S.C. 346a(d)(3), announcing the filing of pesticide petitions (PP7F7184 and 6F7057) by Syngenta Crop Protection Inc., P.O. Box 18300, Greensboro, NC 27419. The petition (6F7057) requested that 40 CFR part 180 be amended by establishing tolerances for residues of the fungicide mandipropamid, 4-chloro-N-[2-[3-methoxy-4-(2-propynyloxy)phenyl]ethyl]-alpha-(2-propynyloxy)-benzeneacetamide, in or on Brassica, head and stem, Subgroup 5A at 3 parts per million (ppm); Brassica, leafy greens, subgroup 5B at 30 ppm; vegetable, cucurbit, group 9 at .3 ppm; vegetable, fruiting, group 8 at 1 ppm; vegetable, leafy except Brassica, group 4 at 20 ppm; vegetable, tuberous and corm, subgroup 1C at 0.01 ppm; grape at 2 ppm; grape, raisin at 4 ppm; onion, dry bulb at 0.05 ppm; onion, green at 4 ppm; and tomato paste at 1.3 ppm. That notice referenced a summary of the petition prepared by Syngenta Crop Protection, Inc., the registrant, which is available to the public in the docket, *http://www.regulations.gov*. Comments were received on the notice of filing. EPA's response to these comments is discussed in Unit IV.B..

Based upon review of the data supporting the petition, EPA has recommended the inclusion of okra in Crop Group 8 (Vegetable, Fruiting). However, a separate tolerance for okra must be listed in the 40 CFR 180.637, until the new crop group regulation is published. A tolerance for tomato paste was requested. However, the maximum expected residue in tomato paste and puree resulting from the proposed use will be covered by the recommended tolerance for vegetable, fruiting, crop group 8. A separate tolerance is being established for potato, wet peel, even though it was not requested. The maximum expected residue in potato, wet peel resulting from the proposed use is 0.03 ppm which was calculated by multiplying the HAFT of <0.01 ppm by the observed concentration factor of >3x. Potatoes have a separate tolerance under the vegetable, tuberous and corm subgroup 1C.

III. Aggregate Risk Assessment and Determination of Safety

Section 408(b)(2)(A)(i) of FFDCA allows EPA to establish a tolerance (the legal limit for a pesticide chemical residue in or on a food) only if EPA determines that the tolerance is ''safe.'' Section 408(b)(2)(A)(ii) of FFDCA defines ''safe'' to mean that ''there is a reasonable certainty that no harm will result from aggregate exposure to the pesticide chemical residue, including all anticipated dietary exposures and all other exposures for which there is reliable information.'' This includes exposure through drinking water and in residential settings, but does not include occupational exposure. Section 408(b)(2)(C) of FFDCA requires EPA to give special consideration to exposure of infants and children to the pesticide chemical residue in establishing a tolerance and to ''ensure that there is a reasonable certainty that no harm will result to infants and children from aggregate exposure to the pesticide chemical residue....'' These provisions were added to FFDCA by the Food Quality Protection Act (FQPA) of 1996.

Consistent with FFDCA section 408(b)(2)(D), and the factors specified in FFDCA section 408(b)(2)(D), EPA has reviewed the available scientific data and other relevant information in support of this action. EPA has sufficient data to assess the hazards of and to make a determination on aggregate exposure for the petitioned-for tolerance for residues of mandipropamid on Brassica, head and stem, subgroup 5A at 3 ppm; Brassica, leafy greens, subgroup 5B at 25 ppm; vegetable, cucurbit, group 9 at 0.6 ppm; vegetable, fruiting, group 8 at 1 ppm; okra at 1.0 ppm; vegetable, leafy except Brassica, group 4 at 20 ppm; vegetable, tuberous and corm, subgroup 1C at 0.01 ppm; grape at 1.4 ppm; grape, raisin at 3 ppm; onion, dry bulb at 0.05 ppm; onion, green at 4 ppm; and okra at 1 ppm and potato, wet peel at 0.03 ppm. EPA's assessment of exposures and risks associated with establishing the tolerance follows.

A. Toxicological Profile

EPA has evaluated the available toxicity data and considered its validity, completeness, and reliability as well as the relationship of the results of the studies to human risk. EPA has also considered available information concerning the variability of the sensitivities of major identifiable subgroups of consumers, including infants and children. Specific information on the studies received and the nature of the adverse effects caused by mandipropamid as well as the no-observed-adverse-effect-level (NOAEL) and the lowest-observed-adverse-effect-level (LOAEL) from the toxicity studies can be found in the docket established by this action, which is described under **ADDRESSES**, and is identified as ''Mandipropamid: Human Health Risk Assessment for Proposed Uses'' in that docket.

B. Toxicological Endpoints

For hazards that have a threshold below which there is no appreciable risk, the toxicological level of concern (LOC) is derived from the highest dose at which no adverse effects are observed (the NOAEL) in the toxicology study identified as appropriate for use in risk assessment. However, if a NOAEL cannot be determined, the lowest dose at which adverse effects of concern are identified (the LOAEL) is sometimes used for risk assessment. Uncertainty/safety factors (UFs) are used in conjunction with the LOC to take into account uncertainties inherent in the extrapolation from laboratory animal data to humans and in the variations in sensitivity among members of the human population as well as other unknowns. Safety is assessed for acute and chronic risks by comparing aggregate exposure to the pesticide to the acute population adjusted dose (aPAD) and chronic population adjusted dose (cPAD). The aPAD and cPAD are calculated by dividing the LOC by all applicable UFs. Short-, intermediate-, and long-term risks are evaluated by comparing aggregate exposure to the LOC to ensure that the margin of exposure (MOE) called for by the product of all applicable UFs is not exceeded.

For non-threshold risks, the Agency assumes that any amount of exposure will lead to some degree of risk and estimates risk in terms of the probability

of occurrence of additional adverse cases. Generally, cancer risks are considered non-threshold. For more information on the general principles EPA uses in risk characterization and a complete description of the risk assessment process, see *http://www.epa.gov/pesticides/factsheets/riskassess.htm.*

A summary of the toxicological endpoints for mandipropamid used for human risk assessment is shown in Table 1 of this unit.

TABLE 1.—SUMMARY OF TOXICOLOGICAL DOSE AND ENDPOINTS FOR MANDIPROPAMID FOR USE IN DIETARY HUMAN RISK ASSESSMENT

Exposure/Scenario	Point of Departure	Uncertainty/FQPA Safety Factors	RfD, PAD, Level of Concern for Risk Assessment	Study and Toxicological Effects
Acute Dietary (General Population, including Infants and Children)	N/A	N/A	N/A	No appropriate endpoint was identified.
Acute Dietary(Females 13-49 years of age)	N/A	N/A	N/A	No appropriate endpoint was identified.
Chronic Dietary (All Populations)	NOAEL = 5 mg/kg/day	UF_A = 10X ..... UF_H = 10X FQPA SF = 1X	Chronic RfD = 0.05 mg/kg/day cPAD = 0.05 mg/kg/day	Chronic toxicity – dogs LOAEL = 40 mg/kg/day, based on evidence of liver toxicity (increased incidence and severity of microscopic pigment in the liver and increased alkaline phosphatase activity in both sexes as well as increased alanine aminotransferase activity in males).
Cancer	"Not Likely to be Carcinogenic to Humans." No treatment-related tumors observed in carcinogenicity studies in rats and mice. A cancer risk assessment is not needed.			

NOAEL = no observed adverse effect level. LOAEL = lowest observed adverse effect level. UF = uncertainty factor. UFA = extrapolation from animal to human (interspecies). UFH = potential variation in sensitivity among members of the human population (intraspecies). FQPA SF = FQPA Safety Factor. PAD = population adjusted dose (c = chronic). RfD = reference dose. N/A = not applicable.

C. Exposure Assessment

1. *Dietary exposure from food and feed uses.* In evaluating dietary exposure to mandipropamid, EPA considered exposure under the petitioned-for tolerances. EPA assessed dietary exposures from mandipropamid in food as follows:

i. *Acute exposure.* Quantitative acute dietary exposure and risk assessments are performed for a food-use pesticide, if a toxicological study has indicated the possibility of an effect of concern occurring as a result of a 1–day or single exposure.

No such effects were identified in the toxicological studies for mandipropamid; therefore, a quantitative acute dietary exposure assessment is unnecessary.

ii. *Chronic exposure.* In conducting the chronic dietary exposure assessment EPA used the food consumption data from the USDA 1994–1996, or 1998; CSFII. As to residue levels in food, EPA relied upon tolerance level residues and percent crop treated (PCT) information for all commodities A unrefined chronic exposure assessment that assumes 100% crop treated was conducted for the proposed Section 3 uses of mandipropamid. The DEEM analysis incorporates estimates of drinking water concentrations from the Environmental Fate and Effects Division directly into the analysis. The chronic dietary exposure analysis for mandipropamid results in dietary risk estimates for food and water that are below the Agency's level of concern for chronic dietary exposure.

iii. *Cancer.* There were no treatment-related tumors observed in carcinogenicity studies in rats and mice. Mandipropamid is classified as not likely to be a human carcinogen. Therefore, a cancer dietary exposure assessment was not performed.

2. *Dietary exposure from drinking water.* The Agency lacks sufficient monitoring data to complete a comprehensive dietary exposure analysis and risk assessment for mandipropamid in drinking water. Because the Agency does not have comprehensive monitoring data, drinking water concentration estimates are made by reliance on simulation or modeling taking into account data on the environmental fate characteristics of mandipropamid. Further information regarding EPA drinking water models used in pesticide exposure assessment can be found at *http://www.epa.gov/oppefed1/models/water/index.htm.*

Based on the First Index Reservoir Screening Tool (FIRST), and Screening Concentration in Ground Water (SCI-GROW) models, the estimated environmental concentrations (EECs) of mandipropamid for acute exposures are estimated to be 25.2 parts per billion (ppb) for surface water and 0.05 ppb for ground water. The EECs for the aquatic degradates SYN500003 and SYN504851 are estimated to be 2.32 and 8.99 ppb for surface water and 0.6 and 1.7 ppb for ground water. The combined level of mandipropamid and the degradates in surface water is 36.5 ppb.

Modeled estimates of drinking water concentrations were directly entered into the dietary exposure model. For chronic dietary risk assessment, the acute water concentration of value 36.5 ppb was used to conservatively assess the contribution to drinking water.

3. *From non-dietary exposure.* The term "residential exposure" is used in this document to refer to non-occupational, non-dietary exposure (e.g., for lawn and garden pest control, indoor pest control, termiticides, and flea and tick control on pets).

Mandipropamid is not registered for use on any sites that would result in residential exposure.

4. *Cumulative effects from substances with a common mechanism of toxicity.* Section 408(b)(2)(D)(v) of FFDCA requires that, when considering whether to establish, modify, or revoke a

tolerance, the Agency consider ''available information'' concerning the cumulative effects of a particular pesticide's residues and ''other substances that have a common mechanism of toxicity.''

Unlike other pesticides for which EPA has followed a cumulative risk approach based on a common mechanism of toxicity, EPA has not made a common mechanism of toxicity finding as to mandipropamid and any other substances and mandipropamid does not appear to produce a toxic metabolite produced by other substances. For the purposes of this tolerance action, therefore, EPA has not assumed that mandipropamid has a common mechanism of toxicity with other substances. For information regarding EPA's efforts to determine which chemicals have a common mechanism of toxicity and to evaluate the cumulative effects of such chemicals, see EPA's website at *http://www.epa.gov/pesticides/cumulative*.

D. Safety Factor for Infants and Children

1. *In general*. Section 408 of FFDCA provides that EPA shall apply an additional (''10X'') tenfold margin of safety for infants and children in the case of threshold effects to account for prenatal and postnatal toxicity and the completeness of the database on toxicity and exposure unless EPA determines based on reliable data that a different margin of safety will be safe for infants and children. This additional margin of safety is commonly referred to as the FQPA safety factor. In applying this provision, EPA either retains the default value of 10X when reliable data do not support the choice of a different factor, or, if reliable data are available, EPA uses a different additional FQPA safety factor value based on the use of traditional UFs and/or special FQPA safety factors, as appropriate.

2. *Prenatal and postnatal sensitivity*. There is no evidence (quantitative or qualitative) of increased susceptibility and no residual uncertainties with regard to prenatal toxicity following in utero exposure to rats or rabbits (developmental studies) and pre and/or post-natal exposures to rats (reproduction study).

3. *Conclusion*. EPA has determined that reliable data show that it would be safe for infants and children to reduce the FQPA safety factor to 1X. That decision is based on the following findings:

i. The toxicological database for mandipropamid is complete.

ii. The toxicity data showed no increase in qualitative or quantitative susceptibility in fetuses and pups with in utero and post-natal exposure.

iii. The toxicity data indicates that there are no neurotoxic effects.

iv. The dietary food exposure assessment is based on tolerance-level residues and assumes 100% crop treated for all commodities, which results in very high-end estimates of dietary exposure.

v. The dietary drinking water assessment is based on values generated by model and associated modeling parameters which are designed to provide conservative, health protective, high-end estimates of water concentrations.

vi. No residential uses are proposed at this time.

E. Aggregate Risks and Determination of Safety

Safety is assessed for acute and chronic risks by comparing aggregate exposure to the pesticide to the aPAD and cPAD. The aPAD and cPAD are calculated by dividing the LOC by all applicable UFs. For linear cancer risks, EPA calculates the probability of additional cancer cases given aggregate exposure. Short-, intermediate-, and long-term risks are evaluated by comparing aggregate exposure to the LOC to ensure that the MOE called for by the product of all applicable UFs is not exceeded.

1. *Acute risk*. No acute dietary endpoint based on effects attributable to a single dose could be identified based on the toxicology data currently available for mandipropamid. Therefore, mandipropamid is not expected to pose an acute risk.

2. *Chronic risk*. There are no residential uses proposed or registered for mandipropamid, and therefore aggregate risk is equal to that from consumption of food and water. Chronic aggregate risk estimates associated with exposure to mandipropamid residues in food and water do not exceed the Agency's level of concern. For mandipropamid, the chronic dietary exposure estimate was 22% of the cPAD for the U.S. population and was 30% of the cPAD for the highest exposed population subgroup, children 1-2 years of age.

3. *Short-term and intermediate-term risk*. Short and intermediate-term dermal exposures and risks were not assessed for mandipropamid, since mandipropamid is not registered for use on any sites that would result in residential exposure.

4. *Aggregate cancer risk for U.S. population*. Aggregate cancer risk was not assessed because mandipropamid is not likely to be carcinogenic in humans.

5. *Determination of safety*. Based on these risk assessments, EPA concludes that there is a reasonable certainty that no harm will result to the general population, or to infants and children from aggregate exposure to mandipropamid residues.

IV. Other Considerations

A. Analytical Enforcement Methodology

Adequate enforcement methodology Analytical Method RAM 415/01 Residue Analytical Method for the Determination of Mandipropamid in Crop Samples. Final Determination by LC/MS/MS and the Analytical Method Development and Validation (German S-19) for the determination of residues of MA Mandipropamid in or on Plant Matrices is available to enforce the tolerance expression. The method may be requested from: Chief, Analytical Chemistry Branch, Environmental Science Center, 701 Mapes Rd., Ft. Meade, MD 20755–5350; telephone number: (410) 305–2905; e-mail address: *residuemethods@epa.gov*.

B. International Residue Limits

There are no specific CODEX, Canadian or Mexican maximum residue limits (MRLs) for mandipropamid.

C. General Response to Comments

Several comments were received from a private citizen objecting to establishment of tolerances. The agency has received similar comments from this commenter on numerous previous occasions. Refer to **Federal Register** 70 FR 37686 (June 30, 2005), 70 FR 1354 (January 7, 2005), 69 FR 63096-63098 (October 29, 2004) for the Agency's response to these objections. In addition, the commenter noted several adverse effects seen in animal toxicology studies with mandipropamid and claims because of these effects no tolerance should be approved. EPA has found, however, that there is reasonable certainty of no harm to humans after considering these toxicological studies and the exposure levels of humans to mandipropamid.

V. Conclusion

Therefore, the tolerances are established for residues of mandipropamid, 4-chloro-N-[2-[3-methoxy-4-(2-propynyloxy)phenyl]ethyl]-alpha-(2-propynyloxy)-benzeneacetamide, in or on Brassica, head and stem, subgroup 5A at 3 ppm; Brassica, leafy greens, subgroup 5B at 25 ppm; vegetable, cucurbit, group 9 at 0.6 ppm; vegetable, fruiting, group 8 at 1.0 ppm; okra at 1.0 ppm; vegetable, leafy, except Brassica, group 4 at 20 ppm; vegetable, tuberous

and corm, subgroup 1C at 0.01 ppm; grape at 1.4 ppm; grape, raisin at 3.0 ppm; onion, dry bulb at 0.05 ppm; onion, green at 4 ppm; and potato, wet peel at 0.03 ppm. A tolerance for tomato paste is not being established because residue expected will be covered by the vegetable, fruiting crop group 8.

VI. Statutory and Executive Order Reviews

This final rule establishes a tolerance under section 408(d) of FFDCA in response to a petition submitted to the Agency. The Office of Management and Budget (OMB) has exempted these types of actions from review under Executive Order 12866, entitled *Regulatory Planning and Review* (58 FR 51735, October 4, 1993). Because this rule has been exempted from review under Executive Order 12866, this rule is not subject to Executive Order 13211, *Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution, or Use* (66 FR 28355, May 22, 2001) or Executive Order 13045, entitled *Protection of Children from Environmental Health Risks and Safety Risks* (62 FR 19885, April 23, 1997). This final rule does not contain any information collections subject to OMB approval under the Paperwork Reduction Act (PRA), 44 U.S.C. 3501 *et seq.*, nor does it require any special considerations under Executive Order 12898, entitled *Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations* (59 FR 7629, February 16, 1994).

Since tolerances and exemptions that are established on the basis of a petition under section 408(d) of FFDCA, such as the tolerance in this final rule, do not require the issuance of a proposed rule, the requirements of the Regulatory Flexibility Act (RFA) (5 U.S.C. 601 *et seq.*) do not apply.

This final rule directly regulates growers, food processors, food handlers, and food retailers, not States or tribes, nor does this action alter the relationships or distribution of power and responsibilities established by Congress in the preemption provisions of section 408(n)(4) of FFDCA. As such, the Agency has determined that this action will not have a substantial direct effect on States or tribal governments, on the relationship between the national government and the States or tribal governments, or on the distribution of power and responsibilities among the various levels of government or between the Federal Government and Indian tribes. Thus, the Agency has determined that Executive Order 13132, entitled *Federalism* (64 FR 43255, August 10, 1999) and Executive Order 13175, entitled *Consultation and Coordination with Indian Tribal Governments* (65 FR 67249, November 6, 2000) do not apply to this rule. In addition, This rule does not impose any enforceable duty or contain any unfunded mandate as described under Title II of the Unfunded Mandates Reform Act of 1995 (UMRA) (Public Law 104–4).

This action does not involve any technical standards that would require Agency consideration of voluntary consensus standards pursuant to section 12(d) of the National Technology Transfer and Advancement Act of 1995 (NTTAA), Public Law 104–113, section 12(d) (15 U.S.C. 272 note).

VII. Congressional Review Act

The Congressional Review Act, 5 U.S.C. 801 *et seq.*, generally provides that before a rule may take effect, the agency promulgating the rule must submit a rule report to each House of the Congress and to the Comptroller General of the United States. EPA will submit a report containing this rule and other required information to the U.S. Senate, the U.S. House of Representatives, and the Comptroller General of the United States prior to publication of this final rule in the **Federal Register**. This final rule is not a ''major rule'' as defined by 5 U.S.C. 804(2).

List of Subjects in 40 CFR Part 180

Environmental protection, Administrative practice and procedure, Agricultural commodities, Pesticides and pests, Reporting and recordkeeping requirements.

Dated: January 8, 2008.

Debra Edwards,

Director, Office of Pesticide Programs.

■ Therefore, 40 CFR chapter I is amended as follows:

PART 180—[AMENDED]

■ 1. The authority citation for part 180 continues to read as follows:

Authority: 21 U.S.C. 321(q), 346a and 371.

■ 2. Section 180.637 is added to read as follows:

§ 180.637 Mandipropamid; tolerances for residues.

(a) *General.* Tolerances are established for residues of the fungicide mandipropamid, 4-chloro-N-[2-(3-methoxy-4-(2-propynyloxy)phenyl] ethyl]-alpha-(2-propynyloxy)-benzeneacetamide in or on the following commodities.

Commodity	Parts per million
Brassica, head and stem, subgroup 5A	3
Brassica, leafy greens, subgroup 5B	25
Vegetable, cucurbit, group 9	0.6
Vegetable, fruiting, group 8	1.0
Vegetable, leafy except Brassica, group 4	20
Vegetable, tuberous and corm, subgroup 1C	0.01
Grape	1.4
Grape, raisin	3.0
Okra	1.0
Onion, dry bulb	0.05
Onion, green	4
Potato, wet peel	0.03

(b) *Section 18 emergency exemptions.* [Reserved]

(c) *Tolerances with regional registrations.* [Reserved]

(d) *Indirect or inadvertent tolerances.* [Reserved]

[FR Doc. E8–677 Filed 1–15–08; 8:45 am]

BILLING CODE 6560–50–S

DEPARTMENT OF HOMELAND SECURITY

Federal Emergency Management Agency

44 CFR Part 64

[Docket No. FEMA–8007]

Suspension of Community Eligibility

AGENCY: Federal Emergency Management Agency, DHS.

ACTION: Final rule.

SUMMARY: This rule identifies communities, where the sale of flood insurance has been authorized under the National Flood Insurance Program (NFIP), that are scheduled for suspension on the effective dates listed within this rule because of noncompliance with the floodplain management requirements of the program. If the Federal Emergency Management Agency (FEMA) receives documentation that the community has adopted the required floodplain management measures prior to the effective suspension date given in this rule, the suspension will not occur and a notice of this will be provided by publication in the **Federal Register** on a subsequent date.

DATES: *Effective Dates:* The effective date of each community's scheduled suspension is the third date (''Susp.'') listed in the third column of the following tables.

ADDRESSES: If you want to determine whether a particular community was suspended on the suspension date, contact the appropriate FEMA Regional Office.

FOR FURTHER INFORMATION CONTACT: David Stearrett, Mitigation Directorate, Federal Emergency Management Agency, 500 C Street, SW., Washington, DC 20472, (202) 646–2953.

SUPPLEMENTARY INFORMATION: The NFIP enables property owners to purchase flood insurance which is generally not otherwise available. In return, communities agree to adopt and administer local floodplain management aimed at protecting lives and new construction from future flooding. Section 1315 of the National Flood Insurance Act of 1968, as amended, 42 U.S.C. 4022, prohibits flood insurance coverage as authorized under the NFIP, 42 U.S.C. 4001, *et seq.;* unless an appropriate public body adopts adequate floodplain management measures with effective enforcement measures. The communities listed in this document no longer meet that statutory requirement for compliance with program regulations, 44 CFR part 59. Accordingly, the communities will be suspended on the effective date in the third column. As of that date, flood insurance will no longer be available in the community. However, some of these communities may adopt and submit the required documentation of legally enforceable floodplain management measures after this rule is published but prior to the actual suspension date. These communities will not be suspended and will continue their eligibility for the sale of insurance. A notice withdrawing the suspension of the communities will be published in the **Federal Register**.

In addition, FEMA has identified the Special Flood Hazard Areas (SFHAs) in these communities by publishing a Flood Insurance Rate Map (FIRM). The date of the FIRM, if one has been published, is indicated in the fourth column of the table. No direct Federal financial assistance (except assistance pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act not in connection with a flood) may legally be provided for construction or acquisition of buildings in identified SFHAs for communities not participating in the NFIP and identified for more than a year, on FEMA's initial flood insurance map of the community as having flood-prone areas (section 202(a) of the Flood Disaster Protection Act of 1973, 42 U.S.C. 4106(a), as amended). This prohibition against certain types of Federal assistance becomes effective for the communities listed on the date shown in the last column. The Administrator finds that notice and public comment under 5 U.S.C. 553(b) are impracticable and unnecessary because communities listed in this final rule have been adequately notified.

Each community receives 6-month, 90-day, and 30-day notification letters addressed to the Chief Executive Officer stating that the community will be suspended unless the required floodplain management measures are met prior to the effective suspension date. Since these notifications were made, this final rule may take effect within less than 30 days.

National Environmental Policy Act. This rule is categorically excluded from the requirements of 44 CFR part 10, Environmental Considerations. No environmental impact assessment has been prepared.

Regulatory Flexibility Act. The Administrator has determined that this rule is exempt from the requirements of the Regulatory Flexibility Act because the National Flood Insurance Act of 1968, as amended, 42 U.S.C. 4022, prohibits flood insurance coverage unless an appropriate public body adopts adequate floodplain management measures with effective enforcement measures. The communities listed no longer comply with the statutory requirements, and after the effective date, flood insurance will no longer be available in the communities unless remedial action takes place.

Regulatory Classification. This final rule is not a significant regulatory action under the criteria of section 3(f) of Executive Order 12866 of September 30, 1993, Regulatory Planning and Review, 58 FR 51735.

Executive Order 13132, Federalism. This rule involves no policies that have federalism implications under Executive Order 13132.

Executive Order 12988, Civil Justice Reform. This rule meets the applicable standards of Executive Order 12988.

Paperwork Reduction Act. This rule does not involve any collection of information for purposes of the Paperwork Reduction Act, 44 U.S.C. 3501, *et seq.*

List of Subjects in 44 CFR Part 64

Flood insurance, Floodplains.

■ Accordingly, 44 CFR part 64 is amended as follows:

PART 64—[AMENDED]

■ 1. The authority citation for part 64 continues to read as follows:

Authority: 42 U.S.C. 4001, *et seq.;* Reorganization Plan No. 3 of 1978, 3 CFR, 1978 Comp.; p. 329; E.O. 12127, 44 FR 19367, 3 CFR, 1979 Comp.; p. 376.

§ 64.6 [Amended]

■ 2. The tables published under the authority of § 64.6 are amended as follows:

State and location	Community No.	Effective date authorization/cancellation of sale of flood insurance in community	Current effective map date	Date certain Federal assistance no longer available in SFHAs
Region I				
Maine: Van Buren, Town of, Aroostook County.	230036	July 3, 1975, Emerg; March 18, 1986, Reg; January 16, 2008, Susp.	01/16/2008	01/16/2008

*-do-=Ditto.
Code for reading third column: Emerg.—Emergency; Reg.—Regular; Susp.—Suspension.

Dated: January 4, 2008.

David I. Maurstad,

Assistant Administrator, Mitigation Directorate, Department of Homeland Security, Federal Emergency Management Agency.

[FR Doc. E8–690 Filed 1–15–08; 8:45 am]

BILLING CODE 9110–12–P

DEPARTMENT OF HOMELAND SECURITY

Federal Emergency Management Agency

44 CFR Part 65

Changes in Flood Elevation Determinations

AGENCY: Federal Emergency Management Agency, DHS.

ACTION: Final rule.

SUMMARY: Modified Base (1% annual-chance) Flood Elevations (BFEs) are finalized for the communities listed below. These modified BFEs will be used to calculate flood insurance premium rates for new buildings and their contents.

DATES: The effective dates for these modified BFEs are indicated on the following table and revise the Flood Insurance Rate Maps (FIRMs) in effect for the listed communities prior to this date.

ADDRESSES: The modified BFEs for each community are available for inspection at the office of the Chief Executive Officer of each community. The respective addresses are listed in the table below.

FOR FURTHER INFORMATION CONTACT: William R. Blanton, Jr., Engineering Management Branch, Mitigation Directorate, Federal Emergency Management Agency, 500 C Street, SW., Washington, DC 20472, (202) 646–3151.

SUPPLEMENTARY INFORMATION: The Federal Emergency Management Agency (FEMA) makes the final determinations listed below of the modified BFEs for each community listed. These modified BFEs have been published in newspapers of local circulation and ninety (90) days have elapsed since that publication. The Mitigation Division Director of FEMA resolved any appeals resulting from this notification.

The modified BFEs are not listed for each community in this notice. However, this final rule includes the address of the Chief Executive Officer of the community where the modified BFEs determinations are available for inspection.

The modified BFEs are made pursuant to section 206 of the Flood Disaster Protection Act of 1973, 42 U.S.C. 4105, and are in accordance with the National Flood Insurance Act of 1968, 42 U.S.C. 4001 *et seq.*, and with 44 CFR part 65.

For rating purposes, the currently effective community number is shown and must be used for all new policies and renewals.

The modified BFEs are the basis for the floodplain management measures that the community is required to either adopt or to show evidence of being already in effect in order to qualify or to remain qualified for participation in the National Flood Insurance Program (NFIP).

These modified BFEs, together with the floodplain management criteria required by 44 CFR 60.3, are the minimum that are required. They should not be construed to mean that the community must change any existing ordinances that are more stringent in their floodplain management requirements. The community may at any time enact stricter requirements of its own, or pursuant to policies established by other Federal, State, or regional entities.

These modified BFEs are used to meet the floodplain management requirements of the NFIP and are also used to calculate the appropriate flood insurance premium rates for new buildings built after these elevations are made final, and for the contents in these buildings. The changes in BFEs are in accordance with 44 CFR 65.4.

National Environmental Policy Act. This final rule is categorically excluded from the requirements of 44 CFR part 10, Environmental Consideration. An environmental impact assessment has not been prepared.

Regulatory Flexibility Act. As flood elevation determinations are not within the scope of the Regulatory Flexibility Act, 5 U.S.C. 601–612, a regulatory flexibility analysis is not required.

Regulatory Classification. This final rule is not a significant regulatory action under the criteria of section 3(f) of Executive Order 12866 of September 30, 1993, Regulatory Planning and Review, 58 FR 51735.

Executive Order 13132, Federalism. This final rule involves no policies that have federalism implications under Executive Order 13132, Federalism.

Executive Order 12988, Civil Justice Reform. This final rule meets the applicable standards of Executive Order 12988.

List of Subjects in 44 CFR Part 65

Flood insurance, Floodplains, Reporting and recordkeeping requirements.

■ Accordingly, 44 CFR part 65 is amended to read as follows:

PART 65—[AMENDED]

■ 1. The authority citation for part 65 continues to read as follows:

Authority: 42 U.S.C. 4001 *et seq.*; Reorganization Plan No. 3 of 1978, 3 CFR, 1978 Comp., p. 329; E.O. 12127, 44 FR 19367, 3 CFR, 1979 Comp., p.376.

§ 65.4 [Amended]

■ 2. The tables published under the authority of § 65.4 are amended as follows:

State and county	Location and case No.	Date and name of newspaper where notice was published	Chief executive officer of community	Effective date of modification	Community No.
Alabama:					
Madison (FEMA Docket No: B–7727).	City of Huntsville (06–04–BT85P).	June 22, 2007; June 29, 2007; *Madison County Record.*	The Honorable Loretta Spencer, Mayor, City of Huntsville, P.O. Box 308, Huntsville, Alabama 35804.	September 28, 2007	010153
Madison (FEMA Docket No: B–7727).	City of Madison (06–04–BT85P).	June 22, 2007; June 29, 2007; *Madison County Record.*	The Honorable Sandy Kirkindall, Mayor, City of Madison, 100 Hughes Road, Madison, Alabama 35758.	September 28, 2007	010308
Montgomery (FEMA Docket No: B–7738).	City of Montgomery (07–04–2575P).	August 9, 2007; August 16, 2007; *The Montgomery Advertiser.*	The Honorable Bobby N. Bright, Mayor, City of Montgomery, P.O. Box 1111, Montgomery, AL 36101.	July 25, 2007	010174
Montgomery (FEMA Docket No: B–7738).	Unincorporated areas of Montgomery County (07–04–2575P).	August 9, 2007; August 16, 2007; *The Montgomery Advertiser.*	The Honorable Todd Strange, Chairman, Montgomery County Board of Commissioners, 100 South Lawrence Street, Montgomery, AL 36104.	July 25, 2007	010278
Arizona:					

State and county	Location and case No.	Date and name of newspaper where notice was published	Chief executive officer of community	Effective date of modification	Community No.
Maricopa (FEMA Docket No: B–7727).	City of Mesa (07–09–0549P).	June 14, 2007; June 21,2007; *Arizona Business Gazette*.	The Honorable Keno Hawker, Mayor, City of Mesa, P.O. Box 1466, Mesa, Arizona 85211–1466.	September 20, 2007	040048
Pima (FEMA Docket No: B–7738).	Town of Marana (06–09–BA80P).	July 19, 2007; July 26, 2007; *Arizona Daily Star*.	The Honorable Ed Honea, Mayor, Town of Marana, Marana Municipal Complex, 11555 West Civic Center Drive, Marana, AZ 85653.	July 5, 2007	040118
Pima (FEMA Docket No: B–7727).	City of Tucson (07–09–0707P).	June 21, 2007; June 28, 2007; *The Daily Territorial*.	The Honorable Bob Walkup, Mayor, City of Tucson, P.O. Box 27210, Tucson, Arizona 85726.	June 4, 2007	040076
Yavapai (FEMA Docket No: B–7738).	Town of Prescott Valley (07–09–0558P).	July 19, 2007; July 26, 2007; *Prescott Daily Courier*.	The Honorable Harvey Skoog, Mayor, Town of Prescott Valley, 7501 East Civic Circle, Prescott Valley, AZ 86314.	October 25, 2007	040121
Yavapai (FEMA Docket No: B–7727).	Unincorporated areas of Yavapai County (06–09–BA63P).	June 21, 2007; June 28, 2007; *Prescott Daily Courier*.	The Honorable Chip Davis, Chairman, Yavapai County Board of Supervisors, 10 South Sixth Street, Cottonwood, Arizona 86326.	September 27, 2007	040093
Yavapai (FEMA Docket No: B–7738).	Unincorporated areas of Yavapai County (07–09–0558P).	July 19, 2007; July 26, 2007; *Prescott Daily Courier*.	The Honorable Chip Davis, Chairman, Yavapai County Board of Supervisors, 10 South Sixth Street, Cottonwood, AZ 86326.	October 25, 2007	040093
Yavapai (FEMA Docket No: B–7738).	Unincorporated areas of Yavapai County (07–09–0736P).	July 19, 2007; July 26, 2007; *Prescott Daily Courier*.	The Honorable Chip Davis, Chairman, Yavapai County Board of Commissioners, 10 South Sixth Street, Cottonwood, AZ 86326.	June 27, 2007	040093
California:					
Contra Costa (FEMA Docket No: B–7738).	City of Pittsburg (06–09–BG10P).	August 9, 2007; August 16, 2007; *Contra Costa Times*.	The Honorable Ben Johnson, Mayor, City of Pittsburg, 65 Civic Avenue, Pittsburg, CA 94565.	November 15, 2007	060033
Orange (FEMA Docket No: B–7738).	City of Huntington Beach (07–09–1170P).	August 16, 2007; August 23, 2007; *Huntington Beach Independent*.	The Honorable Gil Coerper, Mayor, City of Huntington Beach, 2000 Main Street, Huntington Beach, CA 92648.	July 30, 2007	065034
Sacramento (FEMA Docket No: B–7738).	Unincorporated areas of Sacramento County (06–09–BF61P).	August 16, 2007; August 23, 2007; *The Daily Recorder*.	The Honorable Don Nottoli, Chair, Sacramento County Board of Supervisors, 700 H Street, Suite 2450, Sacramento, CA 95814.	November 22, 2007	060262
Santa Barbara (FEMA Docket No: B–7738).	Unincorporated areas of Santa Barbara County (07–09–0164P).	July 19, 2007; July 26, 2007; *Santa Barbara News-Press*.	The Honorable Brooks Firestone, Chairman, Santa Barbara County Board of Supervisors, 105 East Anapamu Street, Santa Barbara, CA 93101.	October 25, 2007	060331
Sonoma (FEMA Docket No: B–7738).	Town of Windsor (07–09–1484X).	July 12, 2007; July 19, 2007; *The Press Democrat*.	The Honorable Steve Allen, Mayor, Town of Windsor, P.O. Box 100, Windsor, CA 95492.	October 18, 2007	060761
Colorado: Broomfield (FEMA Docket No: B–7738).	City and County of Broomfield (07–08–0461P).	July 18, 2007; July 25, 2007; *The Broomfield Enterprise*.	The Honorable Karen Stuart, Mayor, City and County of Broomfield, One DesCombe Drive, Broomfield, CO 80020.	June 29, 2007	085073
Georgia:					
Columbia (FEMA Docket No: B–7738).	Unincorporated areas of Columbia County (07–04–1277P).	July 18, 2007; July 25, 2007; *Columbia County News-Times*.	The Honorable Ron C. Cross, Chairman, Columbia County Board of Commissioners, P.O. Box 498, Evans, GA 30809.	October 24, 2007	130059
Columbia (FEMA Docket No: B–7738).	Unincorporated areas of Columbia County (07–04–1923P).	July 18, 2007; July 25, 2007; *Columbia County News-Times*.	The Honorable Ron Cross, Chairman, Columbia County Board of Commissioners, 908 Nerium Trail, Evans, GA 30809.	October 24, 2007	130059
Gwinnett (FEMA Docket No: B–7738).	Unincorporated areas of Gwinnett County (07–04–3457P).	August 16, 2007; August 23, 2007; *Gwinnett Daily Post*.	The Honorable Charles Bannister, Chairman, Gwinnett County Board of Commissioners, 75 Langley Drive, Lawrenceville, GA 30045.	November 22, 2007	130322
Illinois:					
Cook (FEMA Docket No: B–7727).	City of Chicago (07–05–1665P).	June 21, 2007; June 28, 2007; *Daily Herald*.	The Honorable Richard M. Daley, Mayor, City of Chicago, 121 North La Salle Street, Room 504, Chicago, Illinois 60602.	July 2, 2007	170074
Cook (FEMA Docket No: B–7727).	City of Des Plaines (07–05–1665P).	June 21, 2007; June 28, 2007; *Daily Herald*.	The Honorable Anthony Arredia, Mayor, City of Des Plaines, 1420 Miner Street, Des Plaines, Illinois 60016.	July 2, 2007	170081
Cook (FEMA Docket No: B–7727).	Village of Rosemont (07–05–1665P).	June 21, 2007; June 28, 2007; *Daily Herald*.	The Honorable Donald Stephens, President, Village of Rosemont, 9501 West Devon Avenue, Rosemont, Illinois 60018.	July 2, 2007	170156
Cook (FEMA Docket No: B–7727).	Unincorporated Areas of Cook County (07–05–1665P).	June 21, 2007; June 28, 2007; *Daily Herald*.	The Honorable Todd H. Stroger, President, Cook County Board of Commissioners, 118 North Clark Street, Room 537, Chicago, Illinois 60602.	July 2, 2007	170054
De Kalb (FEMA Docket No: B–7738).	City of De Kalb (05–05–2302P).	July 19, 2007; July 26, 2007; *The Daily Chronicle*.	The Honorable Frank Van Buer, Mayor, City of De Kalb, 200 South Fourth Street, Room 203, De Kalb, IL 60115.	October 25, 2007	170182
Indiana:					
Allen (FEMA Docket No: B–7727).	Unincorporated Areas of Allen County (07–05–2787P).	June 21, 2007; June 28, 2007; *Journal Gazette*.	The Honorable Linda K. Bloom, County Administrator, Allen County Board of Commissioners, City-County Building, One East Main Street, Room 200, Fort Wayne, Indiana 46802.	September 27, 2007	180302

State and county	Location and case No.	Date and name of newspaper where notice was published	Chief executive officer of community	Effective date of modification	Community No.
Lake (FEMA Docket No: B–7727).	Town of St. John (06–05–BA28P).	June 21, 2007; June 28, 2007; *Post-Tribune*.	The Honorable Michael S. Fryzel, President, Town Council, Town of St. John, 10955 West 93rd Avenue, St. John, Indiana 46373.	May 29, 2007	180141
Kansas:					
Johnson (FEMA Docket No: B–7738).	City of Overland Park (07–07–0902P).	July 26, 2007; August 2, 2007; *Johnson County Sun*.	The Honorable Carl R. Gerlach, Mayor, City of Overland Park, City Hall, 8500 Santa Fe Drive, Overland Park, KS 66212.	June 29, 2007	200174
Johnson (FEMA Docket No: B–7738).	City of Overland Park (07–07–1220P).	July 19, 2007; July 26, 2007; *Johnson County Sun*.	The Honorable Carl Gerlach, Mayor, City of Overland Park, City Hall, 8500 Santa Fe Drive, Overland Park, KS 66212.	June 25, 2007	200174
Johnson (FEMA Docket No: B–7738).	Unincorporated areas of Johnson County (07–07–0902P).	July 26, 2007; August 2, 2007; *Johnson County Sun*.	The Honorable Annabeth Surbaugh, Chairman, Johnson County Board of Commissioners, 111 South Cherry Street, Suite 3300, Olathe, KS 66061–3441.	June 29, 2007	200159
Kentucky:					
Oldham (FEMA Docket No: B–7738).	City of Crestwood (07–04–1746P).	August 16, 2007; August 23, 2007; *The Oldham Era*.	The Honorable Dennis L. Deibel, Mayor, City of Crestwood, P.O. Box 186, Crestwood, KY 40014.	November 22, 2007	210027
Oldham (FEMA Docket No: B–7738).	Unincorporated areas of Oldham County (07–04–1746P).	August 16, 2007; August 23, 2007; *The Oldham Era*.	The Honorable Duane Murner, Oldham County Judge/Executive, 100 West Jefferson Street, LaGrange, KY 40031.	November 22, 2007	210185
Maine: Lincoln (FEMA Docket No: B–7738).	Town of South Bristol (07–01–0772P).	August 16, 2007; August 23, 2007; *The Lincoln County News*.	The Honorable Kenneth Lincoln, Chairman of Selectmen, Town of South Bristol, 470 Clarks Cove Road, South Bristol, ME 04573.	July 31, 2007	230220
Maryland: Frederick (FEMA Docket No: B–7738).	Unincorporated areas of Frederick County (07–03–0394P).	August 16, 2007; August 23, 2007; *The Frederick News-Post*.	The Honorable John L. Thompson, Jr., Commissioner, County of Frederick, Winchester Hall, 12 East Church Street, Frederick, MD 21701.	November 22, 2007	240027
Michigan:					
Macomb (FEMA Docket No: B–7738).	Charter Township of Clinton (07–05–2289P).	July 20, 2007; July 27, 2007; *Macomb County Legal News*.	The Honorable Robert J. Cannon, Township Supervisor, Charter Township of Clinton, 40700 Romeo Plank Road, Clinton Township, MI 48038.	July 6, 2007	260121
Oakland (FEMA Docket No: B–7738).	City of Rochester Hills (06–05–BQ14P).	July 13, 2007; July 20, 2007; *Oakland County Legal News*.	The Honorable James Rosen, Mayor, City of Rochester Hills, 1000 Rochester Hills Drive, Rochester Hills, MI 48309.	June 19, 2007	260471
Minnesota:					
Marshall (FEMA Docket No: B–7738).	City of Warren (07–05–1900P).	July 18, 2007; July 25, 2007; *Warren Sheaf*.	The Honorable Bob Kliner, Mayor, City of Warren, 120 East Bridge Avenue, Warren, MN 56762.	June 27, 2007	270274
Marshall (FEMA Docket No: B–7738).	Unincorporated areas of Marshall County (07–05–1900P).	July 19, 2007; July 26, 2007; *Messenger*.	The Honorable Sharon Bring, Chairman, Marshall County Board of Commissioners, County Courthouse, 208 East Colvin Avenue, Warren, MN 56762–1693.	October 25, 2007	270638
Missouri:					
Greene (FEMA Docket No: B–7727).	Unincorporated areas of Greene County (07–07–0395P).	June 21, 2007; June 28, 2007; *Springfield News-Leader*.	The Honorable David Coonrod, Presiding Commissioner, Greene County Board of Commissioners, 933 North Roberson, Springfield, Missouri 65802.	September 27, 2007	290782
St. Charles (FEMA Docket No: B–7738).	City of Dardenne Prairie (07–07–0177P).	August 15, 2007; August 22, 2007; *St. Charles Journal*.	The Honorable Pam Fogarty, Mayor, City of Dardenne Prairie, 7137 Scotland Drive, Dardenne Prairie, MO 63368.	November 21, 2007	290899
St. Charles (FEMA Docket No: B–7738).	City of O'Fallon (07–07–0177P).	August 15, 2007; August 22, 2007; *St. Charles Journal*.	The Honorable Donna Morrow, Mayor, City of O'Fallon, 633 Hawk Run Drive, O'Fallon, MO 63366.	November 21, 2007	290316
St. Charles (FEMA Docket No: B–7738).	Unincorporated areas of St. Charles County (07–07–0177P).	August 15, 2007; August 22, 2007; *St. Charles Journal*.	The Honorable Steve Ehlmann, County Executive, St. Charles County, 201 North Second Street, St. Charles, MO 63301.	November 21, 2007	290315
St. Louis (FEMA Docket No: B–7727).	City of Chesterfield (06–07–B058P).	July 12, 2007; July 19, 2007; *The St. Louis Daily Record*.	The Honorable John Nations, Mayor, City of Chesterfield, 690 Chesterfield Parkway West, Chesterfield, Missouri 63017–0670.	August 23, 2007	290896
St. Louis (FEMA Docket No: B–7738).	City of Chesterfield (06–07–BA27P).	August 2, 2007; August 9, 2007; *The St. Louis Daily Record*.	The Honorable John Nations, Mayor, City of Chesterfield, Chesterfield City Hall, 690 Chesterfield Parkway West, Chesterfield, MO 63017–0760.	November 8, 2007	290896
St. Louis (FEMA Docket No: B–7738).	City of Maryland Heights (06–07–B058P).	July 12, 2007; July 19, 2007; *The St. Louis Daily Record*.	The Honorable Mike Moeller, Mayor, City of Maryland Heights, 212 Millwell Drive, Maryland Heights, MO 63043.	August 23, 2007	290889
St. Louis (FEMA Docket No: B–7727).	Unincorporated Area of St. Louis County (06–07–B058P).	July 12, 2007; July 19, 2007; *The St. Louis Daily Record*.	The Honorable Charlie A. Dooley, County Executive, St. Louis County, 41 South Central Avenue, Clayton, Missouri 63105.	August 23, 2007	290327
New Mexico:					
Bernalillo (FEMA Docket No: B–7738).	City of Albuquerque (07–06–1930P).	August 2, 2007; August 9, 2007; *The Albuquerque Journal*.	The Honorable Martin J. Chavez, Mayor, City of Albuquerque, P.O. Box 1293, Albuquerque, NM 87103.	July 24, 2007	350002
Bernalillo (FEMA Docket No: B–7738).	Unincorporated areas of Bernalillo County (07–06–1930P).	August 2, 2007; August 9, 2007; *The Albuquerque Journal*.	Mr. Thaddeus Lucero, County Manager, Bernalillo County, One Civic Plaza Northwest, Albuquerque, NM 87102.	July 24, 2007	350001

State and county	Location and case No.	Date and name of newspaper where notice was published	Chief executive officer of community	Effective date of modification	Community No.
Chaves (FEMA Docket No: B–7727).	City of Roswell (06–06–B007P).	June 28, 2007; July 5, 2007; *Roswell Daily Record*.	The Honorable Sam D. LaGrone, Mayor, City of Roswell, P.O. Box 1837, Roswell, New Mexico 88202.	October 4, 2007	350006
Chaves (FEMA Docket No: B–7727).	Unincorporated Areas of Chaves County (06–06–B007P).	June 28, 2007; July 5, 2007; *Roswell Daily Record*.	Mr. Stanton Riggs, County Manager, Chaves County, P.O. Box 1817, Roswell, New Mexico 88202.	October 4, 2007	350125
Ohio:					
Butler (FEMA Docket No: B–7727).	City of Fairfield (07–05–2018P).	June 21, 2007; *Middletown Journal*. June 28, 2007; *Journal News*.	The Honorable Ron D'Epifanio, Mayor, City of Fairfield, 5350 Pleasant Avenue, Fairfield, Ohio 45014.	September 27, 2007	390038
Montgomery (FEMA Docket No: B–7738).	City of Brookville (07–05–1072P).	July 28, 2007; August 4, 2007; *Centerville-Bellbrook Times*.	The Honorable David E. Seagraves, Mayor, City of Brookville, P.O. Box 10, Brookville, OH 45309.	November 5, 2007	390407
Warren (FEMA Docket No: B–7727).	City of Mason (07–05–1898P).	June 21, 2007; June 28, 2007; *The Pulse-Journal*.	The Honorable Charlene Pelfrey, Mayor, City of Mason, 6000 Mason-Montgomery Road, Mason, Ohio 45040.	September 27, 2007	390559
Tennessee: Rutherford (FEMA Docket No: B–7738).	City of Murfreesboro (06–04–C283P).	April 26, 2007; May 3, 2007; *Daily News Journal*.	The Honorable Tommy Bragg, Mayor, City of Murfreesboro, 111 West Vine Street, Murfreesboro, TN 37130.	August 2, 2007	470168
Texas:					
Collin (FEMA Docket No: B–7738).	City of McKinney (06–06–BH77P).	August 16, 2007; August 23, 2007; *McKinney Courier-Gazette*.	The Honorable Bill Whitfield, Mayor, City of McKinney, 222 North Tennessee, McKinney, TX 75069.	August 27, 2007	480135
Collin (FEMA Docket No: B–7738).	City of Plano (07–06–0841P).	July 5, 2007; July 12, 2007; *Plano Star Courier*.	The Honorable Pat Evans, Mayor, City of Plano, 1520 Avenue K, Plano, TX 75074.	October 11, 2007	480140
Collin (FEMA Docket No: B–7738).	City of Wylie (07–06–0948P).	July 25, 2007; August 1, 2007; *The Wylie News*.	The Honorable John Mondy, Mayor, City of Wylie, 2000 State Highway 78 North, Wylie, TX 75098.	June 28, 2007	480759
Comal (FEMA Docket No: B–7738).	Unincorporated areas of Comal County (07–06–0880P).	July 19, 2007; July 26, 2007; *New Braunfels Herald-Zeitung*.	The Honorable Danny Scheel, Comal County Judge, 199 Main Plaza, New Braunfels, TX 78130.	October 26, 2007	485463
Denton (FEMA Docket No: B–7738).	City of Denton (07–06–0913P).	July 19, 2007; July 26, 2007; *Denton Record-Chronicle*.	The Honorable Perry McNeill, Mayor, City of Denton, 215 East McKinney Street, Denton, TX 76201.	October 25, 2007	480194
Harris (FEMA Docket No: B–7738).	City of Houston (06–06–BG37P).	July 19, 2007; July 26, 2007; *Houston Chronicle*.	The Honorable Bill White, Mayor, City of Houston, P.O. Box 1562, Houston, TX 77251.	July 30, 2007	480296
Harris (FEMA Docket No: B–7712).	Unincorporated areas of Harris County (06–06–B328P).	November 30, 2006; December 7, 2006; *Houston Chronicle*.	The Honorable Robert Eckels, Harris County Judge, 1001 Preston, Suite 911, Houston, TX 77002.	October 30, 2006	480287
Medina (FEMA Docket No: B–7738).	Unincorporated areas of Medina County (07–06–0574P).	July 19, 2007; July 26, 2007; *Hondo Anvil Herald*.	The Honorable James E. Barden, Medina County Judge, Medina County Courthouse, 1100 16th Street, Room 101, Hondo, TX 78861.	June 29, 2007	480472
Palo Pinto (FEMA Docket No: B–7738).	City of Mineral Wells (07–06–0680P).	July 19, 2007; July 26, 2007; *Mineral Wells Index*.	The Honorable Clarence Holliman, Mayor, City of Mineral Wells, 115 Southwest First Street, Mineral Wells, TX 76068.	October 25, 2007	480517
Tarrant (FEMA Docket No: B–7738).	City of Fort Worth (07–06–1275P).	August 16, 2007; August 23, 2007; *Fort Worth Star-Telegram*.	The Honorable Mike J. Moncrief, Mayor, City of Fort Worth, 1000 Throckmorton St., Fort Worth, TX 76102.	November 22, 2007	480596
Tarrant (FEMA Docket No: B–7738).	City of Keller (07–06–0822P).	July 20, 2007; July 27, 2007; *The Southlake Journal*.	The Honorable Pat McGrail, Mayor, City of Keller, P.O. Box 770, Keller, TX 76244.	June 29, 2007	480602
Tarrant (FEMA Docket No: B–7738).	City of Southlake (07–06–0822P).	July 20, 2007; July 27, 2007; *The Southlake Journal*.	The Honorable Andy Wambsganss, Mayor, City of Southlake, 1400 Main Street, Southlake, TX 76092.	June 29, 2007	480612
Utah: Salt Lake (FEMA Docket No: B–7738).	City of West Jordan (07–08–0330P).	August 9, 2007; August 16, 2007; *Salt Lake Tribune*.	The Honorable David B. Newton, Mayor, City of West Jordan, 2555 West Carson Lane, West Jordan, UT 84084.	July 20, 2007	490108
Wisconsin:					
La Crosse (FEMA Docket No: B–7738).	City of La Crosse (07–05–2077P).	July 19, 2007; July 26, 2007; *The La Crosse Tribune*.	The Honorable Mark Johnsrud, Mayor, City of La Crosse, City Hall, 400 La Crosse Street, La Crosse, WI 54601.	June 29, 2007	555562
Racine (FEMA Docket No: B–7738).	Unincorporated areas of Racine County (07–05–1468P).	July 19, 2007; July 26, 2007; *Journal Times*.	The Honorable William L. McReynolds, Racine County Executive, 730 Wisconsin Avenue, 10th Floor, Racine, WI 53403.	June 25, 2007	550347
Virginia: Roanoke (FEMA Docket No: B–7738).	City of Roanoke (07–03–0789P).	August 16, 2007; August 23, 2007; *The Roanoke Times*.	The Honorable C. N. Harris, Mayor, City of Roanoke, 215 Church Avenue Southwest, Room 452, Roanoke, VA 24011.	September 29, 2007	510130

(Catalog of Federal Domestic Assistance No. 97.022, ''Flood Insurance.'')

Dated: January 3, 2008.

David I. Maurstad,

Federal Insurance Administrator of the National Flood Insurance Program, Department of Homeland Security, Federal Emergency Management Agency.

[FR Doc. E8–700 Filed 1–15–08; 8:45 am]

BILLING CODE 9110–12–P

DEPARTMENT OF HOMELAND SECURITY

Federal Emergency Management Agency

44 CFR Part 65

Changes in Flood Elevation Determinations

AGENCY: Federal Emergency Management Agency, DHS.

ACTION: Final rule.

SUMMARY: Modified Base (1% annual-chance) Flood Elevations (BFEs) are finalized for the communities listed below. These modified BFEs will be used to calculate flood insurance premium rates for new buildings and their contents.

DATES: The effective dates for these modified BFEs are indicated on the following table and revise the Flood Insurance Rate Maps (FIRMs) in effect for the listed communities prior to this date.

ADDRESSES: The modified BFEs for each community are available for inspection at the office of the Chief Executive Officer of each community. The respective addresses are listed in the table below.

FOR FURTHER INFORMATION CONTACT: William R. Blanton, Jr., Engineering Management Branch, Mitigation Directorate, Federal Emergency Management Agency, 500 C Street, SW., Washington, DC 20472, (202) 646–3151.

SUPPLEMENTARY INFORMATION: The Federal Emergency Management Agency (FEMA) makes the final determinations listed below of the modified BFEs for each community listed. These modified BFEs have been published in newspapers of local circulation and ninety (90) days have elapsed since that publication. The Mitigation Division Director of FEMA resolved any appeals resulting from this notification.

The modified BFEs are not listed for each community in this notice. However, this final rule includes the address of the Chief Executive Officer of the community where the modified BFEs determinations are available for inspection.

The modified BFEs are made pursuant to section 206 of the Flood Disaster Protection Act of 1973, 42 U.S.C. 4105, and are in accordance with the National Flood Insurance Act of 1968, 42 U.S.C. 4001 *et seq.*, and with 44 CFR part 65.

For rating purposes, the currently effective community number is shown and must be used for all new policies and renewals.

The modified BFEs are the basis for the floodplain management measures that the community is required to either adopt or to show evidence of being already in effect in order to qualify or to remain qualified for participation in the National Flood Insurance Program (NFIP).

These modified BFEs, together with the floodplain management criteria required by 44 CFR 60.3, are the minimum that are required. They should not be construed to mean that the community must change any existing ordinances that are more stringent in their floodplain management requirements. The community may at any time enact stricter requirements of its own, or pursuant to policies established by other Federal, State, or regional entities.

These modified BFEs are used to meet the floodplain management requirements of the NFIP and are also used to calculate the appropriate flood insurance premium rates for new buildings built after these elevations are made final, and for the contents in these buildings. The changes in BFEs are in accordance with 44 CFR 65.4.

National Environmental Policy Act. This final rule is categorically excluded from the requirements of 44 CFR part 10, Environmental Consideration. An environmental impact assessment has not been prepared.

Regulatory Flexibility Act. As flood elevation determinations are not within the scope of the Regulatory Flexibility Act, 5 U.S.C. 601–612, a regulatory flexibility analysis is not required.

Regulatory Classification. This final rule is not a significant regulatory action under the criteria of section 3(f) of Executive Order 12866 of September 30, 1993, Regulatory Planning and Review, 58 FR 51735.

Executive Order 13132, Federalism. This final rule involves no policies that have federalism implications under Executive Order 13132, Federalism.

Executive Order 12988, Civil Justice Reform. This final rule meets the applicable standards of Executive Order 12988.

List of Subjects in 44 CFR Part 65

Flood insurance, Floodplains, Reporting and recordkeeping requirements.

■ Accordingly, 44 CFR part 65 is amended to read as follows:

PART 65—[AMENDED]

■ 1. The authority citation for part 65 continues to read as follows:

Authority: 42 U.S.C. 4001 *et seq.*; Reorganization Plan No. 3 of 1978, 3 CFR, 1978 Comp., p. 329; E.O. 12127, 44 FR 19367, 3 CFR, 1979 Comp., p.376.

§ 65.4 [Amended]

■ 2. The tables published under the authority of § 65.4 are amended as follows:

State and county	Location and case No.	Date and name of newspaper where notice was published	Chief executive officer of community	Effective date of modification	Community No.
Alabama:					
Jefferson (FEMA Docket No: B–7727).	Unincorporated areas of Jefferson County (06–04-BU17P).	June 28, 2007; July 5, 2007; *Birmingham News.*	The Honorable Bettye Collins, President, Jefferson County Commission, Jefferson County, 716 Richard Arrington Jr. Boulevard North, Birmingham, Alabama 35203.	December 27, 2006	010217
St. Clair (FEMA Docket No: B–7727).	St. Clair County (07–04–1138P).	June 28, 2007; July 5, 2007; *St. Clair News-Aegis.*	The Honorable Stanley D. Batemon, Chairman, St. Clair County Board of Commissioners, 165 Fifth Avenue, Suite 100, Ashville, Alabama 35953.	July 24, 2007	010290
Arizona: Yavapai (FEMA Docket No: B–7727).	City of Prescott (07–09–0776P).	June 14, 2007; June 21, 2007; *Prescott Daily Courier.*	The Honorable Rowle Simmons, Mayor, City of Prescott, 201 South Cortez Street, Prescott, Arizona 86303.	May 21, 2007	040098
Arkansas:					

State and county	Location and case No.	Date and name of newspaper where notice was published	Chief executive officer of community	Effective date of modification	Community No.
Benton (FEMA Docket No: B–7727).	City of Bentonville (06–06–B146P).	January 5, 2007; January 12, 2007; *Benton County Daily Record*.	The Honorable Terry Coberly, Mayor, City of Bentonville, City Hall, 117 West Central, Bentonville, Arkansas 72712.	December 13, 2006	050012
Benton (FEMA Docket No: B–7727).	City of Rogers (06–06–IBJ72P).	April 18, 2007; April 25, 2007; *Benton County Daily Record*.	The Honorable Steve Womack, Mayor, City of Rogers, 301 West Chestnut Street, Rogers, Arkansas 72756.	March 23, 2007	050013
Benton (FEMA Docket No: B–7727).	Unincorporated Areas of Benton County (06–06–B146P).	January 5, 2007; January 12, 2007; *Benton County Daily Record*.	The Honorable Gary Black, Benton County Judge, 905 Northwest Eighth Street, Bentonville, Arkansas 72712.	December 13, 2006	050419
Craighead (FEMA Docket No: B–7727).	City of Jonesboro (07–06–0299P).	June 22, 2007; June 29, 2007; *The Jonesboro Sun*.	The Honorable Doug Forman, Mayor, City of Jonesboro, 515 West Washington Avenue, Jonesboro, Arkansas 72401.	June 25, 2007	050048
Lonoke (FEMA Docket No: B–7722).	City of Ward (07–06–1213P).	May 17, 2007; May 24, 2007; *Lonoke Democrat*.	The Honorable Art Brook, Mayor, City of Ward, P.O. Box 237, Ward, AR 72176.	April 30, 2007	050372
California:					
Riverside (FEMA Docket No: B–7727).	City of Corona (07–09–0879P).	June 14, 2007; June 21, 2007; *The Press-Enterprise*.	The Honorable Eugene Montanez, Mayor, City of Corona, 400 South Vicentia Avenue, Corona, California 92882.	May 31, 2007	060250
Riverside (FEMA Docket No: B–7722).	City of Murrieta (07–09–0801P).	May 24, 2007; May 31, 2007; *The Californian*.	The Honorable Douglas R. McAllister, Mayor, City of Murrieta, 26442 Beckman Court, Murrieta, CA 92562.	August 30, 2007	060751
San Diego (FEMA Docket No: B–7722).	City of Vista (07–09–0589P).	May 24, 2007; May 31, 2007; *San Diego Transcript*.	The Honorable Morris Vance, Mayor, City of Vista, P.O. Box 1988, Vista, CA 92085.	August 30, 2007	060297
San Diego (FEMA Docket No: B–7727).	Unincorporated Areas of San Diego County (07–09–0601P).	June 21, 2007; June 28, 2007; *San Diego Daily Transcript*.	The Honorable Ron Roberts , Chairman, San Diego County Board of Supervisors, County Administration Center, 1600 Pacific Highway, Room 335, San Diego, California 92101.	September 27, 2007	060284
Colorado:					
El Paso (FEMA Docket No: B–7727).	City of Colorado Springs (05–08–0638P).	January 17, 2007; January 24, 2007; *El Paso County News*.	The Honorable Lionel Rivera, Mayor, City of Colorado Springs, P.O. Box 1575, Colorado Springs, Colorado 80901.	April 18, 2007	080060
El Paso (FEMA Docket No: B–7722).	City of Colorado Springs (06–08–B643P).	May 23, 2007; May 30, 2007; *El Paso County Advertiser and News*.	The Honorable Lionel Rivera, Mayor, City of Colorado Springs, P.O. Box 1575, Colorado Springs, CO 80901.	August 29, 2007	080060
El Paso (FEMA Docket No: B–7722).	Unincorporated areas of El Paso County (06–08–B643P).	May 23, 2007; May 30, 2007; *El Paso County Advertiser and News*.	The Honorable Dennis Hisey, Chairman, El Paso County Board of Commissioners, 27 East Vermijo Avenue, Colorado Springs, CO 80903.	August 29, 2007	080059
El Paso (FEMA Docket No: B–7727).	Unincorporated Areas of El Paso County (05–08–0638P).	January 17, 2007; January 24, 2007; *El Paso County News*.	The Honorable Sallie Clark, Chairperson, El Paso County Board of Commissioners, 27 East Vermijo Avenue, Colorado Springs, Colorado 80903.	April 18, 2007	080059
Jefferson (FEMA Docket No: B–7727).	City of Golden (06–08–B552P).	June 14, 2007; June 21, 2007; *The Golden Transcript*.	The Honorable Charles J. Baroch, Mayor, City of Golden, 701 Ridge Road, Golden, Colorado 80403.	September 20, 2007	080090
Jefferson (FEMA Docket No: B–7727).	City of Golden (07–08–0043P).	June 21, 2007; June 28, 2007; *The Golden Transcript*.	The Honorable Charles J. Baroch, Mayor, City of Golden, 701 Ridge Road, Golden, Colorado 80403.	September 27, 2007	080090
Jefferson (FEMA Docket No: B–7727).	City of Lakewood (07–08–0439P).	June 14, 2007; June 21, 2007; *The Golden Transcript*.	The Honorable Steve Burkholder, Mayor, City of Lakewood, Lakewood Civic Center, South 480 South Allison Parkway, Lakewood, Colorado 80226.	September 20, 2007	085075
Jefferson (FEMA Docket No: B–7727).	Unincorporated Areas of Jefferson County (06–08–B552P).	June 14, 2007; June 21, 2007; *The Golden Transcript*.	The Honorable Jim Congrove, Chairman, Jefferson County Board of Commissioners, 100 Jefferson County Parkway, Golden, Colorado 80419–5550.	September 20, 2007	080087
Delaware:					
New Castle (FEMA Docket No: B–7727).	Unincorporated Areas of New Castle County (07–03–0410P).	June 15, 2007; June 22, 2007; *Newark Post*.	The Honorable Chris Coons, County Executive, New Castle County, 87 Reads Way, New Castle, Delaware 19720.	May 18, 2007	105085
New Castle (FEMA Docket No: B–7738).	Unincorporated areas of New Castle County (07–03–0823P).	July 13, 2007; July 20, 2007; *Newark Post*.	The Honorable Chris Coons, New Castle County Executive, 87 Read's Way, New Castle, DE 19720.	October 19, 2007	105085
Florida:					
Orange (FEMA Docket No: B–7727).	City of Orlando (05–04–A581P).	June 21, 2007; June 28, 2007; *Orlando Weekly*.	The Honorable Buddy Dyer, Mayor, City of Orlando, P.O. Box 4990, Orlando, Florida 32802.	September 27, 2007	120186
Walton (FEMA Docket No: B–7727).	Unincorporated Areas of Walton County (07–04–2769P).	June 21, 2007; June 28, 2007; *Northwest Florida Daily News*.	The Honorable Kenneth Pridgen, Chairman, Walton County, Board of Commissioners, 17400 State Highway 83 North, DeFuniak Springs, Florida 32433.	September 27, 2007	120317
Georgia:					

State and county	Location and case No.	Date and name of newspaper where notice was published	Chief executive officer of community	Effective date of modification	Community No.
Bryan (FEMA Docket No: B–7727).	City of Richmond Hill (07–04–0419P).	May 23, 2007; May 30, 2007; *Bryan County News*.	The Honorable Richard R. Davis, Mayor, City of Richmond Hill, P.O. Box 250, Richmond Hill, Georgia 31324.	August 30, 2007	130018
Whitfield (FEMA Docket No: B–7727).	City of Dalton (07–04–3918X).	June 1, 2007; June 8, 2007; *Dalton Daily Citizen*.	The Honorable Raymond A. Elrod, Sr., Mayor, City of Dalton, P.O. Box 1205, Dalton, Georgia 30722.	September 20, 2007	130194
Illinois:					
Cook (FEMA Docket No: B–7727).	Village of Elk Grove (07–05–2483P).	June 13, 2007; June 25, 2007; *Elk Grove Journal*.	The Honorable Craig B. Johnson, Mayor, Village of Elk Grove, 901 Wellington Avenue, Elk Grove, Illinois 60007.	August 30, 2007	170088
Cook (FEMA Docket No: B–7722).	Village of Tinley Park (06–05–C262P).	May 17, 2007; May 24, 2007; *Daily Herald*.	The Honorable Edward J. Zabrocki, Mayor, Village of Tinley Park, 16250 South Oak Park Avenue, Tinley Park, IL 60477.	April 25, 2007	170169
Cook (FEMA Docket No: B–7722).	Unincorporated areas of Cook County (06–05–C262P).	May 17, 2007; May 24, 2007; *Daily Herald*.	The Honorable Todd H. Stroger, President, Cook County Board of Supervisors, 118 North Clark Street, Room 537, Chicago, IL 60602.	April 25, 2007	170054
Cook (FEMA Docket No: B–7727).	Unincorporated Areas of Cook County (07–05–2483P).	June 13, 2007; June 25, 2007; *Elk Grove Journal*.	The Honorable Todd H. Stroger, President, Cook County Board of Commissioners, 118 North Clark Street, Room 537, Chicago, Illinois 60602.	August 30, 2007	170054
Kane (FEMA Docket No: B–7722).	City of Batavia (06–05–BP93P).	May 10, 2007; May 17, 2007; *Kane County Chronicle*.	The Honorable Jeffery Schielke, Mayor, City of Batavia, 100 North Island Avenue, Batavia, IL 60510.	May 16, 2007	170321
Kane (FEMA Docket No: B–7722).	Unincorporated areas of Kane County (06–05–BP93P).	May 10, 2007; May 17, 2007; *Kane County Chronicle*.	The Honorable Karen McConnaughay, County Board Chairman, Kane County, 719 South Batavia Avenue, Building A, Geneva, IL 60134.	May 16, 2007	170896
Lake (FEMA Docket No: B–7727).	Unincorporated Areas of Lake County (07–05–0638P).	June 14, 2007; June 21, 2007; *Lake County News-Sun*.	The Honorable Suzi Schmidt, Chair, Lake County Board, 18 North County Street, Waukegan, Illinois 60085.	June 18, 2007	170357
Lake (FEMA Docket No: B–7727).	Village of Round Lake Park (07–05–0638P).	June 14, 2007; June 21, 2007; *Lake County News-Sun*.	The Honorable Jean McCue, Mayor, Village of Round Lake Park, 203 East Lake Shore Drive, Round Lake, Illinois 60073.	June 18, 2007	170391
Will (FEMA Docket No: B–7727).	City of Lockport (07–05–0135P).	April 11, 2007; April 25, 2007; *Homer Glen Sun*.	The Honorable Tim Murphy, Mayor, City of Lockport, 222 East Ninth Street, Lockport, Illinois 60441.	July 18, 2007	170703
Will (FEMA Docket No: B–7727).	City of Naperville (07–05–0767P).	June 14, 2007; June 21, 2007; *Naperville Sun*.	The Honorable A. George Pradel, Mayor, City of Naperville, 400 South Eagle Street, Naperville, Illinois 60540.	May 24, 2007	170213
Will (FEMA Docket No: B–7727).	Unincorporated Areas of Will County (07–05–0135P).	April 11, 2007; April 25, 2007; *Homer Glen Sun*.	The Honorable Lawrence M. Walsh, Will County Executive, 302 North Chicago Street, Joliet, Illinois 60432.	July 18, 2007	170695
Will (FEMA Docket No: B–7727).	Unincorporated Areas of Will County (07–05–0767P).	June 14, 2007; June 21, 2007; *Naperville Sun*.	The Honorable Lawrence M. Walsh, Will County Executive, 302 North Chicago Street, Joliet, Illinois 60432.	May 24, 2007	170695
Indiana:					
DeKalb (FEMA Docket No: B–7722).	City of Butler (07–05–2078P).	May 8, 2007; May 15, 2007; *The Butler Bulletin*.	The Honorable Floyd Coburn, Mayor, City of Butler, 201 South Broadway, Butler, IN 46706.	August 14, 2007	180047
DeKalb (FEMA Docket No: B–7722).	Unincorporated areas of DeKalb County (07–05–2078P).	May 8, 2007; May 15, 2007; *The Butler Bulletin*.	The Honorable William C. Ort, Chairman, De Kalb County Board of Commissioners, 100 South Main Street, Auburn, IN 46706.	August 14, 2007	180044
Maine:					
Knox (FEMA Docket No: B–7738).	City of Rockland (07–01–0484P).	July 19, 2007; July 26, 2007; *The Courier-Gazette*.	The Honorable Brian Harden, Mayor, City of Rockland, 270 Pleasant Street, Rockland, ME 04841.	June 25, 2007	230076
York (FEMA Docket No: B–7738).	Town of Kittery (07–01–0122P).	June 14, 2007; June 21, 2007; *York County Coast Star*.	The Honorable Glenn Shwaery, Chair, Kittery Town Council, 200 Rogers Road, Kittery, ME 03904.	July 19, 2007	230171
Minnesota: Anoka (FEMA Docket No: B–7727).	City of Blaine (07–05–3169P).	May 18, 2007; May 25, 2007; *Blaine-Spring Lake Park Life*.	The Honorable Thomas Ryan, Mayor, City of Blaine, 10801 Town Square Drive Northeast, Blaine, Minnesota 55449–8101.	April 24, 2007	270007
Mississippi:					
Leflore (FEMA Docket No: B–7727).	City of Greenwood (06–04–BU48P).	June 21, 2007; June 28, 2007; *Greenwood Commonwealth*.	The Honorable Sheriel Perkins, Mayor, City of Greenwood, P.O. Box 907, Greenwood, Mississippi 38935–0907.	September 27, 2007	280102
Leflore (FEMA Docket No: B–7727).	Unincorporated Areas of Leflore County (06–04–BU48P).	June 21, 2007; June 28, 2007; *Greenwood Commonwealth*.	The Honorable Robert Moore, Chairman, Leflore County Council, P.O. Box 250, Greenwood, Mississippi 38935.	September 27, 2007	280101
Missouri: Phelps (FEMA Docket No: B–7727).	City of Rolla (07–07–0005P).	June 20, 2007; June 27, 2007; *Rolla Daily News*.	The Honorable William Jenks III, Mayor, City of Rolla, P.O. Box 979, Rolla, Missouri 65402.	September 26, 2007	290285
Nebraska:					
Saunders (FEMA Docket No: B–7727).	City of Ashland (06–07–B193P).	May 24, 2007; May 31, 2007; *The Ashland Gazette*.	The Honorable Ronna Wigg, Mayor, City of Ashland, 2304 Silver Street, Ashland, Nebraska 68003.	August 30, 2007	310196

State and county	Location and case No.	Date and name of newspaper where notice was published	Chief executive officer of community	Effective date of modification	Community No.
Saunders (FEMA Docket No: B–7727).	Unincorporated Areas of Saunders County (06–07–B193P).	May 24, 2007; May 31, 2007; *The Ashland Gazette*.	The Honorable Kenneth Kuncl, Chairman, Saunders County Board of Supervisors, 109 North Railway, Prague, Nebraska 68050.	August 30, 2007	310195
Nevada: Clark (FEMA Docket No.: B–7712).	Unincorporated areas of Clark County (06–09–BC35P).	November 9, 2006; November 16, 2006; *Las Vegas Review-Journal*.	The Honorable Rory Reid, Clark County Board of Commissioners, 500 South Grand Central Parkway, Las Vegas, NV 89106.	October 24, 2006	320003
New York:					
Orange (FEMA Docket No: B–7727).	Town of Chester (06–02–B447P).	June 14, 2007; June 21, 2007; *Times Herald-Record*.	Mr. William J. Tully, Town Supervisor, Town of Chester, 1786 Kings Highway, Chester, New York 10918.	November 9, 2007	360870
Orange (FEMA Docket No: B–7727).	Village of Chester (06–02–B447P).	June 14, 2007; June 21, 2007; *Times Herald-Record*.	The Honorable Joseph Battiato, Mayor, Village of Chester, 47 Main Street, Chester, New York 10918.	November 9, 2007	361541
Ohio:					
Licking (FEMA Docket No: B–7727).	City of Newark (06–05–BP23P).	June 14, 2007; June 21, 2007; *The Newark Advocate*.	The Honorable Bruce Bain, Mayor, City of Newark, 40 West Main Street, Newark, Ohio 43055.	September 20, 2007	390335
Stark (FEMA Docket No: B–7722).	City of North Canton (07–05–0382P).	May 10, 2007; May 17, 2007; *The Repository*.	The Honorable David J. Held, Mayor, City of North Canton, 145 North Main Street, North Canton, OH 44720.	April 12, 2007	390521
Oklahoma:.					
Cleveland (FEMA Docket No: B–7722).	City of Norman (06–06–B933P).	May 17, 2007; May 24, 2007; *The Norman Transcript*.	The Honorable Harold Haralson, Mayor, City of Norman, P.O. Box 370, Norman, OK 73070.	May 25, 2007	400046
Oklahoma (FEMA Docket No: B–7727).	City of Oklahoma City (07–06–0604P).	June 14, 2007; June 21, 2007; *The Oklahoman*.	The Honorable Mick Cornett, Mayor, City of Oklahoma City, 200 North Walker Street, Third Floor, Oklahoma City, Oklahoma 73102.	May 22, 2007	405378
Oregon: Columbia (FEMA Docket No: B–7727).	City of St. Helens (07–10–0169P).	June 20, 2007; June 27, 2007; *Scappoose South County Spotlight*.	The Honorable Randy Peterson, Mayor, City of St. Helens, P.O. Box 278, St. Helens, Oregon 97051.	September 26, 2007	410040
Pennsylvania:					
Blair (FEMA Docket No: B–7722).	Borough of Tyrone (07–03–0770P).	May 24, 2007; May 31, 2007; *Altoona Mirror*.	Mr. George Mason, Borough Manager, Borough of Tyrone, 1100 Logan Avenue, Tyrone, PA 16686.	April 30, 2007	420164
Blair (FEMA Docket No: B–7722).	Township of Snyder (07–03–0770P).	May 24, 2007; May 31, 2007; *Altoona Mirror*.	The Honorable Charles Diehl, Chairman, Snyder Township Board of Supervisors, Township Building. R.D. 3, Tyrone, PA 16686.	April 30, 2007	421393
Berks (FEMA Docket No: B–7738).	Township of Lower Heidelberg (07–03–0867X).	July 12, 2007; July 19, 2007; *Reading Eagle*.	The Honorable R. David Seip, Chairman, Board of Supervisors, Lower Heidelberg Township, Township Offices, 720 Brownsville Road, Sinking Spring, PA 19608.	October 18, 2007	421077
Chester (FEMA Docket No: B–7727).	Borough of South Coatesville (07–03–0866X).	June 28, 2007; July 5, 2007; *The Daily Local*.	The Honorable Gregory V. Hines, Council President, Borough of Coatesville, 136 Modena Road, South Coatesville, Pennsylvania 19320.	June 11, 2007	420288
Puerto Rico:					
Puerto Rico (FEMA Docket No: B–7722).	Commonwealth of Puerto Rico (06–02–B001P).	May 17, 2007; May 24, 2007; *The San Juan Star*.	The Honorable Anibal Acevedo-Vila, Governor of the Commonwealth of Puerto Rico, P.O. Box 82, La Fortaleza, San Juan, PR 00901.	August 23, 2007	720000
Puerto Rico (FEMA Docket No: B–7727).	Commonwealth of Puerto Rico (07–02–0196P).	May 25, 2007; May 31, 2007; *The San Juan Star*.	The Honorable Anibal Acevedo-Vila, Governor of Commonwealth of Puerto Rico, P.O. Box 82, La Fortaleza, San Juan, Puerto Rico 00901.	July 19, 2007	720000
South Carolina:					
Anderson (FEMA Docket No: B–7727).	Unincorporated Areas of Anderson County (06–04–C085P).	May 17, 2007; May 24, 2007; *Anderson Independent-Mail*.	Mr. Joey R. Preston, County Administrator, Anderson County, P.O. Box 8002, Anderson, South Carolina 29622.	July 26, 2007	450013
Berkeley (FEMA Docket No: B–7727).	Unincorporated Areas of Berkeley County (06–04–C284P).	June 20, 2007; June 27, 2007; *The Berkeley Independent*.	The Honorable Daniel W. Davis, Supervisor and County Council Chairman, Berkeley County, 1003 Highway 52, Moncks Corner, South Carolina 29461.	September 26, 2007	450029
Richland (FEMA Docket No: B–7727).	Unincorporated Areas of Richland County (07–04–3361P).	June 15, 2007; June 22, 2007; *The Columbia Star*.	The Honorable Joseph McEachern, Chairman, Richland County Council, Richland County Administrative Building, 2020 Hampton Street, Second Floor, Columbia, South Carolina 29204.	September 21, 2007	450170
Texas:					
Bandera (FEMA Docket No: B–7727).	Unincorporated Areas of Bandera County (06–06–BJ92P).	June 20, 2007; June 27, 2007; *The Bandera Bulletin*.	The Honorable Richard A. Evans, Bandera County Judge, P.O. Box 877, Bandera, Texas 78003.	September 26, 2007	480020
Bastrop (FEMA Docket No: B–7727).	City of Elgin (07–06–0779P).	May 16, 2007; May 23, 2007; *Elgin Courier*.	The Honorable Gladys Markert, Mayor, City of Elgin, 310 North Main Street, Elgin, Texas 78621.	August 30, 2007	480023

State and county	Location and case No.	Date and name of newspaper where notice was published	Chief executive officer of community	Effective date of modification	Community No.
Bexar (FEMA Docket No: B–7722).	City of San Antonio (07–06–0242P).	May 17, 2007; May 24, 2007; *Daily Commercial Recorder*.	The Honorable Phil Hardberger, Mayor, City of San Antonio, P.O. Box 839966, San Antonio, TX 78283.	April 30, 2007	480045
Bexar (FEMA Docket No: B–7727).	City of San Antonio (07–06–0434P).	July 5, 2007; July 12, 2007; *Daily Commercial Recorder*.	The Honorable Phil Hardberger, Mayor, City of San Antonio, P.O. Box 839966, San Antonio, Texas 78283.	October 11, 2007	480045
Bexar (FEMA Docket No: B–7727).	City of Shavano Park (06–06–BK20P).	June 21, 2007; June 28, 2007; *Daily Commercial Recorder*.	The Honorable David A. Marne, Mayor, City of Shavano Park, 900 Saddle Tree Court, Shavano Park, Texas 78231.	September 27, 2007	480047
Collin (FEMA Docket No: B–7727).	City of Allen (06–06–B489P).	June 14, 2007; June 21, 2007; *The Allen American*.	The Honorable Stephen Terrell, Mayor, City of Allen, 305 Century Parkway, Allen, Texas 75013.	July 2, 2007	480131
Collin (FEMA Docket No: B–7722).	City of Melissa (07–06–0946P).	May 17, 2007; May 24, 2007; *McKinney Courier-Gazette*.	The Honorable David Dorman, Mayor, City of Melissa, 901 State Highway 121, Melissa, TX 75454.	August 23, 2007	481626
Collin (FEMA Docket No: B–7722).	City of Plano (07–06–0506P).	May 17, 2007; May 24, 2007; *Plano Star Courier*.	The Honorable Pat Evans, Mayor, City of Plano, P.O. Box 860358, Plano, TX 75086–0358.	August 23, 2007	480140
Comal (FEMA Docket No: B–7727).	Unincorporated Areas of Comal County (06–06–BB92P).	February 22, 2007; March 1, 2007; *The Herald-Zeitung*.	The Honorable Danny Scheel, Comal County Judge, 199 Main Plaza, New Braunfels, Texas 78130.	May 24, 2007	485463
Cooke (FEMA Docket No: B–7722).	City of Gainesville (06–06–BH22P).	May 24, 2007; May 31, 2007; *Gainesville Daily Register*.	The Honorable Glenn Loch, Mayor, City of Gainesville, 200 South Rusk Street, Gainesville, TX 76240.	August 30, 2007	480154
Dallas (FEMA Docket No: B–7727).	City of Coppell (06–06–BE95P).	June 13, 2007; June 20, 2007; *Coppell Gazette*.	The Honorable Doug Stover, Mayor, City of Coppell, 255 Parkway Boulevard, Coppell, Texas 75019.	September 19, 2007	480170
Dallas (FEMA Docket No: B–7727).	City of Dallas (06–06–BE95P).	June 13, 2007; June 20, 2007; *Coppell Gazette*.	The Honorable Laura Miller, Mayor, City of Dallas, 1500 Marilla Street, Room 5/F/N, Dallas, Texas 75201.	September 19, 2007	480171
Dallas (FEMA Docket No: B–7727).	City of Irving (06–06–BE95P).	June 13, 2007; June 20, 2007; *Coppell Gazette*.	The Honorable Herbert A. Gears, Mayor, City of Irving, 825 West Irving Boulevard, Irving, Texas 75060.	September 19, 2007	480180
Denton (FEMA Docket No: B–7722).	City of Lewisville (07–06–0282P).	May 16, 2007; May 23, 2007; *Lewisville Leader*.	The Honorable Gene Carey, Mayor, City of Lewisville, P.O. Box 299002, Lewisville, TX 75029.	April 30, 2007	480195
Hood (FEMA Docket No: B–7727).	City of Granbury (07–06–0376P).	June 20, 2007; June 27, 2007; *Hood County News*.	The Honorable David Southern, Mayor, City of Granbury, 116 West Bridge Street, Granbury, Texas 76048.	September 26, 2007	480357
Jones and Taylor (FEMA Docket No: B–7727).	City of Abilene (07–06–1080P).	June 21, 2007; June 28, 2007; *Abilene Reporter-News*.	The Honorable Norm Archilbald, Mayor, City of Abilene, 717 Byrd Drive, Abilene, Texas 79601.	September 27, 2007	485450
McLennan (FEMA Docket No: B–7727).	City of Waco (07–06–0187P).	June 21, 2007; June 28, 2007; *Waco Tribune-Herald*.	The Honorable Virginia Dupuy, Mayor, City of Waco, P.O. Box 2570, Waco, Texas 76702.	September 27, 2007	480461
McLennan (FEMA Docket No: B–7727).	Unincorporated Areas of McLennan County (07–06–0187P).	June 21, 2007; June 28, 2007; *Waco Tribune-Herald*.	The Honorable Jim Lewis, McLennan County Judge, McLennan County Courthouse, 501 Washington Avenue, Waco, Texas 76701.	September 27, 2007	480456
Tarrant (FEMA Docket No: B–7738).	City of Benbrook (07–06–1470X).	May 24, 2007; May 31, 2007; *Benbrook News*.	The Honorable Jerry Dittrich, Mayor, City of Benbrook, 911 Winscott Road, Benbrook, TX 76126.	August 30, 2007	480586
Tarrant (FEMA Docket No: B–7727).	City of Colleyville (07–06–0840P).	June 22, 2007; June 29, 2007; *The Colleyville Courier*.	The Honorable David Kelly, Mayor, City of Colleyville, 100 Main Street, Colleyville, Texas 76034.	May 30, 2007	480590
Tarrant (FEMA Docket No: B–7727).	City of Fort Worth (07–06–0791P).	April 12, 2007; April 19, 2007; *Fort Worth Star-Telegram*.	The Honorable Michael J. Moncrief, Mayor, City of Fort Worth, 1000 Throckmorton Street, Fort Worth, Texas 76102.	July 12, 2007	480596
Tarrant (FEMA Docket No: B–7727).	City of Fort Worth (07–06–0825P).	May 24, 2007; May 31, 2007; *Fort Worth Star-Telegram*.	The Honorable Michael J. Moncrief, Mayor, City of Fort Worth, 1000 Throckmorton Street, Fort Worth, Texas 76102.	August 30, 2007	480596
Tarrant (FEMA Docket No: B–7727).	City of Haslet (07–06–1421P).	June 15, 2007; June 22, 2007; *Haslet Harbinger*.	The Honorable Gary Hulsey, Mayor, City of Haslet, 105 Main Street, Haslet, Texas 76052.	May 29, 2007	480600
Tarrant (FEMA Docket No: B–7727).	City of Mansfield (07–06–1272P).	June 22, 2007; June 29, 2007; *Mansfield News Mirror*.	The Honorable Mel Neuman, Mayor, City of Mansfield, 1200 East Board Street, Mansfield, Texas 76063.	September 28, 2007	480606
Travis (FEMA Docket No: B–7722).	Unincorporated areas of Travis County (07–06–0283P).	May 17, 2007; May 24, 2007; *Austin American-Statesman*.	The Honorable Samuel T. Biscoe, Travis County Judge, P.O. Box 1748, Austin, TX 78767.	August 23, 2007	481026
Wichita (FEMA Docket No: B–7722).	City of Wichita Falls (07–06–0210P).	May 17, 2007; May 24, 2007; *Wichita Falls Times/Record News*.	The Honorable Lanham Lyne, Mayor, City of Wichita Falls, P.O. Box 1431, Wichita Falls, TX 76307.	May 30, 2007	480662
Virginia:					
Loudoun (FEMA Docket No: B–7722).	Town of Leesburg (07–03–0584P).	May 16, 2007; May 23, 2007; *Loudoun Times Mirror*.	The Honorable Kristen C. Umstattd, Mayor, Town of Leesburg, P.O. Box 88, Leesburg, VA 20178.	April 27, 2007	510091

State and county	Location and case No.	Date and name of newspaper where notice was published	Chief executive officer of community	Effective date of modification	Community No.
Frederick (FEMA Docket No: B–7727).	Unincorporated Areas of Frederick County (06–03–B184P).	June 14, 2007; June 21, 2007; *Winchester Star.*	Mr. John Riley, Jr., County Administrator, Frederick County, 107 North Kent Street, Winchester, Virginia 22601.	September 12, 2007	510063
Frederick (FEMA Docket No: B–7727).	City of Winchester (06–03–B184P).	June 14, 2007; June 21, 2007; *Winchester Star.*	The Honorable Elizabeth Minor, Mayor, City of Winchester, 422 National Avenue, Winchester, Virginia 22601.	September 12, 2007	510173
West Virginia:					
Greenbrier (FEMA Docket No: B–7727).	Unincorporated Areas of Greenbrier County (07–03–0022P).	April 14, 2007; April 21, 2007; *Mountain Messenger.*	The Honorable Betty Crookshanks, President, Greenbrier County Commission, 200 North Court Street, Lewisburg, West Virginia 24901.	July 30, 2007	540040
Greenbrier (FEMA Docket No: B–7727).	City of White Sulphur Springs (07–03–0022P).	April 14, 2007; April 21, 2007; *Mountain Messenger.*	The Honorable Debra Fogus, Mayor, City of White Sulphur Springs, 34 West Main Street, White Sulphur Springs, West Virginia 24986.	July 30, 2007	540045

(Catalog of Federal Domestic Assistance No. 97.022, ''Flood Insurance.'')

Dated: January 3, 2008.

David I. Maurstad,

Federal Insurance Administrator of the National Flood Insurance Program, Department of Homeland Security, Federal Emergency Management Agency.

[FR Doc. E8–703 Filed 1–15–08; 8:45 am]

BILLING CODE 9110–12–P

DEPARTMENT OF HOMELAND SECURITY

Federal Emergency Management Agency

44 CFR Part 65

[Docket No. FEMA–B–7754]

Changes in Flood Elevation Determinations

AGENCY: Federal Emergency Management Agency, DHS.

ACTION: Interim rule.

SUMMARY: This interim rule lists communities where modification of the Base (1% annual-chance) Flood Elevations (BFEs) is appropriate because of new scientific or technical data. New flood insurance premium rates will be calculated from the modified BFEs for new buildings and their contents.

DATES: These modified BFEs are currently in effect on the dates listed in the table below and revise the Flood Insurance Rate Maps (FIRMs) in effect prior to this determination for the listed communities.

From the date of the second publication of these changes in a newspaper of local circulation, any person has ninety (90) days in which to request through the community that the Mitigation Assistant Administrator of FEMA reconsider the changes. The modified BFEs may be changed during the 90-day period.

ADDRESSES: The modified BFEs for each community are available for inspection at the office of the Chief Executive Officer of each community. The respective addresses are listed in the table below.

FOR FURTHER INFORMATION CONTACT: William R. Blanton, Jr., Engineering Management Branch, Mitigation Directorate, Federal Emergency Management Agency, 500 C Street, SW., Washington, DC 20472, (202) 646–3151.

SUPPLEMENTARY INFORMATION: The modified BFEs are not listed for each community in this interim rule. However, the address of the Chief Executive Officer of the community where the modified BFE determinations are available for inspection is provided.

Any request for reconsideration must be based on knowledge of changed conditions or new scientific or technical data.

The modifications are made pursuant to section 201 of the Flood Disaster Protection Act of 1973, 42 U.S.C. 4105, and are in accordance with the National Flood Insurance Act of 1968, 42 U.S.C. 4001 et seq., and with 44 CFR part 65.

For rating purposes, the currently effective community number is shown and must be used for all new policies and renewals.

The modified BFEs are the basis for the floodplain management measures that the community is required to either adopt or to show evidence of being already in effect in order to qualify or to remain qualified for participation in the National Flood Insurance Program (NFIP).

These modified BFEs, together with the floodplain management criteria required by 44 CFR 60.3, are the minimum that are required. They should not be construed to mean that the community must change any existing ordinances that are more stringent in their floodplain management requirements. The community may at any time enact stricter requirements of its own, or pursuant to policies established by the other Federal, State, or regional entities. The changes BFEs are in accordance with 44 CFR 65.4.

National Environmental Policy Act. This interim rule is categorically excluded from the requirements of 44 CFR part 10, Environmental Consideration. An environmental impact assessment has not been prepared.

Regulatory Flexibility Act. As flood elevation determinations are not within the scope of the Regulatory Flexibility Act, 5 U.S.C. 601–612, a regulatory flexibility analysis is not required.

Regulatory Classification. This interim rule is not a significant regulatory action under the criteria of section 3(f) of Executive Order 12866 of September 30, 1993, Regulatory Planning and Review, 58 FR 51735.

Executive Order 13132, Federalism. This interim rule involves no policies that have federalism implications under Executive Order 13132, Federalism.

Executive Order 12988, Civil Justice Reform. This interim rule meets the applicable standards of Executive Order 12988.

List of Subjects in 44 CFR Part 65

Flood insurance, Floodplains, Reporting and recordkeeping requirements.

■ Accordingly, 44 CFR part 65 is amended to read as follows:

PART 65—[AMENDED]

■ 1. The authority citation for part 65 continues to read as follows:

Authority: 42 U.S.C. 4001 *et seq.*; Reorganization Plan No. 3 of 1978, 3 CFR, 1978 Comp., p. 329; E.O. 12127, 44 FR 19367, 3 CFR, 1979 Comp., p. 376.

§ 65.4 [Amended]

■ 2. The tables published under the authority of § 65.4 are amended as follows:

State and county	Location and case No.	Date and name of newspaper where notice was published	Chief executive officer of community	Effective date of modification	Community No.
Arizona: Mohave	City of Kingman (06–09–BH12P).	October 25, 2007; November 1, 2007; *The Kingman Daily Miner*.	The Honorable Lester Byram, Mayor, City of Kingman, 310 North Fourth Street, Kingman, AZ 86401.	February 7, 2008	040060
California:					
San Diego	Unincorporated areas of San Diego County (07–09–1709P).	October 11, 2007; October 18, 2007; *San Diego Daily Transcript*.	The Honorable Ron Roberts, Chairman, San Diego County Board of Supervisors, 1600 Pacific Highway, Room 335, San Diego, CA 92101.	January 17, 2008	060284
Shasta	City of Anderson (07–09–1859P).	October 17, 2007; October 24, 2007; *Tri-Valley Post*.	The Honorable Keith Webster, Mayor, City of Anderson, 1887 Howard Street, Anderson, CA 96007.	January 22, 2008	060359
Stanislaus	Unincorporated areas of Stanislaus County (08–09–0041X).	October 18, 2007; October 25, 2007; *The Modesto Bee*.	The Honorable William O'Brien, Chairman of the Board of Supervisors, 1010 Tenth Street, Suite 6500, Modesto, CA 95354.	October 19, 2007	060384
Ventura	City of Simi Valley (07–09–1419P).	October 18, 2007; October 25, 2007; *Ventura County Star*.	The Honorable Paul Miller, Mayor, City of Simi Valley, 2929 Tapo Canyon Road, Simi Valley, CA 93063.	January 24, 2008	060421
Colorado:					
El Paso	City of Colorado Springs (07–08–0414P).	October 10, 2007; October 17, 2007; *El Paso County Advertiser and News*.	The Honorable Lionel Rivera, Mayor, City of Colorado Springs, P.O. Box 1575, Colorado Springs, CO 80901.	January 16, 2008	080060
El Paso	Unincorporated areas of El Paso County (07–08–0414P).	October 10, 2007; October 17, 2007; *El Paso County Advertiser and News*.	The Honorable Dennis Hisey, Chairman, El Paso County Board of Commissioners, 27 East Vermijo Avenue, Colorado Springs, CO 80903–2208.	January 16, 2008	080059
Florida:					
Sarasota	Unincorporated areas of Sarasota County (07–04–3837P).	October 11, 2007; October 18, 2007; *Sarasota Herald-Tribune*.	The Honorable Nora Patterson, Chairman, Sarasota County Board of Commissioners, 1660 Ringling Boulevard, Sarasota, FL 34236.	January 17, 2008	125144
St. Johns	Unincorporated areas of St. Johns County (07–04–5711P).	October 18, 2007; October 25, 2007; *The St. Augustine Record*.	The Honorable Ben Rich, Chairman, Saint Johns County Board of Commissioners, 4020 Lewis Speedway, Saint Augustine, FL 32084.	September 28, 2007	125147
Georgia: Athens-Clarke.	Unincorporated areas of Athens-Clarke County (07–04–1274P).	October 5, 2007; October 12, 2007; *Athens Banner-Herald*.	The Honorable Heidi Davison, Mayor, Athens-Clarke County, 235 Wells Drive, Athens, GA 30606.	September 14, 2007	130040
Illinois:					
St. Clair	City of Belleville (06–05–C230P).	October 18, 2007; October 25, 2007; *Belleville News-Democrat*.	The Honorable Mark W. Eckert, Mayor, City of Belleville, 101 South Illinois Street, Belleville, IL 62220.	January 24, 2008	170618
St. Clair	City of O'Fallon (07–05–4876P).	October 18, 2007; October 25, 2007; *Bellenille News-Democrat*.	The Honorable Gary L. Graham, Mayor, City of O'Fallon, 255 South Lincoln Avenue, O'Fallon, IL 62269.	September 28, 2007	170633
St. Clair	Unincorporated areas of St. Clair County (06–05–C230P).	October 18, 2007; October 25, 2007; *Belleville News-Democrat*.	The Honorable Mark Kern, Chairman, St. Clair County Board of Supervisors, County Courthouse 10 Public Square, Belleville, IL 62220–1623.	January 24, 2008	170616
Will	Village of Mokena (07–05–5016P).	October 11, 2007; October 18, 2007; *The Herald News*.	The Honorable Joseph W. Werner, Village President, Village of Mokena, 11004 Carpenter Street, Mokena, IL 60448.	September 21, 2007	170705
Maine: Waldo	City of Belfast (07–01–0609P).	August 11, 2007; August 16, 2007; *The Republican Journal*.	Mr. Terrence St. Peter, City Manager, City of Belfast, 131 Church Street, Belfast, ME 04915.	July 23, 2007	230129
Maryland: Cecil	Unincorporated areas of Cecil County (06–03–B926P).	October 18, 2007; October 25, 2007; *Cecil Whig*.	The Honorable William C. Manlove, President, Cecil County Board of Commissioners, 107 North Street, Elkton, MD 21921.	January 24, 2008	240019
Massachusetts:					
Berkshire	City of Pittsfield (07–01–0973P).	October 18, 2007; October 25, 2007; *The Berkshire Eagle*.	The Honorable James M. Ruberto, Mayor, City of Pittsfield, 70 Allen Street, Pittsfield, MA 01201.	January 24, 2008	250037
Suffolk	City of Revere (07–01–0489P).	October 10, 2007; October 17, 2007; *The Revere Journal*.	The Honorable Thomas G. Ambrosino, Mayor, City of Revere, City Hall, 281 Broadway, Revere, MA 02151.	September 20, 2007	250288
Michigan: Oakland	Township of West Bloomfield (07–05–3615P).	October 17, 2007; October 24, 2007; *Spinal Column Newsweekly*.	The Honorable David Flaisher, Supervisor, Township of West Bloomfield, P.O. Box 250130, West Bloomfield, MI 48325–0130.	October 2, 2007	260182
Minnesota:					
Benton	City of St. Cloud (06–05–B082P).	October 17, 2007; October 24, 2007; *St. Cloud Times*.	The Honorable Dave Kleis, Mayor, City of Saint Cloud, 400 Second Street South, Saint Cloud, MN 56301.	January 23, 2008	270019

State and county	Location and case No.	Date and name of newspaper where notice was published	Chief executive officer of community	Effective date of modification	Community No.
Benton	City of Sauk Rapids (06–05–B082P).	October 17, 2007; October 24, 2007; *Sauk Rapids Herald*.	The Honorable Mark Campbell, Mayor, City of Sauk Rapids, 914 Arbor Way, Sauk Rapids, MN 56379.	January 23, 2008	270023
Benton	Unincorporated areas of Benton County (06–05–B082P).	October 17, 2007; October 24, 2007; *Sauk Rapids Herald*.	The Honorable Dick Soyka, Chairman of Benton County, 531 Dewey Street, P.O. Box 129, Foley, MN 56329.	January 23, 2008	270019
Hennepin	City of Brooklyn Park (07–05–2478P).	October 18, 2007; October 25, 2007; *Brooklyn Park Sun*.	The Honorable Steve Lampi, Mayor, City of Brooklyn Park, 1209 88th Avenue North, Brooklyn Park, MN 55424.	October 29, 2007	270152
Hennepin	City of Edina (07–05–4704P).	October 18, 2007; October 25, 2007; *Edina Sun-Current*.	The Honorable James Hovland, Mayor, City of Edina, 4801 West 50th Street, Edina, MN 55424.	September 28, 2007	270160
Hennepin	City of Hopkins (07–05–4704P).	October 18, 2007; October 25, 2007; *Hopkins Sun-Sailor*.	The Honorable Eugene Maxwell, Mayor, City of Hopkins, 1010 First Street South, Hopkins, MN 55343.	September 28, 2007	270166
Hennepin	City of St. Louis Park (07–05–4704P).	October 18, 2007; October 25, 2007; *St. Louis Park Sun-Sailor*.	The Honorable Jeff Jacobs, Mayor, City of St. Louis Park, 7300 Metro Boulevard, Suite 300, Edina, MN 55437–2302.	September 28, 2007	270184
Missouri:					
St. Louis	City of Chesterfield (06–07–B578P).	October 11, 2007; October 18, 2007; *The St. Louis Daily Record*.	The Honorable John Nations, Mayor, City of Chesterfield, 690 Chesterfield Parkway West, Chesterfield, MO 63017–0670.	January 17, 2008	290896
St. Louis	City of Chesterfield (07–07–1386P).	October 11, 2007; October 18, 2007; *The St. Louis Daily Record*.	The Honorable John Nations, Mayor, City of Chesterfield, 690 Chesterfield Parkway West, Chesterfield, MO 63017–0760.	September 27, 2007	290896
St. Louis	Unincorporated areas of St. Louis County (06–07–B578P).	October 11, 2007; October 18, 2007; *The St. Louis Daily Record*.	The Honorable Charlie A. Dooley; County Executive, St. Louis County, 41 South Central Avenue, Clayton, MO 63105.	January 17, 2008	290327
Mississippi: DeSoto	City of Southaven (07–04–4518P).	October 25, 2007; November 1, 2007; *DeSoto Times Today*.	The Honorable Charles G. Davis, Mayor, City of Southaven, 8710 Northwest Drive, Southaven, MS 38671.	October 9, 2007	280331
Montana:					
Richland	City of Sidney (07–08–0006P).	October 17, 2007; October 24, 2007; *Sidney Herald*.	The Honorable Brett Smelser, Mayor, City of Sidney, 115 Second Street Southeast, Sidney, MT 59270.	January 23, 2008	300065
Richland	Unincorporated areas of Richland County (07–08–0006P).	October 17, 2007; October 24, 2007; *Sidney Herald*.	The Honorable Don Steppler, Chairman, Richland County Board of Commissioners, 201 West Main Street, Sidney, MT 59270.	January 23, 2008	300165
Nebraska:					
Hall	City of Grand Island (07–07–0780P).	October 18, 2007; October 25, 2007; *The Grand Island Independent*.	The Honorable Margaret Hornady, Mayor, City of Grand Island, 100 East First Street, Grand Island, NE 68801.	September 28, 2007	310103
Lancaster	City of Hickman (07–07–1852P).	October 25, 2007; November 1, 2007; *Lincoln Journal Star*.	The Honorable Jim Hrouda, Mayor, City of Hickman, P.O. Box 127, Hickman, NE 68372.	November 5, 2007	310136
North Carolina: Mecklenburg.	Town of Huntersville (07–04–0542P).	October 15, 2007; October 22, 2007; *The Charlotte Observer*.	The Honorable Kim Phillips, Mayor, Town of Huntersville, P.O. Box 667, Huntersville, NC 28078.	January 21, 2008	370478
Ohio: Lake	Village of Perry (07–05–0261P).	October 25, 2007; November 1, 2007; *The News-Herald*.	The Honorable Lee Lydic, Mayor, Village of Perry, P.O. Box 100, Perry, OH 44081.	October 1, 2007	390320
Oklahoma:					
Tulsa	City of Tulsa (07–06–2371P).	October 18, 2007; October 25, 2007; *Tulsa World*.	The Honorable Kathy Taylor, Mayor, City of Tulsa, 200 Civic Center, Tulsa, OK 74103.	January 24, 2008	405381
Tulsa	Unincorporated areas of Tulsa County (07–06–2371P).	October 18, 2007; October 25, 2007; *Tulsa World*.	The Honorable Randi Miller, Chair, Tulsa County Board of Supervisors, 500 South Denver Avenue, Tulsa, OK 74103.	January 24, 2008	400462
Pennsylvania:					
Bucks	Township of Wrightstown (07–03–1222P).	October 18, 2007; October 25, 2007; *Bucks County Courier Times*.	The Honorable Chester Pogonowski, Chairman, Board of Supervisors, Wrightstown Township, 2203 Second Street Pike, Wrightstown, PA 18940.	September 24, 2007	421045
York	Township of Dover (07–03–0878P).	September 13, 2007; September 20, 2007; *The York Dispatch*.	The Honorable Shane Patterson, Chairman, Board of Supervisors, Dover Township Municipal Building, 2480 West Canal Road, Dover, PA 17315.	December 20, 2007	420920
South Carolina:					
Horry	City of Conway (07–04–4404P).	October 18, 2007; October 25, 2007; *Horry Independent*.	The Honorable Gregory K. Martin, Mayor, City of Conway, P.O. Box 1075, Conway, SC 29528.	January 24, 2008	415106
Horry	Unincorporated areas of Horry County (07–04–4404P).	October 18, 2007; October 25, 2007; *Horry Independent*.	The Honorable Liz Gilland, Council Chairman, Horry County, 1511 Elm Street, Conway, SC 29526.	January 24, 2008	415104

State and county	Location and case No.	Date and name of newspaper where notice was published	Chief executive officer of community	Effective date of modification	Community No.
Horry	Unincorporated areas of Horry County (07–04–5516P).	October 18, 2007; October 25, 2007; *Horry Independent*.	The Honorable Liz Gilland, Council Chairman, Horry County, 1511 Elm Street, Conway, SC 29526.	January 24, 2008	415104
Texas:					
Cameron	Village of Laguna Vista (08–06–0039P).	October 18, 2007; October 25, 2007; *The Brownsville Herald*.	The Honorable David Privett, Mayor, Village of Laguna Vista, 122 Fernandez Street, Laguna Vista, TX 78578.	October 29, 2007	485483
Cameron	Unincorporated areas of Cameron County (08–06–0039P).	October 18, 2007; October 25, 2007; *The Brownsville Herald*.	The Honorable Carlos H. Cascos, CPA, Cameron County Judge, 1100 East Monroe Street, Second Floor, Brownsville, TX 78520.	October 29, 2007	480101
Collin	City of Allen (07–06–1312P).	October 18, 2007; October 25, 2007; *The Allen American*.	The Honorable Stephen Terrell, Mayor, City of Allen, 305 Century Parkway, Allen, TX 75013.	January 17, 2008	480131
Collin	City of Murphy (07–06–0453P).	October 17, 2007; October 24, 2007; *Wylie News*.	The Honorable Bret Baldwin, Mayor, City of Murphy, 206 North Murphy Road, Murphy, TX 75094.	January 23, 2008	480137
Collin	City of Plano (07–06–0947P).	October 11, 2007; October 18, 2007; *Plano Star Courier*.	The Honorable Pat Evans, Mayor, City of Plano, 1520 Avenue K, Plano, TX 75074.	January 17, 2008	480140
Collin	City of Plano (07–06–1312P).	October 18, 2007; October 25, 2007; *Plano Star Courier*.	The Honorable Pat Evans, Mayor, City of Plano, 1520 Avenue K, Plano, TX 75074.	January 17, 2008	480140
Hays	City of Buda (07–06–1313P).	October 17, 2007; October 24, 2007; *Hays Free Press*.	The Honorable Bobby Lane, Mayor Pro-Tem, City of Buda, 217 Arikara Street, Buda, TX 78610.	January 23, 2008	481640
Travis	Unincorporated areas of Travis County (07–06–0940P).	October 18, 2007; October 25, 2007; *Austin American-Statesman*.	The Honorable Samuel T. Biscoe, Travis County Judge, 314 West 11th Street, Suite 520, Austin, TX 78701.	January 24, 2008	481026
Virginia: Independent City.	City of Winchester (07–03–1291P).	October 18, 2007; October 25, 2007; *The Winchester Star*.	The Honorable Elizabeth Minor, Mayor, City of Winchester, 422 National Avenue, Winchester, VA 22601.	January 24, 2008	510173
West Virginia: Jefferson.	Unincorporated areas of Jefferson County (07–03–0242P).	October 18, 2007; October 25, 2007; *The Journal*.	The Honorable Frances Morgan, President, Jefferson County Commission, Post Office Box 250, Charles Town, WV 25414.	January 24, 2008	540065

(Catalog of Federal Domestic Assistance No. 97.022, ''Flood Insurance.'')

Dated: January 3, 2008.

David I. Maurstad,

Federal Insurance Administrator of the National Flood Insurance Program, Department of Homeland Security, Federal Emergency Management Agency.

[FR Doc. E8–706 Filed 1–15–08; 8:45 am]

BILLING CODE 9110–12–P

DEPARTMENT OF HOMELAND SECURITY

Federal Emergency Management Agency

44 CFR Part 67

Final Flood Elevation Determinations

AGENCY: Federal Emergency Management Agency, DHS.

ACTION: Final rule.

SUMMARY: Base (1% annual chance) Flood Elevations (BFEs) and modified BFEs are made final for the communities listed below. The BFEs and modified BFEs are the basis for the floodplain management measures that each community is required either to adopt or to show evidence of being already in effect in order to qualify or remain qualified for participation in the National Flood Insurance Program (NFIP).

DATES: The date of issuance of the Flood Insurance Rate Map (FIRM) showing BFEs and modified BFEs for each community. This date may be obtained by contacting the office where the maps are available for inspection as indicated on the table below.

ADDRESSES: The final BFEs for each community are available for inspection at the office of the Chief Executive Officer of each community. The respective addresses are listed in the table below.

FOR FURTHER INFORMATION CONTACT: William R. Blanton, Jr., Engineering Management Branch, Mitigation Directorate, Federal Emergency Management Agency, 500 C Street, SW., Washington, DC 20472, (202) 646–3151.

SUPPLEMENTARY INFORMATION: The Federal Emergency Management Agency (FEMA) makes the final determinations listed below for the modified BFEs for each community listed. These modified elevations have been published in newspapers of local circulation and ninety (90) days have elapsed since that publication. The Mitigation Division Director of FEMA has resolved any appeals resulting from this notification.

This final rule is issued in accordance with section 110 of the Flood Disaster Protection Act of 1973, 42 U.S.C. 4104, and 44 CFR part 67. FEMA has developed criteria for floodplain management in floodprone areas in accordance with 44 CFR part 60.

Interested lessees and owners of real property are encouraged to review the proof Flood Insurance Study and FIRM available at the address cited below for each community. The BFEs and modified BFEs are made final in the communities listed below. Elevations at selected locations in each community are shown.

National Environmental Policy Act. This final rule is categorically excluded from the requirements of 44 CFR part 10, Environmental Consideration. An environmental impact assessment has not been prepared.

Regulatory Flexibility Act. As flood elevation determinations are not within the scope of the Regulatory Flexibility Act, 5 U.S.C. 601–612, a regulatory flexibility analysis is not required.

Regulatory Classification. This final rule is not a significant regulatory action under the criteria of section 3(f) of Executive Order 12866 of September 30,

1993, Regulatory Planning and Review, 58 FR 51735.

Executive Order 13132, Federalism. This final rule involves no policies that have federalism implications under Executive Order 13132.

Executive Order 12988, Civil Justice Reform. This final rule meets the applicable standards of Executive Order 12988.

List of Subjects in 44 CFR Part 67

Administrative practice and procedure, Flood insurance, Reporting and recordkeeping requirements.

■ Accordingly, 44 CFR part 67 is amended as follows:

PART 67—[AMENDED]

■ 1. The authority citation for part 67 continues to read as follows:

Authority: 42 U.S.C. 4001 *et seq.*; Reorganization Plan No. 3 of 1978, 3 CFR, 1978 Comp., p. 329; E.O. 12127, 44 FR 19367, 3 CFR, 1979 Comp., p. 376.

§ 67.11 [Amended]

■ 2. The tables published under the authority of § 67.11 are amended as follows:

Flooding source(s)	Location of referenced elevation	* Elevation in feet (NGVD) + Elevation in feet (NAVD) # Depth in feet above ground Modified	Communities affected
Larimer County, Colorado, and Incorporated Areas Docket No.: B–7734 & D–7818			
Dry Creek (North of Canal)	Just upstream of the confluence with Larimer and Weld Canal.	+4993	Unincorporated Areas of Larimer County.
	Approximately 900 feet downstream of Shields Street	+5016	
Dry Creek (South of Canal)	Just upstream of the confluence with the Cache La Poudre River.	+4916	City of Fort Collins, Unincorporated Areas of Larimer County.
	Approximately 850 feet upstream of Redwood Street	+4964	
East Vine Diversion	Just upstream of the confluence with Dry Creek (South of Canal).	+4944	City of Fort Collins, Unincorporated Areas of Larimer County.
	Just downstream of Larimer and Weld Canal	+4983	
East Vine Diversion—Left Overbank Flow.	Just upstream of Vine Drive	+4944	City of Fort Collins, Unincorporated Areas of Larimer County.
	Approximately 1900 feet upstream of Vine Drive	+4948	
Larimer and Weld Canal	At the confluence with East Vine Diversion	+4983	City of Fort Collins, Unincorporated Areas of Larimer County.
	At the upstream diversion from Dry Creek (North of Canal).	+4993	
Old Dry Creek (Historic Channel).	Just downstream of Mulberry Street	+4919	Unincorporated Areas of Larimer County.
	Approximately 800 feet downstream of Dry Creek (South of Canal).	+4930	

* National Geodetic Vertical Datum.
+ North American Vertical Datum.
# Depth in feet above ground.

ADDRESSES

City of Fort Collins

Maps are available for inspection at Stormwater Utilities Department, 700 Wood Street, Fort Collins, CO 80521.

Unincorporated Areas of Larimer County

Maps are available for inspection at 200 West Oak Street, Fort Collins, CO 80521.

Baker County, Florida, and Incorporated Areas Docket No.: FEMA–B–7724			
Barber Bay Tributary	At confluence with South Prong Saint Marys River	+85	City of Macclenny.
	At confluence with South Prong Saint Marys River	+85	
	1100 feet upstream of County Road 228	+124	
	3000 Feet upstream of County Road 228	+128	
South Prong Saint Marys River	6459 feet downstream from the confluence with Barber Bay Tributary.	+79	Baker County (Unincorporated Areas).
	8800 feet upstream from the confluence with South Prong St. Marys River Tributary 8.	+100	
South Prong Saint Marys River, Tributary 8.	At confluence with South Prong Saint Marys River	+97	Baker County (Unincorporated Areas).
Turkey Creek	At confluence with South Prong Saint Marys River	+94	Baker County (Unincorporated Areas).
	1680 feet upstream of the confluence with Turkey Creek Tributary 2.	+111	
	1250 feet upstream of Barber Road	+116	

Flooding source(s)	Location of referenced elevation	* Elevation in feet (NGVD) + Elevation in feet (NAVD) # Depth in feet above ground Modified	Communities affected
	810 feet downstream of Barber Road	+117	
	At confluence with Turkey Creek	+95	Baker County (Unincorporated Areas).
Tributary 1	8960 feet upstream of State Highway 121	+138	
Tributary 1.1	At confluence with Turkey Creek Tributary 1.1	+98	Baker County/Unincorporated Areas).
	1190 feet upstream of Woodlawn Road	+117	
	1280 feet upstream of Woodlawn Road	+118	
	1940 feet upstream of Woodlawn Road	+119	
Tributary 2	At confluence with Turkey Creek	+109	City of Macclenny.
	3080 feet upstream of the confluence with Turkey Creek Tributary 2.1.	+125	
	3080 feet upstream of the confluence with Turkey Creek Tributary 2.1.	+125	
	145 feet upstream of U.S. Highway 90	+129	
	At Interstate 10	+129	
Tributary 2.1	At confluence with Turkey Creek Tributary 2	+115	City of Macclenny.
	At Powerline Road	+122	
	At Powerline Road	+122	
	3040 feet upstream of Canal Road	+132	

* National Geodetic Vertical Datum.
+ North American Vertical Datum.
# Depth in feet above ground.

ADDRESSES

City of Macclenny
Maps are available for inspection at 32 South 5th Street, Macclenny, FL 32063.

Baker County (Unincorporated Areas)
Maps are available for inspection at 55 North 3rd Street, Macclenny, FL 32063.

Hancock County, Kentucky, and Incorporated Areas
Docket No.: FEMA–B–7715

Ohio River	Daviess County Line	+392	City of Hawesville.
	Breckinridge County Line	+407	City of Lewisport Hancock County (Unincorporated Areas).

* National Geodetic Vertical Datum.
+ North American Vertical Datum.
# Depth in feet above ground.

ADDRESSES

City of Hawesville
Maps are available for inspection at 385 Main Street, Hawesville, KY 42348.

City of Lewisport
Maps are available for inspection at 590 Old Mill Road, Lewisport, KY 42351.

Hancock County (Unincorporated Areas)
Maps are available for inspection at 385 Main Street, Hawesville, KY 42348.

Santa Fe County, New Mexico and Incorporated Areas
Docket No.: FEMA–B–7470

Admin Arroyo	At the confluence of Admin Arroyo and Rio Tesuque	+6291	Santa Fe County (Unincorporated Areas).
	Approximately 4000 feet upstream of the intersection of Admin Arroyo and Highway 84.	+6509	
Arroyo Saiz	Confluence of Arroyo Saiz and Santa Fe River	+7033	City of Santa Fe, Santa Fe County (Unincorporated Areas).
	Approximately 4600 feet upstream from confluence with Santa Fe River.	+7171	
Arroyo Seco	Approximately 2500 feet upstream of the intersection of Highway 399 (106) and Jara Lane.	+5640	Santa Fe County (Unincorporated Areas).
	Intersection of Arroyo Seco and Highway 84/285	+5723	
Batchelor Draw	Intersection of Batchelor Draw and Abajo Drive	+6622	Santa Fe County (Unincorporated Areas).
	Intersection of Batchelor Draw and Quiet Valley Loop	+6693	

Flooding source(s)	Location of referenced elevation	* Elevation in feet (NGVD) + Elevation in feet (NAVD) # Depth in feet above ground Modified	Communities affected
Pojoaque River	Approximately 2300 feet upstream from confluence with Rio Grande.	+5543	Santa Fe County (Unincorporated Areas).
	Confluence of the Pojoaque River and Pojoaque Creek	+5774	
Rio Tesuque	At the confluence of Rio Tesuque and Pojoaque Creek	+5783	Santa Fe County (Unincorporated Areas).
	Downstream face of intersection of Rio Tesuque and Highway 502.	+5811	
Santa Fe River	Approximately 2000 feet downstream from the intersection of Sante Fe River and Paseo Real.	+6261	City of Santa Fe, Santa Fe County (Unincorporated Areas).
	Approximately 300 feet upstream from intersection of Santa Fe River and Cerro Gordo Road.	+7290	

* National Geodetic Vertical Datum.
+ North American Vertical Datum.
# Depth in feet above ground.

ADDRESSES

City of Santa Fe
Maps are available for inspection at 200 Lincoln Ave., P.O. Box 909, Santa Fe, NM 87504.

Unincorporated Areas of Santa Fe County
Maps are available for inspection at Santa Fe County Courthouse, 102 Grant Ave., Santa Fe, NM 87504.

Franklin County, Ohio, and Incorporated Areas
Docket No.: FEMA–B–7725

Whims Ditch	950 feet upstream of Little Avenue	+704	City of Columbus. Franklin County (Unincorporated Areas).
	At Frank Road	+704	

* National Geodetic Vertical Datum.
+ North American Vertical Datum.
# Depth in feet above ground.

ADDRESSES

City of Bexley
Maps are available for inspection at 2242 East Main Street, Bexley, OH 43215.

City of Columbus
Maps are available for inspection at 757 Carolyn Avenue, Columbus, OH 43224.

City of Dublin
Maps are available for inspection at 5800 Shier-Rings Road, Dublin, OH 43016.

City of Gahanna
Maps are available for inspection at 200 Hamilton Road, Gahanna, OH 43230.

City of Grandview Heights
Maps are available for inspection at 1016 Grandview Avenue, Grandview Heights, OH 43212.

City of Grove City
Maps are available for inspection at 4035 Broadway, Grove City, OH 43123.

City of Hilliard
Maps are available for inspection at 3800 Municipal Way, Hilliard, OH 43026.

City of Reynoldsburg
Maps are available for inspection at 7232 East Main Street, Reynoldsburg, OH 43068.

City of Upper Arlington
Maps are available for inspection at 3600 Tremont Road, Upper Arlington, OH 43220.

City of Westerville
Maps are available for inspection at 64 East Walnut Street, Westerville, OH 43081.

City of Whitehall
Maps are available for inspection at 360 S. Yearling Road, Whitehall, OH 43213.

City of Worthington
Maps are available for inspection at 374 Highland Avenue, Worthington, OH 43085.

Franklin County (Unincorporated Areas)
Maps are available for inspection at 280 East Broad Street, Room 202, Columbus, OH 43215.

Village of Brice
Maps are available for inspection at 5990 Columbus Street, Brice, OH 43109.

Village of Canal Winchester
Maps are available for inspection at 36 South High Street, Canal Winchester, OH 43110.

Flooding source(s)	Location of referenced elevation	* Elevation in feet (NGVD) + Elevation in feet (NAVD) # Depth in feet above ground Modified	Communities affected

Village of Groveport
Maps are available for inspection at 655 Blacklick Street, Groveport, OH 43125.

Village of Harrisburg
Maps are available for inspection at 1100 High Street, Harrisburg, OH 43126.

Village of Lithopolis
Maps are available for inspection at 33 N. Market Street, Lithopolis, OH 43136.

Village of Lockbourne
Maps are available for inspection at 99 Williams Street, Lockbourne, OH 43137.

Village of Marble Cliff
Maps are available for inspection at 1600 Fernwood Avenue, Marble Cliff, OH 43212.

Village of New Albany
Maps are available for inspection at 99 W. Main Street, New Albany, OH 43054.

Village of Obetz
Maps are available for inspection at 4175 Alum Creek Drive, Obetz, OH 43207–5140.

Village of Riverlea
Maps are available for inspection at 229 W. Southington Avenue, Worthington, OH 43085.

Village of Urbancrest
Maps are available for inspection at 3492 First Avenue, Urbancrest, OH 43123.

Village of Valleyview
Maps are available for inspection at 432 N. Richardson Avenue, Valleyview, OH 43204.

Clackamas County, Oregon, and Incorporated Areas
Docket No.: FEMA–B–7725

Lake Oswego	Lake Oswego	+107	City of Lake Oswego.
Oswego Canal	At the confluence with Oswego	+107	Clackamas County (Unincorporated Areas).
	Approximately 1500 feet upstream of Childs Road	+125	City of Lake Oswego.
Richardson Creek	At the confluence with Richardson Creek	+302	City of Damascus.
Anderson RD Tributary	50 feet upstream of SE Sunnyside Road	+533	
Richardson Creek	At the confluence with Richardson Creek	+402	City of Damascus.
Royer Road Tributary	Approximately 2200 feet upstream of confluence with Richardson Creek.	+448	
Richardson Creek	At the Confluence with Richardson Creek	+164	Clackamas County (Unincorporated Areas).
Keller Road Tributary	Approximately 200 feet upstream of SE Keller Road	+378	City of Damascus.
Richardson Creek	At the confluence with Clackamas River	+116	Clackamas County (Unincorporated Areas).
	Just upstream of State Highway 212	+590	City of Damascus.
Rock Creek	At the confluence with Clackamas River	+94	Clackamas County (Unincorporated Areas), City of Damascus.
	Approximately 100 feet upstream of SE Bohna Park Road	+453	City of Happy Valley.
Rock Creek 172nd Avenue Tributary.	At the confluence with Rock Creek	+231	Clackamas County (Unincorporated Areas).
	Approximately 150 feet upstream of SE Big Timber Lane	+328	City of Happy Valley.
Rock Creek Hemrick Road Tributary.	At the confluence with Rock Creek	+315	Clackamas County (Unincorporated Areas), City of Damascus.
	Approximately 200 feet upstream of SE Tillstrom Road	+407	City of Happy Valley.
Rock Creek Highway 224 Tributary.	At confluence with Rock Creek	+94	City of Happy Valley.
	Approximately 150 feet upstream of Goosehollow Drive	+213	City of Damascus.
Rock Creek N Golf Course Tributary.	At the confluence with Rock Creek	+302	Clackamas County (Unincorporated Areas).
	Approximately 50 feet upstream of SE 162nd Avenue	+381	City of Happy Valley.
Rock Creek S Golf Course Tributary.	At confluence with Rock Creek	+293	City of Happy Valley.
	Approximately 50 feet upstream of SE 162nd Avenue	+383	
Tualatin River	At the confluence with Willamette River	+75	Clackamas County (Unincorporated Areas), City of Lake Oswego.
	Just downstream of R. H. Baldock Freeway	+127	City of Rivergrove, City of West Linn.
Tualatin River Overflow to Rivergrove.	Approximately 1,000 feet downstream of Childs Road	+121	Clackamas County (Unincorporated Areas), City of Rivergrove.

Flooding source(s)	Location of referenced elevation	* Elevation in feet (NGVD) + Elevation in feet (NAVD) # Depth in feet above ground Modified	Communities affected
	At the intersection of Marlin Avenue and Southeast Dogwood Drive.	+125	

* National Geodetic Vertical Datum.
+ North American Vertical Datum.
# Depth in feet above ground.

ADDRESSES

City of Damascus
Maps are available for inspection at Damascus City Hall, 19920 Highway 212, Damascus, OR 97089.

City of Happy Valley
Maps are available for inspection at Michael Walter Planning Services Manager, 12915 SE King Road, Happy Valley, OR 97086.

City of Lake Oswego
Maps are available for inspection at Rob D. Amsberry Surface Water Management, 380 A Avenue, Lake Oswego, OR 97034.

City of Rivergrove
Maps are available for inspection at Larry Barrett City Manager, 5311 Childs Road, Lake Oswego, OR 97035.

City of West Linn
Maps are available for inspection at City Hall, 22500 Salamo Road, West Linn, OR 97068.

Clackamas County (Unincorporated Areas)
Maps are available for inspection at Steve F. Hanschka Floodplain Administrator Sunnybrook Service Center, 9101 SE Sannybrook Boulevard, Clackamas, OR 97015.

(Catalog of Federal Domestic Assistance No. 97.022, ''Flood Insurance.'')

Dated: January 3, 2008.

David I. Maurstad,

Federal Insurance Administrator of the National Flood Insurance Program, Department of Homeland Security, Federal Emergency Management Agency.

[FR Doc. E8–692 Filed 1–15–08; 8:45 am]

BILLING CODE 9110–12–P

DEPARTMENT OF HOMELAND SECURITY

Federal Emergency Management Agency

44 CFR Part 67

Final Flood Elevation Determinations

AGENCY: Federal Emergency Management Agency, DHS.

ACTION: Final rule.

SUMMARY: Base (1% annual chance) Flood Elevations (BFEs) and modified BFEs are made final for the communities listed below. The BFEs and modified BFEs are the basis for the floodplain management measures that each community is required either to adopt or to show evidence of being already in effect in order to qualify or remain qualified for participation in the National Flood Insurance Program (NFIP).

DATES: The date of issuance of the Flood Insurance Rate Map (FIRM) showing BFEs and modified BFEs for each community. This date may be obtained by contacting the office where the maps are available for inspection as indicated on the table below.

ADDRESSES: The final BFEs for each community are available for inspection at the office of the Chief Executive Officer of each community. The respective addresses are listed in the table below.

FOR FURTHER INFORMATION CONTACT: William R. Blanton, Jr., Engineering Management Branch, Mitigation Directorate, Federal Emergency Management Agency, 500 C Street, SW., Washington, DC 20472, (202) 646–3151.

SUPPLEMENTARY INFORMATION: The Federal Emergency Management Agency (FEMA) makes the final determinations listed below for the modified BFEs for each community listed. These modified elevations have been published in newspapers of local circulation and ninety (90) days have elapsed since that publication. The Mitigation Division Director of FEMA has resolved any appeals resulting from this notification.

This final rule is issued in accordance with section 110 of the Flood Disaster Protection Act of 1973, 42 U.S.C. 4104, and 44 CFR part 67. FEMA has developed criteria for floodplain management in floodprone areas in accordance with 44 CFR part 60.

Interested lessees and owners of real property are encouraged to review the proof Flood Insurance Study and FIRM available at the address cited below for each community. The BFEs and modified BFEs are made final in the communities listed below. Elevations at selected locations in each community are shown.

National Environmental Policy Act. This final rule is categorically excluded from the requirements of 44 CFR part 10, Environmental Consideration. An environmental impact assessment has not been prepared.

Regulatory Flexibility Act. As flood elevation determinations are not within the scope of the Regulatory Flexibility Act, 5 U.S.C. 601–612, a regulatory flexibility analysis is not required.

Regulatory Classification. This final rule is not a significant regulatory action under the criteria of section 3(f) of Executive Order 12866 of September 30, 1993, Regulatory Planning and Review, 58 FR 51735.

Executive Order 13132, Federalism. This final rule involves no policies that have federalism implications under Executive Order 13132.

Executive Order 12988, Civil Justice Reform. This final rule meets the applicable standards of Executive Order 12988.

List of Subjects in 44 CFR Part 67

Administrative practice and procedure, Flood insurance, Reporting and recordkeeping requirements.

■ Accordingly, 44 CFR part 67 is amended as follows:

PART 67—[AMENDED]

■ 1. The authority citation for part 67 continues to read as follows:

Authority: 42 U.S.C. 4001 *et seq.*; Reorganization Plan No. 3 of 1978, 3 CFR, 1978 Comp., p. 329; E.O. 12127, 44 FR 19367, 3 CFR, 1979 Comp., p. 376.

§ 67.11 [Amended]

■ 2. The tables published under the authority of § 67.11 are amended as follows:

Flooding source(s)	Location of referenced elevation	*Elevation in feet (NGVD) +Elevation in feet (NAVD) # Depth in feet above ground. Modified	Communities affected
Jackson County, Illinois, and Incorporated Areas Docket No.: FEMA–B–7724			
Big Muddy River	Approximately 4,050 ft above South 20th Street	+372	Jackson County (Unincorporated Areas).
	Approximately 4,810 ft above North Cleveland Street	+375	
Crab Orchard Creek	Approximately 100 feet downstream of Helm Road	+380	Jackson County (Unincorporated Areas).
	Approximately 1,500 feet South of Dillinger Road	+383	
Drury Creek	Approximately 1,500 feet north of the termination of Church Street.	+434	Jackson County (Unincorporated Areas).
	Approximately 700 feet south of the intersection of Giant City Road and Springer Ridge Road.	+437	
Mississippi River	Approximately 900 feet downstream of Grand Tower Road extended.	+370	City of Grand Tower.
	Approximately 720 feet above 25th Street extended	+371	
	Approximately at Muntz Road Alignment (Mouth of Big Muddy River) Union/Jackson County Boundary.	+368	Village of Gorham, Jackson County (Unincorporated Areas).
	Approximately at Levee Road (Mouth of Degognia Creek) Randolph/Jackson County Boundary.	+383	
North Fork	280 feet east of 8th Street	+387	Jackson County (Unincorporated Areas).
	200 feet east of 8th Street	+388	
North Tributary	Approximately at the railroad	+402	Jackson County (Unincorporated Areas).
	Approximately at Town Road (West Road)	+402	
Pond Creek	Approximately at the railroad crossing at the North boundary of Murphysboro.	+399	Jackson County (Unincorporated Areas).
	Approximately at Cochran Road	+401	
South Tributary	East of Roosevelt Street (US 51)	+394	Jackson County (Unincorporated Areas).
	At Town Road (West Road)	+403	

* National Geodetic Vertical Datum.
+ North American Vertical Datum.
# Depth in feet above ground.

ADDRESSES

City of Grand Tower

Maps are available for inspection at 201 Market Street, Grand Tower City Hall, Grand Tower, IL 62942.

Jackson County (Unincorporated Areas)

Maps are available for inspection 20 South 10th Street, County Assessment Officer, Murphysboro, IL 62966.

Village of Gorham

Maps are available for inspection at 306 Washington Street, Gorham City Hall, Gorham, IL 62940.

Union County, Illinois, and Incorporated Areas Docket No.: FEMA–B–7724			
Mississippi River	Alexander/Union County Boundary, approximately 3,000 feet upstream of the Mouth of Picayune Chute in Alexander County.	+354	Union County (Unincorporated Areas).
	Approximately 5,480 feet above Muddy Levee Road	+369	

* National Geodetic Vertical Datum.
+ North American Vertical Datum.
# Depth in feet above ground.

ADDRESSES

Union County (Unincorporated Areas)

Maps are available for inspection at 311 West Market Street, Union County Clerk, Jonesboro, IL 62952.

Flooding source(s)	Location of referenced elevation	*Elevation in feet (NGVD) +Elevation in feet (NAVD) # Depth in feet above ground. Modified	Communities affected
Rutherford County, North Carolina and Incorporated Areas Docket No.: FEMA–D–7714			
Arrowood Branch	At the confluence with McKinney Creek	+708	Unincorporated Areas of Rutherford County.
	Approximately 0.7 mile upstream of the confluence with McKinney Creek.	+723	
Beaverdam Creek (near State Road 1733).	At the confluence with First Broad River	+1,035	Unincorporated Areas of Rutherford County.
	Approximately 600 feet upstream of Old C C Road (State Road 1731).	+1,449	
Big Camp Creek	At the confluence with Second Broad River	+862	Unincorporated Areas of Rutherford County.
	Approximately 970 feet upstream of Frog Creek Road	+984	
Big Horse Creek	At the confluence with Broad River	+697	Unincorporated Areas of Rutherford County.
	Approximately 1.1 miles upstream of State Line Road (State Road 2105).	+749	
Big Spring Branch	At the confluence with Second Broad River	+815	Town of Forest City.
	Approximately 230 feet downstream of East Trade Street	+974	
Bills Creek	At the confluence with Cove Creek	+868	Unincorporated Areas of Rutherford County, Town of Lake Lure.
	Approximately 1,300 feet upstream of Shumont Estates Drive.	+1,206	
Tributary 2	At the confluence with Bills Creek	+991	Unincorporated Areas of Rutherford County.
	Approximately 800 feet upstream of Brookside Parkway	+1,243	
Tributary 3	At the confluence with Bills Creek	+1,056	Unincorporated Areas of Rutherford County.
	Approximately 1.4 miles upstream of Bills Creek Road (State Road 1008).	+1,239	
Bowen Branch	At the confluence with Sandy Run	+865	Unincorporated Areas of Rutherford County.
	Approximately 1,300 feet upstream of Gene Walker Road (State Road 1763).	+875	
Box Creek	At the confluence with Second Broad River	+953	Unincorporated Areas of Rutherford County.
	Approximately 0.7 mile upstream of the confluence with Second Broad River.	+1,010	
Bracketts Creek	At the confluence with Floyds Creek	+781	Town of Forest City, Unincorporated Areas of Rutherford County.
	Approximately 490 feet upstream of Withrow Road	+973	
Tributary 5	At the confluence with Bracketts Creek	+902	Town of Forest City.
	Approximately 0.4 mile upstream of South Church Street	+941	
Tributary 8	At the confluence with Bracketts Creek	+955	Town of Forest City.
	Approximately 0.4 mile upstream of Oak Street	+980	
Brier Creek	At the confluence with First Broad River	+962	Unincorporated Areas of Rutherford County.
	Approximately 1,700 feet upstream of the confluence of Pot Branch.	+1,120	
Broad River	At the Rutherford/Cleveland County boundary	+680	Village of Chimney Rock, Town of Lake Lure, Unincorporated Areas of Rutherford County.
	At the Rutherford/Henderson County boundary	+1,411	
Tributary 6	At the confluence with Broad River	+694	Unincorporated Areas of Rutherford County.
	Approximately 1,700 feet upstream of Island Ford Road	+697	
Buck Branch (into Second Broad River).	At the confluence with Second Broad River	+818	Unincorporated Areas of Rutherford County, Town of Forest City.
	Approximately 300 feet downstream of West Trade Street	+949	
Buck Branch (into West Fork Sandy Run).	At the Rutherford/Cleveland County boundary	+801	Unincorporated Areas of Rutherford County.
	Approximately 0.7 mile upstream of Rutherford/Cleveland County boundary.	+820	

Flooding source(s)	Location of referenced elevation	*Elevation in feet (NGVD) +Elevation in feet (NAVD) # Depth in feet above ground. Modified	Communities affected
Buffalo Creek (into Lake Lure)	At the confluence with Broad River	+998	Unincorporated Areas of Rutherford County, Town of Lake Lure.
	Approximately 7.0 miles upstream of confluence with the Broad River.	+2,818	
Tributary 1	At the confluence with Buffalo Creek (Lake Lure)	+1,192	Unincorporated Areas of Rutherford County, Town of Lake Lure.
	Approximately 2.3 miles upstream of Buffalo Creek Road (State Road 1314).	+2,795	
Cane Creek	At the confluence with Second Broad River	+855	Unincorporated Areas of Rutherford County.
	At the Rutherford/McDowell County boundary	+975	
Cane Creek (into Broad River)	At the confluence with Broad River	+693	Unincorporated Areas of Rutherford County.
	Approximately 0.5 mile upstream of the confluence with Broad River.	+694	
Cane Creek (into Lake Lure)	At the confluence with Broad River	+998	Unincorporated Areas of Rutherford County, Town of Lake Lure.
	Approximately 0.5 mile upstream of Girl Scout Camp Road (State Road 1186).	+1,354	
Catheys Creek	At the confluence with Second Broad River	+829	Unincorporated Areas of Rutherford County.
	Approximately 0.5 mile upstream of Thermal City Road (State Road 1321).	+1,051	
Tributary 16	At the confluence with Catheys Creek	+872	Unincorporated Areas of Rutherford County.
	Approximately 0.4 mile upstream of the confluence with Catheys Creek.	+878	
Cedar Creek	At the confluence with Cove Creek	+877	Unincorporated Areas of Rutherford County.
	Approximately 1,200 feet upstream of the confluence of Taylor Creek.	+1,154	
Tributary 3	At the confluence with Cedar Creek	+1,032	Unincorporated Areas of Rutherford County.
	Approximately 0.9 mile upstream of the confluence with Cedar Creek.	+1,151	
Charles Creek	At the confluence with Cleghorn Creek	+755	Unincorporated Areas of Rutherford County.
	Approximately 0.5 mile upstream of the confluence with Cleghorn Creek.	+755	
Cherry Creek	At the confluence with Catheys Creek	+913	Unincorporated Areas of Rutherford County.
	Approximately 500 feet upstream of Railroad	+951	
Cleghorn Creek	At the confluence with Broad River	+755	Unincorporated Areas of Rutherford County, Town of Rutherfordton.
	Approximately 0.5 mile upstream of Reece Street	+953	
Tributary 10	At the confluence with Cleghorn Creek	+865	Town of Rutherfordton.
	Approximately 50 feet downstream of West 3rd Street	+910	
Tributary 11	At the confluence with Cleghorn Creek	+868	Town of Rutherfordton.
	Approximately 20 feet downstream of Laurel Drive	+1,041	
Tributary 12	At the confluence with Cleghorn Creek	+892	Town of Rutherfordton.
	Approximately 0.8 mile upstream of the confluence with Cleghorn Creek.	+988	
Tributary 13	At the confluence with Cleghorn Creek	+898	Town of Rutherfordton.
	Approximately 0.4 mile upstream of North Main Street/ U.S. Highway 221.	+954	
Tributary 7	At the confluence with Cleghorn Creek	+795	Unincorporated Areas of Rutherford County, Town of Rutherfordton.
	Approximately 1,000 feet upstream of Hugh Street	+990	
Tributary 9	At the confluence with Cleghorn Creek	+832	Unincorporated Areas of Rutherford County, Town of Rutherfordton.
	Approximately 150 feet downstream of NC Highway 108	+886	

Flooding source(s)	Location of referenced elevation	*Elevation in feet (NGVD) +Elevation in feet (NAVD) # Depth in feet above ground. Modified	Communities affected
Copper Mine Branch	At the confluence with Morrow Creek	+804	Unincorporated Areas of Rutherford County, Town of Forest City.
	Approximately 800 feet upstream of Fairview Street	+953	
Cove Creek	At the confluence with Broad River	+836	Unincorporated Areas of Rutherford County.
	Approximately 1.0 mile upstream of Painters Gap Road (State Road 1328).	+1,129	
Crawley Branch	At the confluence with Big Camp Creek	+936	Unincorporated Areas of Rutherford County.
	Approximately 1,800 feet upstream of the confluence with Big Camp Creek.	+947	
Dills Creek	At the confluence with Broad River	+714	Unincorporated Areas of Rutherford County.
	Approximately 0.8 mile upstream of the confluence with Broad River.	+716	
Duncans Creek	At the Rutherford/Cleveland County boundary	+914	Unincorporated Areas of Rutherford County.
	Approximately 2.2 miles upstream of Duncans Creek Road (State Road 1749).	+987	
East Branch Mountain Creek	At the confluence with Mountain Creek and West Branch Mountain Creek.	+823	Unincorporated Areas of Rutherford County.
	Approximately 350 feet downstream of Piney Knob Road (State Road 1331).	+981	
First Broad River	Approximately 1,000 feet downstream of the Rutherford/Cleveland County boundary.	+931	Unincorporated Areas of Rutherford County.
	Approximately 1,400 feet upstream of Golden Valley Church Road (State Road 1726).	+1,110	
Floyds Creek	At the confluence with Broad River	+699	Unincorporated Areas of Rutherford County.
	Approximately 500 feet upstream of Sunset Memorial Road (State Road 2179).	+941	
Frasheur Creek	At the confluence with Greasy Creek	+1,125	Unincorporated Areas of Rutherford County.
	At the Rutherford/McDowell County boundary	+1,152	
Goodes Creek	At the confluence with Broad River	+695	Unincorporated Areas of Rutherford County.
	Approximately 400 feet upstream of Island Ford Road	+695	
Grab Branch	At the confluence with Floyds Creek	+886	Unincorporated Areas of Rutherford County.
	Approximately 90 feet downstream of U.S. 221S Highway	+943	
Tributary 1	At the confluence with Grab Branch	+924	Unincorporated Areas of Rutherford County.
	Approximately 900 feet upstream of Burch Hutchins Road (State Road 2171).	+944	
Grays Creek	At the confluence with Broad River	+747	Unincorporated Areas of Rutherford County.
	Approximately 1.1 miles upstream of confluence with Broad River.	+762	
Greasy Creek	At the confluence with Cove Creek	+1,125	Unincorporated Areas of Rutherford County.
	At the Rutherford/McDowell County boundary	+1,153	
Grog Creek	At the Rutherford/Cleveland County boundary	+833	Unincorporated Areas of Rutherford County.
	Approximately 600 feet upstream of U.S. Highway 74 By-pass.	+892	
Heaveners Creek	At the confluence with Roberson Creek	+902	Unincorporated Areas of Rutherford County.
	Approximately 200 feet downstream of Joe Bostic Road (State Road 1712).	+915	
Hensons Creek	At the confluence with Broad River	+720	Unincorporated Areas of Rutherford County.
	Approximately 20 feet upstream of County Line Road (State Road 1101).	+822	
Hills Creek	At the confluence with Second Broad River	+722	Unincorporated Areas of Rutherford County.
	Approximately 290 feet upstream of Dobbins Road	+825	

Flooding source(s)	Location of referenced elevation	*Elevation in feet (NGVD) +Elevation in feet (NAVD) # Depth in feet above ground. Modified	Communities affected
Hinton Creek	At the Rutherford/Cleveland County boundary	+979	Unincorporated Areas of Rutherford County.
	Approximately 200 feet upstream of Hinton Creek Road (State Road 1753).	+1,054	
Holland Creek	At the confluence with Second Broad River	+792	Unincorporated Areas of Rutherford County.
	. Approximately 450 feet upstream of Old Caroleen Road (State Road 1901).	+807	
	At the confluence with Catheys Creek	+836	Unincorporated Areas of Rutherford County, Town of Ruth, Town of Rutherfordton, Town of Spindale.
	Approximately 1,800 feet upstream of U.S. Highway 221	+950	
Tributary 4	At the confluence with Hollands Creek	+909	Unincorporated Areas of Rutherford County, Town of Ruth.
	Approximately 500 feet upstream of Shady Woods Lane	+959	
Hunting Creek	At the confluence with Roberson Creek	+875	Unincorporated Areas of Rutherford County.
	Approximately 250 feet upstream of Depriest Road (State Road 1713).	+1,067	
Jarrets Creek	At the confluence with Broad River	+727	Unincorporated Areas of Rutherford County.
	Approximately 0.5 mile upstream of the confluence with Broad River.	+744	
Knob Creek (into Broad River)	At the confluence with Broad River	+816	Unincorporated Areas of Rutherford County.
	Approximately 800 feet upstream of McEntire Road (State Road 1341).	+921	
Tributary 11	At the confluence with Knob Creek (into Broad River)	+874	Unincorporated Areas of Rutherford County.
	Approximately 0.5 mile upstream of Pleasant Grove Road (State Road 1345).	+1,070	
Tributary 9	At the confluence with Knob Creek (into Broad River)	+862	Unincorporated Areas of Rutherford County.
	Approximately 0.6 mile upstream of McEntire Road (State Road 1341).	+1,006	
Little Camp Creek	At the confluence with Big Camp Creek	+870	Unincorporated Areas of Rutherford County.
	Approximately 0.4 mile upstream of Old Morganton Road (State Road 1513).	+926	
Maple Creek	At the confluence with Mountain Creek	+784	Unincorporated Areas of Rutherford County.
	Approximately 200 feet upstream of U.S. 64/74A Highway	+903	
McKinney Creek	At the confluence with Broad River	+705	Unincorporated Areas of Rutherford County.
	Approximately 1,500 feet upstream of Ted Smith Road (State Road 1104).	+789	
Mill Creek (into Catheys Creek)	At the confluence with Catheys Creek	+957	Unincorporated Areas of Rutherford County.
	Approximately 0.8 mile upstream of the confluence with Catheys Creek.	+967	
Morrow Creek	At the confluence with Second Broad River	+803	Unincorporated Areas of Rutherford County, Town of Forest City.
	Approximately 0.8 mile upstream of Pine Street (State Road 1903).	+873	
Mountain Creek	At the confluence with Broad River	+758	Unincorporated Areas of Rutherford County.
	At the confluence with East Branch Mountain Creek and West Branch Mountain Creek.	+823	
Tributary 16	At the confluence with Mountain Creek	+816	Unincorporated Areas of Rutherford County.
	Approximately 1.0 mile upstream of Clearwater Parkway	+954	
Mountain Creek Tributary of Tributary 16.	At the confluence with Mountain Creek Tributary 16	+834	Unincorporated Areas of Rutherford County, Town of Rutherfordton.

Flooding source(s)	Location of referenced elevation	*Elevation in feet (NGVD) +Elevation in feet (NAVD) # Depth in feet above ground. Modified	Communities affected
	Approximately 700 feet downstream of Thompson Road (State Road 1367).	+987	
North Fork First Broad River	At the confluence with First Broad River	+1,082	Unincorporated Areas of Rutherford County.
	Approximately 1.5 miles upstream of the confluence of Sally Queen Creek.	+1,397	
Piney Creek	At the confluence with Cedar Creek	+895	Unincorporated Areas of Rutherford County.
	Approximately 310 feet upstream of the confluence of Piney Creek Tributary 1.	+982	
Tributary 1	At the confluence with Piney Creek	+967	Unincorporated Areas of Rutherford County.
	Approximately 0.7 mile upstream of Bills Creek Road (State Road 1008).	+1,328	
Piney Knob Creek	At the confluence with West Branch Mountain Creek	+879	Unincorporated Areas of Rutherford County.
	Approximately 300 feet upstream of Elliott Road (State Road 1348).	+908	
Pool Creek	At the confluence with Broad River (Lake Lure)	+998	Town of Lake Lure.
	Approximately 1,900 feet upstream of Bottomless Pools Drive.	+1,122	
Pot Branch	At the confluence with Brier Creek	+1,102	Unincorporated Areas of Rutherford County.
	Approximately 2.3 miles upstream of the confluence with Brier Creek.	+1,415	
Puzzle Creek	At the confluence with Second Broad River	+804	Unincorporated Areas of Rutherford County, Town of Bostic.
	Approximately 200 feet upstream of Piney Mountain Church Road (State Road 1007).	+893	
Reynolds Creek	At the confluence with Hollands Creek	+897	Unincorporated Areas of Rutherford County, Town of Spindale.
	Approximately 0.6 mile upstream of West Street	+1,046	
Richardson Creek	At the confluence with Broad River	+705	Unincorporated Areas of Rutherford County.
	Approximately 100 feet upstream of Sulphur Springs Church Road (State Road 1135).	+807	
Roberson Creek	At the confluence with Second Broad River	+825	Unincorporated Areas of Rutherford County, Town of Bostic.
	Approximately 200 feet upstream of Calton Road (State Road 1745).	+1,056	
Rosy Branch	At the confluence with Taylor Creek	+1,962	Unincorporated Areas of Rutherford County.
	Approximately 1.5 miles upstream of Twin Chimneys Road.	+2,727	
Sally Queen Creek	At the confluence with North Fork First Broad River	+1,292	Unincorporated Areas of Rutherford County.
	Approximately 2.2 miles upstream of the confluence with North Fork First Broad River.	+1,706	
Sandy Run	At the Rutherford/Cleveland County boundary	+835	Unincorporated Areas of Rutherford County.
	Approximately 150 feet upstream of Hopewell Road (State Road 1760).	+906	
Second Broad River	At the confluence with Broad River	+680	Unincorporated Areas of Rutherford County, Town of Forest City.
	Approximately 1.9 miles upstream of Box Creek Road (State Road 1500).	+990	
Tributary 7	At the confluence with Second Broad River	+750	Unincorporated Areas of Rutherford County.
	Approximately 1.4 miles upstream of Old Henrietta Road (State Road 2129).	+786	
Tributary 8	At the confluence with Second Broad River	+758	Unincorporated Areas of Rutherford County.
	Approximately 40 feet upstream of Chime Lane	+799	

Flooding source(s)	Location of referenced elevation	*Elevation in feet (NGVD) +Elevation in feet (NAVD) # Depth in feet above ground. Modified	Communities affected
Somey Creek	At the confluence with First Broad River	+1,110	Unincorporated Areas of Rutherford County.
	Approximately 400 feet upstream of Camp McCall Road (State Road 1749).	+1,231	
South Creek	At the confluence with First Broad River	+1,075	Unincorporated Areas of Rutherford County.
	Approximately 1.3 miles upstream of Golden Valley Church Road (State Road 1726).	+1,121	
Stoney Creek	At the confluence with Second Broad River	+974	Unincorporated Areas of Rutherford County.
	Approximately 1,400 feet upstream of Thermal City Road (State Road 1321).	+1,001	
Suck Creek (into Broad River)	Approximately 1.1 miles downstream of Kirby Road	+769	Unincorporated Areas of Rutherford County.
	Approximately 300 feet upstream of Kirby Road (State Road 1978).	+779	
Taylor Creek	At the confluence with Cedar Creek	+1,147	Unincorporated Areas of Rutherford County.
	Approximately 0.5 mile upstream of the confluence of Rosy Branch.	+2,009	
Tributary 1	At the confluence with Taylor Creek	+1,841	Unincorporated Areas of Rutherford County.
	Approximately 0.6 mile upstream of Bison Meadows	+2,535	
Webbs Branch	At the confluence with Second Broad River	+805	Town of Forest City.
	Approximately 0.4 mile upstream of Railroad	+907	
Webbs Creek	At the confluence with Second Broad River	+789	Unincorporated Areas of Rutherford County.
	Approximately 340 feet upstream of U.S. Highway 74	+833	
West Branch Mountain Creek	At the confluence with East Branch Mountain Creek and Mountain Creek.	+823	Unincorporated Areas of Rutherford County.
	Approximately 0.6 mile upstream of Darlington Road (State Road 1351).	+884	
West Fork Sandy Run	At the Rutherford/Cleveland County boundary	+801	Unincorporated Areas of Rutherford County.
	Approximately 1,000 feet upstream of Hollis Road (State Road 1749).	+901	
Tributary 7	At the confluence with West Fork Sandy Run	+825	Unincorporated Areas of Rutherford County.
	Approximately 0.9 mile upstream of the confluence with West Fork Sandy Run.	+842	

* National Geodetic Vertical Datum.
+ North American Vertical Datum.
# Depth in feet above ground.

(Catalog of Federal Domestic Assistance No. 97.022, ''Flood Insurance.'')

Dated: January 3, 2008.

David I. Maurstad,

Federal Insurance Administrator of the National Flood Insurance Program, Department of Homeland Security, Federal Emergency Management Agency.

[FR Doc. E8–695 Filed 1–15–08; 8:45 am]

BILLING CODE 9110–12–P

Proposed Rules

Federal Register
Vol. 73, No. 11
Wednesday, January 16, 2008

This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

DEPARTMENT OF HOMELAND SECURITY

Bureau of Customs and Border Protection

DEPARTMENT OF THE TREASURY

19 CFR Parts 19 and 144

[USCBP–2007–0080]

RIN 1505–AB85

Class 9 Bonded Warehouse Procedures

AGENCIES: Customs and Border Protection, Department of Homeland Security; Department of the Treasury.

ACTION: Notice of proposed rulemaking.

SUMMARY: This document proposes amendments to title 19 of the Code of Federal Regulations, with respect to the requirements applicable to the operation of Class 9 bonded warehouses, which are also known as ''duty-free sales enterprises'' or ''duty-free stores.'' The proposed amendments would extend the blanket withdrawal procedure for Class 9 bonded warehouses to cover vessel supplies under certain circumstances and expand and create a uniform time period for Class 9 proprietors to file an entry, provide written confirmation of certain shortages, overages, and damages, and to pay duties, taxes, and interest on overages and shortages. In addition, the proposed amendments would permit Class 9 warehouses to utilize technological systems more effectively. The proposed changes would facilitate the efficient operation of Class 9 warehouses and also ensure adequate records are maintained for U.S. Customs and Border Protection (''CBP'') trade enforcement purposes.

DATES: Comments must be received on or before March 17, 2008.

ADDRESSES: You may submit comments, identified by docket number, by *one* of the following methods:

- Federal eRulemaking Portal: *http://www.regulations.gov*. Follow the instructions for submitting comments via docket number USCBP–2007–0080.
- Mail: Trade and Commercial Regulations Branch, Regulations and Rulings, U.S. Customs and Border Protection, 1300 Pennsylvania Avenue, NW. (Mint Annex), Washington, DC 20229.

Instructions: All submissions received must include the agency name and docket number for this rulemaking. All comments received will be posted without change to *http://www.regulations.gov*, including any personal information provided. For detailed instructions on submitting comments and additional information on the rulemaking process, see the ''Public Participation'' heading of the **SUPPLEMENTARY INFORMATION** section of this document.

DOCKET: For access to the docket to read background documents or comments received, go to *http://www.regulations.gov*. Submitted comments may also be inspected during regular business days between the hours of 9 a.m. and 4:30 p.m. at the Trade and Commercial Regulations Branch, Regulations and Rulings, U.S. Customs and Border Protection, 799 9th Street, NW. (5th Floor), Washington, DC. Arrangements to inspect submitted comments should be made in advance by calling Joseph Clark at (202) 572–8768.

FOR FURTHER INFORMATION CONTACT: Gary Rosenthal, Cargo Control Branch, Office of Field Operations, (202) 344–2673.

SUPPLEMENTARY INFORMATION:

Public Participation

Interested persons are invited to participate in this rulemaking by submitting written data, views, or arguments on all aspects of the proposed rule. CBP also invites comments that relate to the economic, environmental, or federalism effects that might result from this proposed rule. Comments that will provide the most assistance to CBP will reference a specific portion of the proposed rule, explain the reason for any recommended change, and include data, information, or authority that support such recommended change. See **ADDRESSES** above for information on how to submit comments.

Background

Section 1555 of title 19 of the United States Code (19 U.S.C. 1555) sets forth provisions governing the establishment and operation of customs bonded warehouses. Section 1555(b) provides for a type of bonded warehouse, Class 9, also called a ''duty-free sales enterprise'' or ''duty-free store.'' As defined in § 1555(b)(8)(D), duty-free sales enterprise means a person that sells, for use outside the customs territory, duty-free merchandise that is delivered from a bonded warehouse to an airport or other exit point for exportation by, or on behalf of, individuals departing from the customs territory of the United States. The regulations implementing § 1555(b), and which govern the operation of duty-free stores, are found within parts 19 and 144 of title 19 of the Code of Federal Regulations (19 CFR parts 19 and 144).

U.S. Customs and Border Protection (''CBP'') proposes to amend certain regulations governing the operation of duty-free stores in order to align the regulations with actual business practices and the use of modern technologies. The amendments proposed in this document are intended to facilitate the operation of duty-free stores in a technological environment by streamlining outdated processes and requirements while ensuring adequate records are maintained for audit purposes. In addition, this document proposes non-substantive amendments to §§ 19.6, 19.12, 19.36, and 144.37 of the CFR to reflect the nomenclature changes effected by the transfer of CBP to the Department of Homeland Security.

Explanation of Amendments

Sections 19.6, 19.12, 19.36, and 144.37 of title 19 of the CFR (19 CFR 19.6, 19.12, 19.36, and 144.37) are proposed to be amended as described below. Some of these provisions involve general rules for all bonded warehouses, but CBP is proposing exceptions to these general procedures for duty-free stores or Class 9 warehouses. Class 9 warehouses are more akin to retail establishments since they cater to the traveling public and undertake many sales transactions in a given day. Therefore, the exceptions to the general procedures proposed in this document are intended to eliminate unnecessary requirements for duty-free stores

without changing the requirements applicable to the other classes of bonded warehouses.

I. Section 19.6 Deposits, Withdrawals, Blanket Permits To Withdraw and Sealing Requirements

Section 19.6 of title 19 of the CFR (19 CFR 19.6) describes the requirements for depositing merchandise into or withdrawing merchandise from a warehouse, including the requirements pertaining to blanket permits to withdraw. Under § 19.6(d), such blanket permits to withdraw are currently permitted only when goods are delivered within the same port from which the goods are withdrawn. Therefore, the regulation does not currently permit blanket permits for withdrawal to be used in situations where vessel supplies are delivered from a warehouse to a cruise ship at a nearby port if that port is different from the warehouse port. Rather, in such cases, approval from both ports is required for withdrawal.

This notice proposes to amend § 19.6(d) in order to allow the appropriate Director, Field Operations, to extend the blanket withdrawal procedure for vessel supplies in situations where the Class 9 warehouse and destination port are within that Director's authority. To this end, the new blanket withdrawal procedure for a withdrawal of vessel supplies from a Class 9 warehouse would allow, upon a showing of good cause and with the written approval of the appropriate Director, Field Operations, the transportation in bond of the vessel supplies from the port where the warehouse is located to the port where the vessel is located. This new procedure would permit subject merchandise to be transported in a more timely and efficient manner.

II. Section 19.12 Inventory Control and Recordkeeping System

Section 19.12 of title 19 of the CFR (19 CFR 19.12) provides for inventory control and recordkeeping systems. This notice proposes to amend § 19.12(d)(3), which sets forth the requirements for the accounting of merchandise in bonded warehouses and for the reporting of inventory theft, shortages, overages, and damages to set forth specific rules for Class 9 warehouses. The regulation currently requires the proprietor to immediately bring to the attention of the port director any theft or suspected theft or overage or any extraordinary shortages or damage, and to provide confirmation in writing within five business days after the shortage, overage, or damage has been so reported. The regulation additionally provides that entries for warehouse must be filed for all overages within five business days of the date of discovery. The applicable duties, taxes, and interest on thefts and shortages so reported must be paid within 20 calendar days following the end of the calendar month in which the shortage was discovered.

According to the International Association of Airport Duty Free Stores (''IAADFS''), five business days provides insufficient time for Class 9 proprietors to provide the required written confirmation or to file the appropriate entries for routine overages. Accordingly, in order to provide adequate time to comply with the reporting and filing requirements, this document proposes to modify § 19.12(d)(3) so as to afford the Class 9 proprietor with 20 calendar days to provide the required written confirmation and to require that an entry for warehouse be filed for all overages by the person with the right to make entry within 20 calendar days of the date of discovery. As with the current regulation, applicable duties, taxes, and interest on thefts and shortages so reported will be required to be paid by the Class 9 proprietor within 20 calendar days following the end of the calendar month in which the shortage was discovered.

This notice also proposes to amend § 19.12(h)(2), which sets forth the information required for the annual reconciliation report, to set forth special rules for Class 9 warehouses. The regulation currently provides that the report must contain the company name, address of the warehouse, class of warehouse, date of inventory or information on cycle counts, a description of merchandise for each entry or unique identifier, quantity on hand at the beginning of the year, cumulative receipts and transfers (by unit), quantity on hand at the end of the year, and cumulative positive and negative adjustments (by unit) made during the year.

Requiring this level of detail on the annual reconciliation report for Class 9 proprietors creates a large volume of paperwork for the operators who are responsible for thousands of open warehouse entries each year. In addition, the current regulation requires that operators approved as integrated locations provide the details of all transactions by location, in effect requiring a separate annual report for each integrated location. Class 9 proprietors are having difficulty complying with the current system because summarizing every transaction for each unit in every entry is burdensome given the volume of transactions and because units transferred under the FIFO (first in, first out) accounting system are not assigned an entry number until they are sold or are otherwise disposed of. Therefore, the information required for the annual reconciliation report for transferred units may not even be available.

Accordingly, this notice proposes to amend § 19.12(h)(2) to provide for a reduced reporting requirement for Class 9 proprietors in cases where the proprietor successfully demonstrates, by application to the appropriate CBP port director, that shortages will be reported within 20 calendar days of discovery. If such application is approved by the port director, the Class 9 proprietor would be permitted to submit a report that sets forth the company name; address of the warehouse; class of warehouse; dates when physical inventories and cycle counts occur; dates when resulting shortages and overages are reported to CBP; and a listing of all entries open at the beginning of the year, added during the year, and closed during the year. In such cases, it is believed that this level of information would both address the above-referenced reporting concerns and ensure that CBP is provided with the information required for enforcement purposes.

III. Section 19.36 Requirements for Duty-Free Store Operations

Section 19.36 of title 19 of the CFR (19 CFR 19.36) sets forth the requirements for duty-free store operations, including guidance on the type of merchandise permitted in the bonded sales or crib area of a Class 9 warehouse. Under § 19.36(e), domestic merchandise and merchandise previously entered or withdrawn for consumption may be brought into the bonded sales or crib area of a Class 9 warehouse for display or sale, and in the case of a crib, for delivery to purchasers only if the merchandise is identified or marked ''DUTY-PAID'' or ''U.S.-ORIGIN'', or similar markings, such that CBP officers can easily distinguish conditionally duty-free merchandise from other merchandise in the sales or crib area.

CBP notes, however, that modern technology permits duty-free store proprietors to electronically scan and read merchandise bar codes that contain detailed product information. Therefore, this notice proposes to amend § 19.36(e) so as to provide an alternative to marking merchandise for those proprietors of Class 9 warehouses who maintain an electronic system capable of immediately identifying ''DUTY-

PAID'' or ''U.S.-ORIGIN'' merchandise. In addition, it is proposed to eliminate the requirement that conditionally duty-free merchandise be physically separated from other merchandise in the sales or crib area for those Class 9 warehouse proprietors who can immediately identify the duty status of goods through an electronic system.

IV. Section 144.37 Withdrawal for Exportation

Section 144.37of title 19 of the CFR (19 CFR 144.37) sets forth the procedures for withdrawing merchandise from a warehouse for exportation. Paragraph (h) of this section pertains to Class 9 warehouses. Under § 144.37(h)(2), a sales ticket, in triplicate, must be made out in the name of the purchaser with at least one copy to be retained by the proprietor. However, current technology permits a sales ticket to be reprinted as often as needed and enables duty-free store proprietors to match bags of purchased merchandise with departing customers. In addition, it is noted that the requirement that sales tickets be produced in triplicate is no longer necessary for verification or audit purposes if the proprietor utilizes current technology. Thus, the triplicate paper procedure has been rendered costly, wasteful, and inefficient. Therefore, this notice proposes to amend § 144.37(h)(2) in order to remove the ''in triplicate'' requirement and to allow the proprietor's copy to be maintained electronically, provided the port director is satisfied that the proprietor has the technological capability to immediately print the sales ticket upon the request of a CBP officer.

Executive Order 12866

This rule is not considered to be a ''significant regulatory action'' under Executive Order 12866 of September 30, 1993 (58 FR 51735, October 1993). Accordingly, a regulatory assessment is not required.

Regulatory Flexibility Act

CBP has prepared this section to examine the impacts of the proposed rule on small entities as required by the Regulatory Flexibility Act (''RFA'', *See* 5 U.S.C. 601–612). A small entity may be a small business (defined as any independently owned and operated business not dominant in its field that qualifies as a small business per the Small Business Act); a small not-for-profit organization; or a small governmental jurisdiction (locality with fewer than 50,000 people).

According to the IAADFS, there are approximately 25 companies with duty-free operations in the United States and approximately 15 of them would be considered small businesses. As described elsewhere in this preamble, this rule is expected to result in enhanced efficiency and should lead to uniform operations at customs bonded warehouses.

Thus, while the number of small entities affected would be considered substantial, the economic impacts, while important and beneficial, would not rise to the level of a ''significant economic impact.'' CBP thus certifies that the proposed amendments will not have a significant economic impact on a substantial number of small entities. CBP welcomes comments on this certification. Comments regarding impacts to small entities may be submitted by any of the methods described under the **ADDRESSES** section of this document.

Paperwork Reduction Act

The collections of information in this document are contained in §§ 19.6, 19.12, 19.36, and 144.37. This information is required and will be used by CBP to ensure that merchandise that was intended for exportation from duty-free stores was accounted for and was exported in accordance with law. This notice of proposed rulemaking is intended to facilitate the operation of duty-free stores in a technological environment by streamlining outdated paper accounting processes and requirements with electronic equivalents while ensuring that adequate records are maintained for audit purposes. The likely respondents are Class 9 proprietors.

Although this notice of proposed rulemaking is intended to facilitate the efficient operation of Class 9 warehouses, the resulting paperwork implications are expected to be minor. As the burden hours associated with the collections of information contained in this notice of proposed rulemaking are not substantively changed, the Office of Management and Budget has already approved the collections of information in accordance with the requirements of the Paperwork Reduction Act (44 U.S.C. 3507) under control numbers 1651–0003 for bonded warehouse proprietor's submissions and 1651–0041 concerning the establishment of bonded warehouses and other bonded warehouse regulations.

Signing Authority

This document is being issued in accordance with § 0.1(a)(1) of the CBP regulations (19 CFR 0.1(a)(1)) pertaining to the authority of the Secretary of the Treasury (or his/her delegate) to approve regulations related to certain customs revenue functions.

List of Subjects

19 CFR Part 19

Bonds, Customs duties and inspection, Exports, Freight, Imports, Reporting and recordkeeping requirements, Surety bonds, Warehouses.

19 CFR Part 144

Bonds, Customs duties and inspection, Reporting and recordkeeping requirements, Surety bonds, Warehouses.

Proposed Amendments to the CBP Regulations

It is proposed to amend parts 19 and 144 of title 19 of the Code of Federal Regulations (19 CFR parts 19 and 144) as set forth below.

PART 19—CUSTOMS WAREHOUSES, CONTAINER STATIONS, AND CONTROL OF MERCHANDISE THEREIN

1. The general authority citation and specific authority citations for part 19 continue to read as follows:

Authority: 5 U.S.C. 301; 19 U.S.C. 66, 1202 (General Note 3(i), Harmonized Tariff Schedule of the United States), 1624;

* * * * *

Section 19.6 also issued under 19 U.S.C. 1555;

* * * * *

Sections 19.35–19.39 also issued under 19 U.S.C. 1555;

* * * * *

2. In § 19.6:

a. In paragraph (a)(1), the first sentence is amended by removing the word ''Customs'' and, in its place, adding the term ''CBP''; the second and last sentences are amended by removing the word ''shall'' each place it appears and adding the word ''will'' in its place; and the fourth sentence is amended by removing the word ''shall'' and, in its place, adding the word ''must''.

b. Paragraphs (b)(1), (d)(4), and (d)(5) are amended by removing the word ''Customs'' each place it appears and, in its place, adding the term ''CBP''; and by removing the word ''shall'' each place it appears and, in its place, adding the word ''must''.

c. Paragraph (b)(2) is amended by removing the word ''Customs'' each place it appears and, in its place, adding the term ''CBP''.

d. Paragraph (c) is amended by removing the word ''Customs'' each place it appears and, in its place, adding the term ''CBP''; and by removing the

word ''shall'' and, in its place, adding the word ''will''.

e. Paragraph (d)(1)(i)(A) is amended by removing the term ''Customs territory'' and, in its place, adding the term ''customs territory''.

f. In paragraph (d)(2), the first and second sentences are amended by removing the word ''Customs'' each place it appears and, in its place, adding the term ''CBP'' and by removing the word ''shall'' each place it appears and, in its place, adding the term ''must''; the third, fourth, fifth, sixth, and seventh sentences are amended by removing the word ''shall'' each place it appears and, in its place, adding the term ''must''; and the last sentence of the paragraph is amended by removing the word ''shall'' and, in its place, adding the word ''will'' and by removing the phrase ''without Customs permit'' and, in its place, adding the phrase ''without a CBP permit''.

g. Paragraph (d)(3) is amended by removing the word ''shall'' each place it appears and, in its place, adding the word ''must''.

h. In paragraph (e), the first sentence is amended by removing the word ''Customs'' each place it appears and, in its place, adding the term ''CBP''; the second sentence is amended by removing the word ''shall'' and, in its place, adding the term ''will'' and by removing the word ''Customs'' and, in its place, adding the term ''CBP''; and the last sentence of the paragraph is amended by removing the word ''shall'' and, in its place, adding the word ''must''.

i. Paragraph (d)(1)(ii) is revised to read as follows:

§ 19.6 Deposits, withdrawals, blanket permits to withdraw and sealing requirements.

* * * * *

(d) * * *

(1) * * *

(ii) Blanket permits to withdraw may be used only for delivery at the port where withdrawn and not for transportation in bond to another port, except blanket permits to withdraw may be used for a withdrawal for transportation to another port by a duty-free sales enterprise which meets the requirements for exemption as stated in § 144.34(c) of this chapter or for a withdrawal from a Class 9 warehouse for transportation in bond to another port for vessel supplies when expressly authorized in writing by the appropriate Director, Field Operations, provided that both the Class 9 warehouse and port of destination are under that Director's authority. Blanket permits to withdraw may not be used for delivery to a location for retention or splitting of shipments under the provisions of § 18.24 of this chapter. A withdrawer who desires a blanket permit must state on the warehouse entry, or on the warehouse entry/entry summary when used as an entry, that ''Some or all of the merchandise will be withdrawn under blanket permit per § 19.6(d), CBP Regulations.'' CBP's acceptance of the entry will constitute approval of the blanket permit. A copy of the entry will be delivered to the proprietor, whereupon merchandise may be withdrawn under the terms of the blanket permit. The permit may be revoked by the port director in favor of individual applications and permits if the permit is found to be used for other purposes, or if necessary to protect the revenue or properly enforce any law or regulation CBP is charged with administering. Merchandise covered by an entry for which a blanket permit was issued may be withdrawn for purposes other than those specified in this paragraph if a withdrawal is properly filed as required in subpart D, part 144, of this chapter.

* * * * *

3. In § 19.12:

a. Paragraph (a)(1) is amended by removing the word ''Customs'' each place it appears and, in its place, adding the term ''CBP''; and the word ''shall'' is removed and the word ''must'' is added in its place.

b. Paragraphs (a)(3), (d)(2)(ii), (d)(4)(iii), (f)(2), (h)(1), and (h)(3) are amended by removing the word ''Customs'' each place it appears and, in its place, adding the term ''CBP''.

c. Paragraphs (b)(1) and (b)(2) are amended by removing the word ''shall'' each place it appears and, in its place, adding the word ''must''.

d. Paragraphs (c)(1), (c)(3), (d)(1), (d)(2), and (e) are amended by removing the term ''Customs entry'' each place it appears and, in its place, adding the term ''customs entry''.

e. Paragraphs (f)(5), (f)(6), (f)(7), (f)(8), (f)(9), and (i) are amended by removing the word ''shall'' each place it appears and, in its place, adding the word ''must''.

f. Paragraphs (d)(4)(i), (d)(4)(ii), (d)(5), and (f)(1) are amended by removing the word ''shall'' each place it appears and, in its place, adding the word ''must''; and by removing the word ''Customs'' each place it appears and, in its place, adding the term ''CBP''.

g. In paragraph (g), the word ''Customs'' is removed each place it appears and, in its place, the term ''CBP'' is added; in the first sentence, ''(CF)'' is removed; the term ''CF 300'' is removed each place it appears and, in its place, the term ''CBP Form 300'' is added; and the word ''shall'' is removed and, in its place, the word ''must'' is added.

h. In paragraph (j), the term ''(CF 300)'' is removed and, in its place, the term ''(CBP Form 300)'' is added.

i. Paragraphs (d)(3) and (h)(2) are revised to read as follows:

§ 19.12 Inventory control and recordkeeping system.

* * * * *

(d) * * *

(3) *Theft, shortage, overage or damage—(i) General.* Except as otherwise provided in paragraph (d)(3)(ii) of this section, any theft or suspected theft or overage or any extraordinary shortage or damage (equal to one percent or more of the value of the merchandise in an entry or covered by a unique identifier; or if the missing merchandise is subject to duties and taxes in excess of $100) must be immediately brought to the attention of the port director, and confirmed in writing within five business days after the shortage, overage, or damage has been brought to the attention of the port director. An entry for warehouse must be filed for all overages by the person with the right to make entry within five business days of the date of discovery. The responsible party must pay the applicable duties, taxes and interest on thefts and shortages reported to CBP within 20 calendar days following the end of the calendar month in which the shortage is discovered. The port director may allow the consolidation of duties and taxes applicable to multiple shortages into one payment; however, the amount applicable to each warehouse entry is to be listed on the submission and must specify the applicable duty, tax and interest. These same requirements apply when cumulative thefts, shortages or overages under a specific entry or unique identifier total one percent or more of the value of the merchandise or if the duties and taxes owed exceed $100. Upon identification, the proprietor must record all shortages and overages in its inventory control and recordkeeping system, whether or not they are required to be reported to the port director at the time. The proprietor must also record all shortages and overages as required in the CBP Form 300 or annual reconciliation report under paragraphs (g) or (h) of this section, as appropriate. Duties and taxes applicable to any non-extraordinary shortage or damage and not required to be paid earlier must be reported and submitted to the port director no later than the date the

certification of preparation of CBP Form 300 is due or at the time the certification of preparation of the annual reconciliation report is due, as prescribed in paragraphs (g) or (h) of this section.

(ii) Class 9 warehouses. With respect to Class 9 warehouses, any theft or suspected theft or overage or any extraordinary shortage or damage (equal to one percent or more of the merchandise in an entry or covered by a unique identifier; or if the missing merchandise is subject to duties and taxes in excess of $100) must be immediately brought to the attention of the port director, and confirmed in writing within 20 calendar days after the shortage, overage, or damage has been brought to the attention of the port director. An entry for warehouse must be filed for all overages by the person with the right to make entry within 20 calendar days of the date of discovery. The responsible party must pay the applicable duties, taxes and interest on thefts and shortages reported to CBP within 20 calendar days following the end of the calendar month in which the shortage is discovered. The port director may allow the consolidation of duties and taxes applicable to multiple shortages into one payment; however, the amount applicable to each warehouse entry is to be listed on the submission and must specify the applicable duty, tax and interest. These same requirements apply when cumulative thefts, shortages or overages under a specific entry or unique identifier total one percent or more of the value of the merchandise or if the duties and taxes owed exceed $100. Upon identification, the proprietor must record all shortages and overages in its inventory control and recordkeeping system, whether or not they are required to be reported to the port director at the time. The proprietor must also record all shortages and overages as required in the CBP Form 300 or annual reconciliation report under paragraphs (g) or (h) of this section, as appropriate. Duties and taxes applicable to any non-extraordinary shortage or damage and not required to be paid earlier must be reported and submitted to the port director no later than the date the certification of preparation of CBP Form 300 is due or at the time the certification of preparation of the annual reconciliation report is due, as prescribed in paragraphs (g) or (h) of this section. Discrepancies found in a Class 9 warehouse with integrated locations as set forth in § 19.35(c) will be the net discrepancies for a unique identifier (see § 19.4(b)(8)(ii) of this part) such that overages within one sales location will be offset against shortages in another location that is within the integrated location. A Class 9 proprietor who transfers merchandise between facilities in different ports without being required to file a rewarehouse entry in accordance with § 144.34 of this chapter may offset overages and shortages within the same unique identifier for merchandise located in stores in different ports (see § 19.4(b)(8)(ii) of this part).

* * * * *

(h) * * *

* * * * *

(2) *Information required*—(i) *General.* Except as otherwise provided in paragraph (h)(2)(ii) of this section, the report must contain the company name; address of the warehouse; class of warehouse; date of inventory or information on cycle counts; a description of merchandise for each entry or unique identifier, quantity on hand at the beginning of the year, cumulative receipts and transfers (by unit), quantity on hand at the end of the year, and cumulative positive and negative adjustments (by unit) made during the year.

(ii) *Class 9 warehouses.* If the proprietor of a Class 9 warehouse successfully demonstrates, by application to the appropriate port director, that shortages will be reported within 20 calendar days of discovery, the port director may approve the submission of a report that contains the company name; address of the warehouse; class of warehouse; date of inventory or information on cycle counts; date when resulting shortages and overages are reported to CBP; a description of merchandise for each entry or unique identifier; and a listing of all entries open at the beginning of the year, added during the year, and closed during the year.

(iii) *Multiple facilities.* If the proprietor of a Class 2 or Class 9 warehouse has merchandise covered by one warehouse entry, but stored in multiple warehouse facilities as provided for under § 144.34 of this chapter, the reconciliation report must cover all locations and warehouses of the proprietor at the same port. If the annual reconciliation includes entries for which merchandise was transferred to a warehouse without filing a rewarehouse entry, as allowed under § 144.34, the annual reconciliation must contain sufficient detail to show all required information by location where the merchandise is stored. For example, if merchandise covered by a single entry is stored in warehouses located in 3 different ports, the annual reconciliation should specify individually the beginning and ending inventory balances, cumulative receipts, transfers, and positive and negative adjustments for each location.

* * * * *

4. In § 19.36:

a. Paragraphs (a) and (f) are amended by removing the term ''Customs territory'' each place it appears and, in its place, adding the term ''customs territory''.

b. In paragraph (b), the first sentence is amended by removing the word ''shall'' and, in its place, adding the word ''must'' and by removing the term ''Customs territory'' and, in its place, adding the term ''customs territory''; the third sentence is amended by removing the term ''shall'' and, in its place, adding the term ''will'' and by removing the two references to ''Customs'' and, in its place, adding the term ''CBP''; and the fourth sentence is amended by removing the reference to ''Customs'' and, in its place, adding the term ''CBP''.

c. In paragraph (c), the first and fourth sentences are amended by removing the term ''shall'' each place it appears and adding the term ''must'' in its place; and the fifth sentence is amended by removing the term ''shall'' and, in its place, adding the term ''will'' and by removing the two references to ''Customs'' and, in its place, adding the term ''CBP''.

d. Paragraph (g) is amended by removing the term ''shall'' each place it appears and, in its place, adding the term ''must''; and by removing the term ''Customs'' and, in its place, adding the term ''CBP''.

e. Paragraph (e) is revised to read as follows:

§ 19.36 Requirements for duty-free store operations.

* * * * *

(e) *Merchandise eligible for warehousing—(1) General.* Only conditionally duty-free merchandise may be placed in a bonded storage area of a Class 9 warehouse. However, domestic merchandise and merchandise which was previously entered or withdrawn for consumption, may be brought into the bonded sales or crib area of a Class 9 warehouse for display and sale, and in the case of a crib, for delivery to purchasers.

(2) Marking requirement. Except as provided in paragraph (e)(3) of this section, merchandise must either be identified or marked ''DUTY-PAID'' or ''U.S.-ORIGIN'', or similar markings, as applicable, to enable CBP officers to easily distinguish conditionally duty-

free merchandise from other merchandise in the sales or crib area.

(3) Exception to marking requirement. If the proprietor has an electronic inventory system capable of immediately identifying other merchandise from conditionally duty-free merchandise, the proprietor need not separate domestic merchandise and merchandise which was previously entered or withdrawn for consumption from conditionally duty-free merchandise or mark the merchandise.

* * * * *

PART 144—WAREHOUSE AND REWAREHOUSE ENTRIES AND WITHDRAWALS

5. The general authority citation and specific authority citation for part 144 continue to read as follows:

Authority: 19 U.S.C. 66, 1484, 1557, 1559, 1624.

* * * * *

Section 144.37 also issued under 19 U.S.C. 1555, 1562.

6. In § 144.37:

a. Paragraph (a) is amended by removing the word ''shall'' each place it appears and, in its place, adding the word ''must''; and by removing the word ''Customs'' each place it appears and, in its place, adding the term ''CBP''.

b. Paragraphs (b)(1), (f), and (h)(3) are amended by removing the word ''shall'' each place it appears and, in its place, adding the word ''must''.

c. In paragraph (b)(2), the first sentence is amended by removing the word ''shall'' and, in its place, adding the word ''must'' and by removing the reference to ''Customs'' and, in its place, adding the term ''CBP''; the second and third sentences are amended by removing the word ''shall'' each place it appears and, in its place, adding the word ''will''; and the last sentence is amended by removing the word ''shall'' and, in its place, adding the word ''must''.

d. Paragraph (d) is amended by removing the word ''Customs'' each place it appears and, in its place, adding the term ''CBP''; and by removing the word ''shall'' each place it appears and, in its place, adding the word ''must''.

e. Paragraphs (h)(2) introductory text and (h)(2)(vi) are revised to read as follows:

§ 144.37 Withdrawal for exportation.

* * * * *

(h) * * *

(2) *Sales ticket content and handling.* Sales ticket withdrawals must be made only under a blanket permit to withdrawal (see § 19.6(d) of this chapter) and the sales ticket will serve as the equivalent of the supplementary withdrawal. A sales ticket is an invoice of the proprietor's design which will include:

* * * * *

(vi) A statement on the original copy (purchaser's copy) to the effect that goods purchased in a duty-free store will be subject to duty and/or tax with personal exemption if returned to the United States. At the time of purchase, the original sales ticket must be made out in the name of the purchaser and given to the purchaser. One copy of the sales ticket must be retained by the proprietor. This copy may be maintained electronically provided the port director is satisfied that the proprietor has the ability to print the sales ticket upon the request of a CBP officer. A permit file copy will be attached to the parcel containing the purchased articles unless the proprietor has established and maintained an effective method to match the parcel containing the purchased articles with the purchaser. Additional copies may be retained by the proprietor.

* * * * *

W. Ralph Basham,

Commissioner, U.S. Customs and Border Protection.

Approved: January 10, 2008.

Timothy E. Skud,

Deputy Assistant Secretary of the Treasury.

[FR Doc. E8–522 Filed 1–15–08; 8:45 am]

BILLING CODE 9111–14–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

21 CFR Parts 314, 601, and 814

[Docket No. 2008N–0021]

Supplemental Applications Proposing Labeling Changes for Approved Drugs, Biologics, and Medical Devices

AGENCY: Food and Drug Administration, HHS.

ACTION: Proposed rule.

SUMMARY: The Food and Drug Administration (FDA) is proposing to amend its regulations regarding changes to an approved new drug application (NDA), biologics license application (BLA), or medical device premarket approval application (PMA) to codify the agency's longstanding view on when a change to the labeling of an approved drug, biologic, or medical device may be made in advance of the agency's review of such change. FDA is proposing to reaffirm its longstanding position that a supplemental application submitted under those provisions is appropriate to amend the labeling for an approved product only to reflect newly acquired information, as well as to clarify that such a supplemental application may be used to add or strengthen a contraindication, warning, precaution, or adverse reaction only if there is sufficient evidence of a causal association with the drug, biologic, or device. The amendments proposed by this document are intended to reflect the agency's existing practices with respect to supplemental applications submitted to FDA.

DATES: Submit written or electronic comments on the amendments proposed by this document by March 17, 2008. See section VIII of this document for the proposed effective date of any final rule that may publish based on this proposal.

ADDRESSES: You may submit comments, identified by Docket No. 2007M–0468 and/or RIN number __ (if a RIN number has been assigned), by any of the following methods:

Electronic Submissions

Submit electronic comments in the following ways:

- Federal eRulemaking Portal: *http://www.regulations.gov*. Follow the instructions for submitting comments.
- Agency Web site: *http://www.fda.gov/dockets/ecomments*. Follow the instructions for submitting comments on the agency Web site.

Written Submissions

Submit written submissions in the following ways:

- FAX: 301–827–6870.
- Mail/Hand delivery/Courier [For paper, disk, or CD–ROM submissions]: Division of Dockets Management (HFA–305), Food and Drug Administration, 5630 Fishers Lane, rm. 1061, Rockville, MD 20852.

To ensure more timely processing of comments, FDA is no longer accepting comments submitted to the agency by e-mail. FDA encourages you to continue to submit electronic comments by using the Federal eRulemaking Portal or the agency Web site, as described previously, in the **ADDRESSES** portion of this document under *Electronic Submissions*.

Instructions: All submissions received must include the agency name and Docket No(s). and Regulatory Information Number (RIN) (if a RIN number has been assigned) for this rulemaking. All comments received may be posted without change to *http://www.fda.gov/ohrms/dockets/default.htm*, including any personal

information provided. For additional information on submitting comments, see the ''Comments'' heading of the **SUPPLEMENTARY INFORMATION** section of this document.

Docket: For access to the docket to read background documents or comments received, go to *http://www.fda.gov/ohrms/dockets/default.htm* and insert the docket number(s), found in brackets in the heading of this document, into the ''Search'' box and follow the prompts and/or go to the Division of Dockets Management, 5630 Fishers Lane, rm. 1061, Rockville, MD 20852.

FOR FURTHER INFORMATION CONTACT: Erik Mettler, Office of Policy (HF–11), Food and Drug Administration, 5600 Fishers Lane, Rockville, MD 20857, 301–827–3360, FAX: 301–594–6777, e-mail: *erik.mettler@fda.hhs.gov*.

SUPPLEMENTARY INFORMATION:

I. Background and Proposed Amendments

FDA is proposing to amend its regulations regarding changes to an approved NDA, BLA, or PMA to codify the agency's longstanding view on when a change to the labeling of an approved drug, biologic, or medical device may be made in advance of the agency's review and approval of such change. With respect to drugs, FDA's current regulation, 21 CFR 314.70(c)(6)(iii), provides that certain labeling changes related to an approved drug may be implemented upon receipt by the agency of a supplemental new drug application (sNDA) that includes the change.[1] The corresponding regulation for biologics, 21 CFR 601.12(f)(2), provides that products with certain labeling changes may be distributed before FDA approval. Similarly, with respect to devices, 21 CFR 814.39(d) provides that certain labeling changes may be placed into effect upon submission of a PMA supplement, but prior to the sponsor's receipt of a written FDA order approving the supplement. The supplements described by §§ 314.70(c), 601.12(f)(2), and 814.39(d) are commonly referred to as ''changes being effected supplements'' or ''CBE supplements.''[2] FDA is proposing to amend these provisions to reaffirm that a CBE supplement is appropriate to amend the labeling for an approved product only to reflect newly acquired information and to clarify that a CBE supplement may be used to add or strengthen a contraindication, warning, precaution, or adverse reaction only if there is sufficient evidence of a causal association with the drug, biologic, or medical device.

FDA is the expert public health agency charged by Congress with ensuring that drugs, biologics, and medical devices are safe and effective, and ensuring that the labeling for approved products appropriately informs users of the risks and benefits of the product. Accordingly, the Federal Food, Drug, and Cosmetic Act (the act) requires new drugs, biologics, and certain Class III medical devices to be approved by FDA prior to their distribution in interstate commerce. See 21 U.S.C. 505(a); 42 U.S.C. 262(a)(1); 21 U.S.C. 360e(a). Under these provisions, FDA's review and prior approval of both the product and its proposed labeling is a necessary condition of lawful distribution of the product in interstate commerce.

The CBE supplement procedures set forth in §§ 314.70(c)(6)(iii), 601.12(f)(2), and 814.39(d) must be understood in light of these statutory requirements. Allowing sponsors to unilaterally amend the labeling for approved products without limitation—even if done to add new warnings—would undermine the FDA approval process required by Congress. Indeed, permitting a sponsor to unilaterally rewrite the labeling for a product following FDA's approval of a product and its labeling would disrupt FDA's careful balancing of how the risks and benefits of the product should be communicated. Accordingly, FDA has issued regulations providing that, prior to a sponsor making most labeling changes, it must submit a supplemental application fully explaining the basis for the change and obtain the prior approval by FDA of the supplemental application. See §§ 314.70(b), 601.12(f)(1), 814.39(a)(2).

The CBE supplement procedures are narrow exceptions to this general rule. Although CBE supplements permit sponsors to implement labeling changes before FDA approval of the change, FDA views a CBE supplement as a mechanism primarily designed to provide information to FDA so that the agency can decide when safety information should be included in the labeling for a product. As with prior approval supplements, FDA will carefully review any labeling change proposed in a CBE supplement, as well as the underlying information or data supporting the change. FDA has the authority to accept, reject, or request modifications to the proposed changes as the agency deems appropriate, and has the authority to bring an enforcement action if the added information makes the labeling false or misleading. See 21 U.S.C. 352(a). For these reasons, as a practical matter, FDA encourages sponsors to consult with FDA prior to adding safety-related information to the labeling for an approved product even when such a change is submitted in a CBE supplement, and sponsors typically do so. The ultimate authority over drug, biologic, and medical device labeling, therefore, continues to rest with FDA.

The history of the CBE procedure supports this narrow understanding of these provisions. The CBE procedure can be traced to a 1965 policy that was based on FDA's enforcement discretion. In 1965, the agency stated that ''certain kinds of changes in the labeling and manufacturing of new drugs, proposed in supplemental new drug applications, should be placed into effect at the earliest possible time.'' (30 FR 993, January 30, 1965). FDA announced, therefore, that agency would ''take no action'' if a sponsor implemented certain labeling changes ''prior to his receipt of a written notice of approval of the supplemental new-drug application,'' assuming certain conditions were satisfied. (30 FR 993 at 994.)

FDA proposed what is essentially the current CBE procedure in 1982. When proposed, the agency made clear that CBE supplements were intended to apply only if the sponsor became aware of newly discovered safety information that was appropriate for inclusion in the labeling for the product. Indeed, in the preamble to the proposed rule for the CBE provision for drugs, the agency stated: ''[S]ome information, although still the subject of a supplement, would no longer require agency preclearance. These supplements would describe changes placed into effect to correct concerns about *newly discovered* risks from the use of the drug.'' (47 FR 46622, 46623, October 19, 1982) (emphasis added). In that preamble, the agency also emphasized that the CBE procedure was a limited exception to the general requirement of prior FDA approval for a labeling change:

> Although most changes in labeling would require the applicant to submit a supplement and obtain FDA approval before making a change, the following changes in labeling, which would make available important *new information* about the safe use of a drug product, could be made if the applicant submits a supplement when the change is

[1] CBE changes are not available for generic drugs approved under an abbreviated new drug application under 21 U.S.C. 355(j). To the contrary, a generic drug manufacturer is required to conform to the approved labeling for the listed drug. *See* 21 CFR 314.150(b)(10); *see also* 57 FR 17950, 17953, and 17961.

[2] For devices, such supplements are also referred to as Special PMA Supplements. For convenience, this document will use the term CBE supplement.

made: Changes that add or strengthen a contraindication, warning, precaution, or statement about an adverse reaction, drug abuse, dependence, or overdosage, or any other instruction about dosage and administration that is intended to improve the safe use of the product.

(47 FR 46622 at 46635) (emphasis added). Similarly, in the preamble to the final rule, FDA again emphasized that CBE supplements were intended as a narrow exception to the general rule that labeling changes require FDA's prior approval:

Drug labeling serves as the standard under which FDA determines whether a product is safe and effective. Substantive changes in labeling * * * are more likely than other changes to affect the agency's previous conclusions about the safety and effectiveness of the drug. Thus, they are appropriately approved by FDA in advance, unless they relate to important safety information, like a new contraindication or warning, that should be immediately conveyed to the user.

(50 FR 7452–01, 7470, February 22, 1985).

Recent changes to the act made by the Food and Drug Administration Amendments Act (FDAAA), Public Law 110–85, 121 Stat. 823 (September 27, 2007) confirm that Congress intends FDA to carefully regulate the content of labeling for approved products. Among other provisions, FDAAA provided new authority to FDA to initiate labeling changes for approved drugs and biologics. Under the act as amended, ''[i]f the Secretary becomes aware of new safety information that the Secretary believes should be included in the labeling of the drug,'' the agency may trigger a process to rapidly amend the labeling for the product (21 U.S.C. 355(o)(4)(A)). The FDAAA provisions were intended to ensure that FDA-initiated labeling changes would be made quickly in order to respond to new or emerging information about an approved drug or biologic. These provisions provide streamlined authority for FDA to respond to new and emerging safety information.[3] FDA believes that its understanding of §§ 314.70(c)(6)(iii) and 601.12(f)(2) as reflected in this document is consistent with this enhanced authority for FDA to control the labeling for drugs and biologics.

In the device context, FDA has previously stated that a CBE supplement constitutes ''a narrow exception to the general rule that prior FDA approval of changes to a PMA, including the labeling for a device, is a condition of lawful distribution.'' See Draft Guidance: Modifications to Devices Subject to Premarket Approval (PMA)—The PMA Supplement Decision-Making Process (March 9, 2007) (*http://www.fda.gov/cdrh/ode/guidance/1584.pdf*). ''Allowing a manufacturer to add a safety-related warning using a [CBE supplement] based on information that was known to the FDA during the rigorous PMA review process would undermine that important process.'' Id. For this reason, a CBE supplement may only be utilized where ''the manufacturer has newly acquired safety-related information.'' Id. Moreover, ''any such change should be considered temporary while FDA reviews the supplement, including the basis for * * * how the change enhances the safety of the device or the safety in the use of the device.'' Id.

For these reasons, FDA believes it necessary to amend its regulations to make explicit the agency's understanding that a sponsor may utilize the limited CBE provisions only to reflect *newly acquired* safety information. FDA intends to consider information ''newly acquired'' if it consists of data, analyses, or other information not previously submitted to the agency, or submitted within a reasonable time period prior to the CBE supplement, that provides novel information about the product, such as a risk that is different in type or severity than previously known risks about the product. For example, if a postmarket study demonstrates that an approved product has a more severe risk of a significant adverse reaction than previously known, a CBE supplement may be appropriate. However, if a postmarket study provides data about a product that is cumulative of information previously submitted to FDA, a CBE supplement would not be appropriate. Similarly, if a sponsor receives reports of adverse events of a different type or greater severity or frequency than previously included in submissions to FDA, such information may be considered newly acquired information that could form the basis for an appropriate CBE supplement. However, if the reports of adverse events are consistent in type, severity, and frequency with information previously provided to FDA, such reports may not constitute newly acquired information appropriate for a CBE supplement. FDA also intends to consider significant new analyses of previously submitted data (e.g., meta-analyses) that provide novel information about the product to constitute newly acquired information. FDA invites comments regarding the circumstances when information regarding a safety issue associated with a drug, biologic, or medical device should be considered newly acquired and thus appropriate to be included in a CBE supplement.

Moreover, FDA proposes to clarify that a CBE supplement may be used only to implement labeling changes regarding contraindications,[4] warnings, precautions, or adverse reactions in circumstances when there is sufficient evidence of a causal association with the drug, biologic, or medical device.

FDA's regulations regarding the content and format of labeling for prescription drugs and biologics are codified in §§ 201.57 and 201.80 (21 CFR part 201).[5] Section 201.57(c) provides criteria for when safety information is appropriate for inclusion in the labeling for an approved drug or biologic. With respect to warnings and precautions, a sponsor is obligated to update labeling for an approved product to include ''a warning about a *clinically significant* hazard as soon as there is *reasonable evidence of a causal association* with a drug'', even though a causal relationship ''need not have been definitely established.'' (§ 201.57(c)(6) (emphasis added)). With respect to adverse reactions, the rule requires the listing of adverse reactions that are ''*reasonably associated* with use of a drug'' (§ 201.57(c)(7) (emphasis added)). The rule provides that not all adverse events observed during use of a drug are eligible for inclusion in labeling, but rather ''only those adverse events for which there is *some basis to believe there is a causal relationship* between the drug and the occurrence of the adverse event.'' Id. (emphasis added), c.f. § 314.80(e) (sponsor need not submit a 15-day alert report for an adverse drug experience obtained from a

[3] As FDA has stated, Federal law governs not only what information must appear in labeling, but also what information may not appear. (71 FR 3922 at 3935, January 24, 2006) (''FDA interprets the act to establish both a 'floor' and a 'ceiling,' such that additional disclosures of risk information can expose a manufacturer to liability under the act if the additional statement is unsubstantiated or otherwise false or misleading.'')

[4] For drugs and biologics subject to the labeling requirements codified at § 201.57 (21 CFR 201.57), see also § 201.56 (21 CFR 201.56), generally contraindications cannot be substantively amended by a CBE supplement. Because all contraindications must be described in Highlights, 21 CFR 201.57(a)(9), and because Highlights cannot be amended by a CBE supplement, §§ 314.70(c)(6)(iii), 601.12(f)(2), adding or substantively amending a contraindication requires a prior approval supplement, unless FDA requests that the change be made under § 314.70(c)(6)(iii)(E) or § 601.12(f)(2)(E) or the sponsor submits, and FDA approves, a waiver request under § 314.90.

[5] Section 201.57 is applicable to recently approved drugs and biologics and certain other products (see also § 201.56) (describing implementation schedule). Older products generally are subject to the labeling requirements set forth in § 201.80.

postmarketing study ''unless the applicant concludes that there is a reasonable possibility that the drug caused the adverse experience''). Similarly, with respect to contraindications, § 201.57 provides that labeling should include situations in which the drug should not be used because the risk of use clearly outweighs any possible therapeutic benefit. The rule directs that sponsors list only ''[k]nown hazards and not theoretical possibilities'' as contraindications (§ 201.57(c)(5); see also 71 FR 3922 at 3927) (''FDA believes that including relative or hypothetical hazards [as contraindications] diminishes the usefulness of this section.'').

Section 201.80 sets forth similar, although not identical, criteria for the inclusion of safety-related information in the labeling for products subject to that provision. Because § 201.57 represents the agency's most recent consideration of this topic, (see 71 FR 3922), FDA proposes that, if a sponsor intends to utilize the limited CBE procedure set forth in § 314.70(c)(6)(iii) or § 601.12(f), it must possess information regarding causation sufficient to satisfy the criteria set forth in § 201.57(c), regardless of whether the drug or biologic is subject to the labeling requirements of § 201.57 or § 201.80. FDA invites comments on this topic.

Medical devices subject to PMA approval follow similar labeling standards. For example, in 1991 FDA published a memorandum describing the agency's approach to device labeling. See Device Labeling Guidance, General Program Memorandum G91–1 (March 8, 1991) (*http://www.fda.gov/cdrh/g91-1.htm*). In that guidance, the agency stated that the labeling for a medical device should include a warning ''if there is *reasonable evidence of an association* of a serious hazard with the use of the device,'' even though a causal relationship ''need not have been proved.'' Id. at section V (emphasis added). With respect to adverse reactions, the agency advised that labeling should include a listing of adverse reactions that are ''*reasonably associated* with use of a device.'' Id. at section VI (emphasis added). With respect to contraindications, the guidance recommended that labeling include situations in which the device should not be used because the risk of use clearly outweighs any possible benefit. Labeling should include only ''[k]nown hazards and not theoretical possibilities.'' Id. at section V. For example, if a hypersensitivity to an ingredient in a device has not been demonstrated, it should not be listed as a contraindication in the labeling. Id. Accordingly, FDA proposes that in order to utilize the limited CBE exception, there should be, at minimum, reasonable evidence of a causal association between the device and the warning, precaution, adverse event, or contraindication sought to be added.

Explicitly requiring that CBE supplements are utilized in a manner proposed by this amendment ensures that only scientifically justified information is provided in the labeling for an approved product. Exaggeration of risk, or inclusion of speculative or hypothetical risks, could discourage appropriate use of a beneficial drug, biologic, or medical device or decrease the usefulness and accessibility of important information by diluting or obscuring it. As FDA has stated, labeling that includes theoretical hazards not well-grounded in scientific evidence can cause meaningful risk information to lose its significance. See, e.g., ''Write it Right: Recommendations for Developing User Instruction Manuals for Medical Devices Used in Home Health Care'' (August 1993) (*http://www.fda.gov/cdrh/dsma/897.pdf*) (''Overwarning has the effect of not warning at all. The reader stops paying attention to excess warnings.'') For this reason, sponsors should seek to utilize §§ 314.70(c)(6)(iii)(A), 601(f)(2)(A), and 814.39(d)(2)(i) only in situations when there is sufficient evidence of a causal association between the drug, biologic, or medical device and the information sought to be added. For example, Draft Guidance, Public Availability of Labeling Changes in ''Changes Being Effected Supplements'' (September 2006) (*http://www.fda.gov/cder/guidance/7113dft.htm*) (''FDA would not allow a change to labeling to add a warning in the absence of reasonable evidence of an association between the product and an adverse event.''); *Colacicco* v. *Apotex Inc.*, No. 06–3107, Br. of United States (3d Cir. filed December 4, 2006) (stating that § 314.70(c)(6)(iii) ''does not alter the requirement that any warning must be based on 'reasonable evidence of an association of a serious hazard with a drug.''' (citations omitted)). Accordingly, FDA is proposing to amend §§ 314.70(c)(6)(iii)(A), 601.12(f)(2)(A), and 814.39(d)(2)(i) to make explicit the agency's view that CBE supplements may be used to strengthen a contraindication, warning, precaution, or adverse reaction only when there is sufficient evidence of a causal association.

These proposed amendments to FDA's CBE regulations are consistent with the agency's role in protecting the public health. Before approving an NDA, BLA, or PMA, the FDA undertakes a detailed review of the proposed labeling, allowing only information for which there is scientific basis to be included in the FDA-approved labeling. Under the act, the Public Health Service Act (PHS Act), and FDA regulations, the agency makes approval decisions, including the approval of supplemental applications, based on a comprehensive scientific evaluation of the product's risks and benefits under the conditions of use prescribed, recommended, or suggested in the labeling. See, *e.g.*, 21 U.S.C. 355(d); 42 U.S.C. 262; 21 U.S.C. 360e(d)(2). FDA's comprehensive review is embodied in the labeling for the product which reflects thorough FDA review of the pertinent scientific evidence and communicates to health care practitioners the agency's formal, authoritative conclusions regarding the conditions under which the product can be used safely and effectively. FDA's approval of an application is expressly conditioned upon the applicant incorporating the specified labeling changes exactly as directed. For example, §§ 314.105(b), 814.44(d)(1). Moreover, after approval, FDA continuously works to evaluate the latest available scientific information to monitor the safety of products and to incorporate information into the product's labeling when appropriate. Allowing a sponsor, without prior FDA approval, to add information to the labeling for a product based solely on data previously submitted to the FDA would undermine FDA's approval process and could result in unnecessary or confusing information being placed in the labeling for a drug, biologic, or medical device.

For these reasons, FDA is proposing to amend its regulations to make explicit the agency's longstanding position and practice regarding CBE supplements. FDA does not consider this amendment to be a substantive change, and it would not alter the agency's existing practices with respect to accepting or rejecting labeling changes proposed by a CBE supplement.

II. Legal Authority

This rule, if finalized, would amend §§ 314.70, 601.12, and 814.39 in a manner consistent with the agency's current understanding and application of those provisions. FDA's legal authority to modify §§ 314.70, 601.12, and 814.39 arises from the same authority under which FDA initially issued these regulations. Both the act and the PHS Act provide FDA with authority over the labeling for approved

drugs, biologics, and medical devices, and authorizes the agency to enact regulations to facilitate FDA's review and approval of applications regarding the labeling for such products.

Section 502 of the act (21 U.S.C. 352) provides that a drug, biologic,[6] or medical device will be considered misbranded if, among other things, the labeling for the product is false or misleading in any particular (21 U.S.C. 352(a)). Under section 502(f) of the act, a product is misbranded unless its labeling bears adequate directions for use, including adequate warnings against, among other things, unsafe dosage or methods or duration of administration or application. Moreover, under section 502(j) of the act, a product is misbranded if it is dangerous to health when used in the manner prescribed, recommended, or suggested in its labeling.

In addition to the misbranding provisions, the premarket approval provisions of the act authorize FDA to require that product labeling provide adequate information to permit safe and effective use of the product. Under section 505 of the act (21 U.S.C. 355), FDA will approve an NDA only if the drug is shown to be both safe and effective for its intended use under the conditions set forth in the drug's labeling. Similarly, under section 515(d)(2) of the act (21 U.S.C. 360e(d)(2)), FDA must assess whether to approve a PMA according to the ''conditions of use prescribed, recommended, or suggested in the proposed labeling'' of the device. Section 701(a) of the act (21 U.S.C. 371(a)) authorizes FDA to issue regulations for the efficient enforcement of the act.

Section 351 of the PHS Act (42 U.S.C. 262) provides additional legal authority for the agency to regulate the labeling of biological products. Licenses for biological products are to be issued only upon a showing that the biological product is safe, pure, and potent (42 U.S.C. 262(a)). Section 351(b) of the PHS Act (42 U.S.C. 262(b)) prohibits any person from falsely labeling any package or container of a biological product. FDA's regulations in part 201 apply to all prescription drug products, including biological products.

III. Analysis of Impacts

FDA has examined the impacts of the proposed rule under Executive Order 12866 as amended, the Regulatory Flexibility Act (5 U.S.C. 601–612), and the Unfunded Mandates Reform Act of 1995 (Public Law 104–4). Executive Order 12866 directs agencies to assess all costs and benefits of available regulatory alternatives and, when regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety, and other advantages; distributive impacts; and equity). The agency believes that this proposed rule is not a significant regulatory action as defined by the Executive Order.

The Regulatory Flexibility Act requires agencies to analyze regulatory options that would minimize any significant impact of a rule on small entities. Because the proposed amendments to existing regulations are intended only to clarify the agency's interpretation of current policy, the agency certifies that the proposed rule will not have a significant economic impact on a substantial number of small entities.

Section 202(a) of the Unfunded Mandates Reform Act of 1995 requires that agencies prepare a written statement, which includes an assessment of anticipated costs and benefits, before proposing ''any rule that includes any Federal mandate that may result in the expenditure by State, local, and tribal governments, in the aggregate, or by the private sector, of $100,000,000 or more (adjusted annually for inflation) in any one year.'' The current threshold after adjustment for inflation is $127 million, using the most current (2006) Implicit Price Deflator for the Gross Domestic Product. FDA does not expect this proposed rule to result in any 1-year expenditure that would meet or exceed this amount.

The objective of the proposed rule is to make explicit the agency's longstanding view of when a change to the labeling of an approved drug, biologic, or medical device may be made in advance of the agency's review of the change. More specifically, the purpose of the proposed rule is to codify the agency's understanding that a CBE supplement is appropriate to amend the labeling for an approved product only to reflect newly acquired information, and to clarify that a CBE supplement may be used to add or strengthen a contraindication, warning, precaution, or adverse reaction only if there is sufficient evidence of a causal association with the approved product. FDA does not consider this to be a substantive policy change, and it does not alter the agency's current practices with respect to accepting or rejecting labeling changes proposed by a CBE supplement.

Because the proposed rule does not establish any new regulatory or record keeping requirements, the agency does not expect that there will be any associated compliance costs. The proposed rule simply codifies the agency's longstanding interpretation of when sponsors are allowed to add information regarding the risks associated with a product to the labeling without prior approval from FDA. It is expected that the proposed codifications would promote more effective and safe use of approved products. The agency believes that any potential impacts of the proposed rule would be minimal because this action does not represent a substantive policy change.

IV. Paperwork Reduction Act of 1995

This proposed rule refers to previously approved collections of information that are subject to review by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (the PRA) (44 U.S.C. 3501–3520). The collections of information in: 21 CFR part 314 have been approved under OMB Control No. 0910–0001 (expires May 31, 2008); 21 CFR part 601 have been approved under OMB Control No. 0910–0338 (expires June 30, 2010); and 21 CFR part 814 have been approved under OMB Control No. 0910–0231 (expires November 30, 2010). Therefore, FDA tentatively concludes that the proposed requirements in this document are not subject to review by OMB because they do not constitute a ''new collection of information'' under the PRA.

V. Environmental Impact

The agency has determined under 21 CFR 25.31(a) and 25.34(e) that this action is of a type that does not individually or cumulatively have a significant effect on the human environment. Therefore, neither an environmental assessment nor an environmental impact statement is required.

VI. Federalism

The agency has analyzed this proposed rule in accordance with the principles set forth in Executive Order 13132. Section 4(a) of the Executive order requires agencies to ''construe * * * a Federal statute to preempt State law only where the statute contains an express preemption provision or there is some other clear evidence that the Congress intended preemption of State law, or where the exercise of State authority conflicts with the exercise of Federal authority under the Federal statute.'' Under the principles of implied conflict preemption, courts

[6] Although the language of section 502 of the act refers only to drugs and devices, it is also applicable to biologics. (See 42 U.S.C. 262(j)).

have found state law preempted where it is impossible to comply with both federal and state law or where the state law ''stands as an obstacle to the accomplishment and execution of the full purposes and objectives of Congress.'' See *English* v. *General Electric Co.*, 496 U.S. 72, 79 (1990); *Florida Lime & Avocado Growers, Inc.*, 373 U.S. 132, 142–43 (1963); *Hines* v. *Davidowitz*, 312 U.S. 52, 67 (1941).

If finalized as proposed, this rule codifies longstanding agency policy and understanding with respect to §§ 314.70(c)(6)(iii), 601.12(f) and 814.39(d). To the extent that state law would require a sponsor to add information to the labeling for an approved drug or biologic without advance FDA approval based on information or data as to risks that are similar in type or severity to those previously submitted to the FDA, or based on information or data that does not provide sufficient evidence of a causal association with the product, such a state requirement would conflict with federal law. In such a situation, it would be impossible to market a product in compliance with both federal and state law, and the state law would ''stand[] as an obstacle to the accomplishment and execution of the full purposes and objectives of Congress,'' *Hines*, 312 U.S. at 67. Moreover, such a state law requirement relating to a medical device would constitute a requirement that is different from, or in addition to, a federal requirement applicable to the device, and which relates to the safety or effectiveness of the device. 21 U.S.C. 360k(a).

FDA believes that the proposed rule, if finalized as proposed, would be consistent with Executive Order 13132. Section 4(e) of the Executive order provides that when adjudication or rulemaking could have a preemptive effect on state law, ''the agency shall provide all affected State and local officials notice and an opportunity for appropriate participation in the proceedings.'' By publication of this proposed rule, FDA invites comments from State and local officials. FDA also intends to provide separate notice of this proposed rule to the States.

VII. Comments

Interested persons may submit to the Division of Dockets Management (see **ADDRESSES**) written or electronic comments regarding this document. Submit a single copy of electronic comments or three paper copies of any mailed comments, except that individuals may submit one paper copy. Comments are to be identified with the docket number found in brackets in the heading of this document and may be accompanied by a supporting memorandum or brief. Received comments may be seen in the Division of Dockets Management between 9 a.m. and 4 p.m., Monday through Friday.

Please note that in January 2008, the FDA Web site is expected to transition to the Federal Dockets Management System (FDMS). FDMS is a Government-wide, electronic docket management system. After the transition date, electronic submissions will be accepted by FDA through the FDMS only. When the exact date of the transition to FDMS is known, FDA will publish a **Federal Register** notice announcing that date.

VIII. Proposed Effective Date

FDA is proposing that any final rule that may issue based on this proposal be effective on the date of its publication in the **Federal Register**.

List of Subjects

21 CFR Part 314

Administrative practice and procedure, Confidential business information, Drugs, Reporting and recordkeeping requirements.

21 CFR Part 601

Administrative practice and procedure, Biologics, Confidential business information.

21 CFR Part 814

Administrative practice and procedure, Confidential business information, Medical devices, Medical research, Reporting and recordkeeping.

Therefore, under the Federal Food, Drug, and Cosmetic Act and the Public Health Service Act and under authority delegated to the Commissioner of Food and Drugs, it is proposed that 21 CFR parts 314, 601, and 814 be amended as follows:

PART 314—APPLICATIONS FOR FDA APPROVAL TO MARKET A NEW DRUG

1. The authority citation for 21 CFR part 314 continues to read as follows:

Authority: 21 U.S.C. 321, 331, 351, 352, 353, 355, 356, 356a, 356b, 356c, 371, 374, 379e.

2. Section 314.3 is amended in paragraph (b) by alphabetically adding the definition for ''newly acquired information'' to read as follows:

§ 314.3 Definitions.

* * * * *

(b) * * *

Newly acquired information means data, analyses, or other information not previously submitted to the agency, which may include (but are not limited to) data derived from new clinical studies, reports of adverse events of a different type or greater severity or frequency than previously included in submissions to FDA, or new analyses of previously submitted data (e.g., meta-analyses).

* * * * *

3. Section 314.70 is amended by revising paragraphs (c)(6)(iii) introductory text and (c)(6)(iii)(A) to read as follows:

§ 314.70 Supplements and other changes to an approved application.

* * * * *

(c) * * *

(6) * * *

(iii) Changes in the labeling to reflect newly acquired information, except for changes to the information required in § 201.57(a) of this chapter (which must be made under paragraph (b)(2)(v)(C) of this section), to accomplish any of the following:

(A) To add or strengthen a contraindication, warning, precaution, or adverse reaction for which the evidence of a causal association satisfies the standard for inclusion in the labeling under 201.57(c) of this chapter;

* * * * *

PART 601—LICENSING

4. The authority citation for 21 CFR part 601 continues to read as follows:

Authority: 15 U.S.C 1451–1561; 21 U.S.C. 321, 351, 352, 353, 355, 356b, 360, 360c–360f, 360h–360j, 371, 374, 379e, 381; 42 U.S.C. 216, 241, 262, 263, 264; sec 122 Pub. L. 105–115, 111 Stat. 2322 (21 U.S.C. 355 note).

5. Section 601.12 is amended by revising paragraphs (f)(2)(i) introductory text and (f)(2)(i)(A), and by adding paragraph (f)(6) to read as follows:

§ 601.12 Changes to an approved application.

* * * * *

(f) * * *

(2) *Labeling changes requiring supplement submission—product with a labeling change that may be distributed before FDA approval.* (i) An applicant shall submit, at the time such change is made, a supplement for any change in the package insert, package label, or container label to reflect newly acquired information, except for changes to the package insert required in § 201.57(a) of this chapter (which must be made under paragraph (f)(1) of this section), to accomplish any of the following:

(A) To add or strengthen a contraindication, warning, precaution, or adverse reaction for which the

evidence of a causal association satisfies the standard for inclusion in the labeling under § 201.57(c) of this chapter;

* * * * *

(5) For purposes of paragraph (f)(2) of this section, information will be considered newly acquired if it consists of data, analyses, or other information not previously submitted to the agency, which may include (but are not limited to) data derived from new clinical studies, reports of adverse events of a different type or greater severity or frequency than previously included in submissions to FDA, or new analyses of previously submitted data (*e.g.*, meta-analyses).

* * * * *

PART 814—PREMARKET APPROVAL OF MEDICAL DEVICES

6. The authority citation for 21 CFR part 814 continues to read as follows:

Authority: 21 U.S.C. 351, 352, 353, 360, 360c–360j, 371, 372, 373, 374, 375, 379, 379e, 381.

7. Section 814.3 is amended by adding paragraph (o) to read as follows:

§ 814.3 Definitions.

* * * * *

(o) *Newly acquired information* means data, analyses, or other information not previously submitted to the agency, which may include (but are not limited to) data derived from new clinical studies, reports of adverse events of a different type or greater severity or frequency than previously included in submissions to FDA, or new analyses of previously submitted data (*e.g.*, meta-analyses).

8. Section 814.39 is amended by revising paragraphs (d)(1) introductory text and (d)(2)(i) to read as follows:

§ 814.39 PMA supplements.

* * * * *

(d)(1) After FDA approves a PMA, any change described in paragraph (d)(2) of this section to reflect newly acquired information that enhances the safety of the device or the safety in the use of the device may be placed into effect by the applicant prior to the receipt under § 814.17 of a written FDA order approving the PMA supplement provided that:

* * * * *

(2) * * *

(i) Labeling changes that add or strengthen a contraindication, warning, precaution, or information about an adverse reaction for which there is reasonable evidence of a causal association.

* * * * *

Dated: December 4, 2007.

Jeffrey Shuren,

Assistant Commissioner for Policy.

[FR Doc. E8–702 Filed 1–15–08; 8:45 am]

BILLING CODE 4160–01–S

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Parts 704, 720, 721, and 723

[EPA–HQ–OPPT–2007–0392; FRL–8131–8]

RIN 2070–AJ21

Proposed Clarification for Chemical Identification Describing Activated Phosphors for TSCA Inventory Purposes

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed clarification.

SUMMARY: This document proposes a clarification under which activated phosphors that are not on the Toxic Substances Control Act (TSCA) section 8(b) Chemical Substance Inventory (TSCA Inventory) would be considered to be new chemical substances under TSCA section 5, thus would be subject to the notification requirements under TSCA section 5(a) new chemical notification requirements. In certain letters and other interpretations issued by EPA from 1978 to 2003, it appears that the Agency erroneously indicated that activated phosphors constitute solid mixtures for purposes of the TSCA Inventory, and thus that they were not separately reportable as chemical substances under TSCA section 5(a) new chemical notification requirements. This proposed clarification is necessary because EPA's interpretations in this area have not been consistent. Given this past inconsistency, EPA is seeking comment on its proposed clarfication.

DATES: Comments must be received on or before March 17, 2008.

ADDRESSES: Submit your comments, identified by docket identification (ID) number EPA–HQ–OPPT–2007–0392, by one of the following methods:

• *Federal eRulemaking Portal*: *http://www.regulations.gov*. Follow the on-line instructions for submitting comments.

• *Mail*: Document Control Office (7407M), Office of Pollution Prevention and Toxics (OPPT), Environmental Protection Agency, 1200 Pennsylvania Ave., NW., Washington, DC 20460–0001.

• *Hand Delivery*: OPPT Document Control Office (DCO), EPA East Bldg., Rm. 6428, 1201 Constitution Ave., NW., Washington, DC. Attention: Docket ID Number EPA–HQ–OPPT–2007–0392. The DCO is open from 8 a.m. to 4 p.m., Monday through Friday, excluding legal holidays. The telephone number for the DCO is (202) 564–8930. Such deliveries are only accepted during the DCO's normal hours of operation, and special arrangements should be made for deliveries of boxed information.

Instructions: Direct your comments to docket ID number EPA–HQ–OPPT–2007–0392. EPA's policy is that all comments received will be included in the docket without change and may be made available on-line at *http://www.regulations.gov*, including any personal information provided, unless the comment includes information claimed to be Confidential Business Information (CBI) or other information whose disclosure is restricted by statute. Do not submit information that you consider to be CBI or otherwise protected through regulations.gov or e-mail. The regulations.gov website is an ''anonymous access'' system, which means EPA will not know your identity or contact information unless you provide it in the body of your comment. If you send an e-mail comment directly to EPA without going through regulations.gov, your e-mail address will be automatically captured and included as part of the comment that is placed in the docket and made available on the Internet. If you submit an electronic comment, EPA recommends that you include your name and other contact information in the body of your comment and with any disk or CD-ROM you submit. If EPA cannot read your comment due to technical difficulties and cannot contact you for clarification, EPA may not be able to consider your comment. Electronic files should avoid the use of special characters, any form of encryption, and be free of any defects or viruses. For additional information about EPA's public docket, visit the EPA Docket Center homepage at *http://www.epa.gov/epahome/dockets.htm*.

Docket: All documents in the docket are listed in the docket index available in regulations.gov. To access the electronic docket, go to *http://www.regulations.gov*, select ''Advanced Search,'' then ''Docket Search.'' Insert the docket ID number where indicated and select the ''Submit'' button. Follow the instructions on the regulations.gov website to view the docket index or access available documents. Although listed in the index, some information is not publicly available, e.g., CBI or other information whose disclosure is restricted by statute. Certain other material, such as copyrighted material, will be publicly available only in hard copy. Publicly available docket

materials are available electronically at *http://www.regulations.gov*, or, if only available in hard copy, at the OPPT Docket. The OPPT Docket is located in the EPA Docket Center (EPA/DC) at Rm. 3334, EPA West Bldg., 1301 Constitution Ave., NW., Washington, DC. The EPA/DC Public Reading Room hours of operation are 8:30 a.m. to 4:30 p.m., Monday through Friday, excluding Federal holidays. The telephone number of the EPA/DC Public Reading Room is (202) 566–1744, and the telephone number for the OPPT Docket is (202) 566–0280. Docket visitors are required to show photographic identification, pass through a metal detector, and sign the EPA visitor log. All visitor bags are processed through an X-ray machine and subject to search. Visitors will be provided an EPA/DC badge that must be visible at all times in the building and returned upon departure.

FOR FURTHER INFORMATION CONTACT: *For general information contact*: Colby Lintner, Regulatory Coordinator, Environmental Assistance Division (7408M), Office of Pollution Prevention and Toxics, Environmental Protection Agency, 1200 Pennsylvania Ave., NW., Washington, DC 20460–0001; telephone number: (202) 554–1404; e-mail address: *TSCA-Hotline@epa.gov*.

For technical information contact: David Schutz, Chemical Control Division (7405M), Office of Pollution Prevention and Toxics, Environmental Protection Agency, 1200 Pennsylvania Ave., NW., Washington, DC 20460–0001; telephone number: (202) 564–9262; e-mail address: *schutz.david@epa.gov*.

SUPPLEMENTARY INFORMATION:

I. General Information

A. Does this Action Apply to Me?

You may be affected by this action if you are, or may in the future be, a manufacturer or importer of an activated phosphor that requires submission of a premanufacture notification (PMN) or exemption request under TSCA section 5. Special procedures would apply to persons who manufactured these chemicals after the publication of the Initial TSCA Inventory and before a date 12 months following the publication of a final chemical identification clarification document in the **Federal Register**. Potentially affected entities may include, but are not limited to:

• Chemical manufacturers or importers (NAICS codes 325, 3251), e.g., anyone who manufactures or imports, or who plans to manufacture or import, an activated phosphor for a non-exempt commercial purpose.

• Electric Lighting Equipment Manufacturing, Electric Lamp Bulb and Part Manufacturing (NAICS codes 3351, 33511), e.g., anyone who manufactures or imports, or who plans to manufacture or import, lighting equipment containing an activated phosphor for a non-exempt commercial purpose.

This listing is not intended to be exhaustive, but rather provides a guide for readers regarding entities likely to be affected by this action. Other types of entities not listed in this unit could also be affected. The North American Industrial Classification System (NAICS) codes have been provided to assist you and others in determining whether this action might apply to certain entities. If you have any questions regarding the applicability of this action to a particular entity, consult the technical person listed under **FOR FURTHER INFORMATION CONTACT**.

B. What Should I Consider as I Prepare My Comments for EPA?

1. *Submitting CBI*. Do not submit this information to EPA through regulations.gov or e-mail. Clearly mark the part or all of the information that you claim to be CBI. For CBI information in a disk or CD-ROM that you mail to EPA, mark the outside of the disk or CD-ROM that you mail to EPA, mark the outside of the disk or CD-ROM as CBI and then identify electronically within the disk or CD-ROM the specific information that is claimed as CBI. In addition to one complete version of the comment that includes information claimed as CBI, a copy of the comment that does not contain the information claimed as CBI must be submitted for inclusion in the public docket. Information so marked will not be disclosed except in accordance with procedures set forth in 40 CFR part 2.

2. *Tips for preparing your comments*. When submitting comments, remember to:

i. Identify the document by docket ID number and other identifying information (subject heading, **Federal Register** date and page number).

ii. Follow directions. The Agency may ask you to respond to specific questions or organize comments by referencing a Code of Federal Regulations (CFR) part or section number.

iii. Explain why you agree or disagree; suggest alternatives and substitute language for your requested changes.

iv. Describe any assumptions and provide any technical information and/or data that you used.

v. If you estimate potential costs or burdens, explain how you arrived at your estimate in sufficient detail to allow for it to be reproduced.

vi. Provide specific examples to illustrate your concerns and suggest alternatives.

vii. Explain your views as clearly as possible, avoiding the use of profanity or personal threats.

viii. Make sure to submit your comments by the comment period deadline identified.

II. Background

A. What Action is the Agency Taking?

This action proposes a clarification in the approach used for the chemical identification of activated (doped) phosphors for purposes of listing on the TSCA Inventory. A doped or activated phosphor is a substance resulting from the chemical combination of a mixture of metal oxides, carbonates, phosphates or acid phosphates, chlorides, and/or fluorides, most frequently by sintering, along with a small amount of one or more dopants. Dopants can include such chemical substances as antimony, europium, gallium, germanium, magnesium, manganese, strontium, or yttrium. When this material is electrically excited, it emits light. The color and electrical efficiency of light emission is a function of the parent phosphor and of the dopant which is present.

EPA is required under TSCA section 8(b), 15 U.S.C. 2607(b), to compile and keep current an inventory of chemical substances manufactured, imported, or processed for commercial purposes in the United States. This inventory is known as the TSCA Chemical Substances Inventory (TSCA Inventory). In 1977, EPA promulgated a rule published in the **Federal Register** issue of December 23, 1977 (42 FR 64572) under TSCA section 8(a), 15 U.S.C. 2607(a), to compile an inventory of chemical substances in commerce at that time. In 1983, and building on several earlier interim policies, EPA promulgated a rule published in the **Federal Register** issue of May 13, 1983 (48 FR 21722) under TSCA section 5, 15 U.S.C. 2604, to keep the TSCA Inventory up-to-date through a procedure for the submission, receipt, and health and safety review of PMNs covering chemical substances not yet in commerce from their intending manufacturers and importers.

Manufacturing, importing, or processing of a new chemical is illegal prior to the expiration of the PMN review period. Once EPA receives a PMN, the Agency has 90 days to review the notice (unless for good cause EPA extends the review period). During the review period, EPA may act under TSCA section 5(e) or 5(f) to regulate the

new chemical substance. If EPA has not prohibited manufacture or import of the chemical substance during the review period, these activities may begin subject to any restrictions or testing requirements imposed upon the submitter during the review period (these restrictions may be imposed upon others via a Significant New Use Rule (SNUR) and subsequent action under TSCA section 5(e) or 5(f) taken in follow-up to a significant new use notification (SNUN)). When manufacture or import begins, the notice submitter must provide a notice of commencement, after which EPA adds the chemical substance to the TSCA Inventory. If the Agency receives a PMN submission for a chemical substance which EPA determines is excluded from consideration as a chemical substance under TSCA (generally because it meets the criteria for one of the excepted categories at TSCA section 3(2)(B), which include mixtures, pesticides, tobacco, food, drugs, etc.) it will not accept the PMN. A similar practice was followed as well during the period 1978–1979, when the EPA was accepting submissions for the Initial TSCA Inventory, and during 1979–1983, prior to promulgation of the May 13, 1983 PMN rule.

Partly as a result of the Agency's incomplete information and understanding of the chemistry involved in manufacturing activated phosphors, from 1978 through 2003 EPA has been inconsistent in its interpretation to potential submitters and in its actions regarding whether activated phosphors are considered distinct chemical substances for purposes of the TSCA Inventory. During the period 1978–1979, when EPA received submissions for the Initial TSCA Inventory, it accepted a number of doped phosphors for listing, but in other cases it sent ''problem letters'' to the manufacturers of doped phosphors indicating that they were mixtures.

In October 1979, the Agency wrote to a lighting manufacturer and stated that such listings could be ''unnecessary'' and that their continued inclusion on the TSCA Inventory would be ''closely examined.'' In January 1980, a lighting manufacturer wrote to the Agency to challenge problem letters it had received. The manufacturer stated that the materials it manufactured should be excluded from mixture status because they had characteristic crystal structures and that volatile reaction products given off during their manufacture showed that chemical synthesis was occurring. In March 1982, the Agency wrote to a lighting manufacturer and suggested that activated phosphors could be regarded either as physically altered chlorophosphates or as mixtures, thus not subject to PMN. In August 1983, the Agency wrote to the lighting manufacturer which had challenged the problem letters and informed it that the materials had, in fact, been placed on the TSCA Inventory, and in addition that a PMN was appropriate for another activated phosphor but that ''low levels'' of an activator would not require separate PMN.

In January 1993, a lighting manufacturer submitted a Low Volume Exemption (LVE) Application for an activated phosphor with a letter referencing much of the history as described in this unit and asserting that, based on Agency positions, no submission should be necessary, but the Agency did accept the application and granted the LVE. After that LVE was granted, the manufacturer submitted a letter making the case that activated phosphors should, in fact, be considered to be mixtures and requesting that the Agency issue a clarifying statement. In response, the Agency met with the manufacturer on the issue and indicated that activated phosphors should be considered chemical substances instead of mixtures, but did not issue a written clarification.

In 1995, EPA issued the publication entitled *Toxic Substances Control Act Inventory Representation for Products Containing Two or More Substances: Formulated and Statutory Mixtures* (*Formulated and Statutory Mixtures*), available at *http://www.epa.gov/opptintr/newchems/pubs/mixtures.txt*), which interpreted the mixture definition given at 40 CFR 710.3(d) and 720.3(u):

> *Mixture* means any combination of two or more chemical substances if the combination does not occur in nature and is not, in whole or in part, the result of a chemical reaction; except ''mixture'' does include (1) any combination which occurs, in whole or in part, as a result of a chemical reaction if the combination could have been manufactured for commercial purposes without a chemical reaction at the time the chemical substances comprising the combination were combined, and if all of the chemical substances comprising the combination are not new chemical substances, and (2) hydrates of a chemical substance or hydrated ions formed by association of a chemical substance with water, so long as the nonhydrated form is itself not a new chemical substance.

Formulated and Statutory Mixtures discusses common examples of mixtures, including paints, blended fuels, and solvent combinations. ''Mixture'' can include, as well, solid solutions—homogeneous crystalline phases composed of several distinct chemical species. Alloys are solid solutions, and are considered mixtures. For the purposes of TSCA, multi-component blends or formulations of chemical substances, or certain reaction product combinations which can be completely characterized as consistently formed sets of their constituent chemical substances, are considered to be mixtures of chemical substances. Mixtures are not reportable, although their constituent chemical substances are. Most important in the context of this clarification, a mixture can often provide its function over some range of constituent ratios, consequently it is unusual if the ratios of chemical substances which comprise a mixture are necessarily definite or stoichiometric, and if the mixture components are deliberately reacted together to manufacture a chemical substance, this reaction product cannot be considered a mixture for TSCA purposes except in very specialized circumstances which are not present in the case of the activated phosphors.

In June 1998, a lighting manufacturer wrote to the Agency and stated that, in the absence of any negative response by the Agency within 60 days of the letter, it intended to rely on the interpretation in *Formulated and Statutory Mixtures*, and that it believed that that interpretation precluded TSCA Inventory listing for activated phosphors. The Agency did not respond to that letter. Based on a 2003 request from a lighting manufacturer, and cognizant of the history described in this unit, EPA held a meeting with the manufacturer in September 2003 and as a result has reexamined some earlier assumptions—particularly about non-stoichiometry and non-reaction between chemical substances used to make activated phosphors—which may have led it to believe that activated phosphors could be considered mixtures.

The result of this reexamination is this clarification that individual activated phosphors should be considered to be distinct chemical substances under TSCA. EPA's clarification on the potential need to report activated phosphor materials is based on its updated understanding about reactions and stoichiometry in activated phosphors, as follows: Activated phosphors are in general synthesized by means of a solid state reaction at high temperature and using precise quantities of the precursor chemical substances, both for the base materials and for the dopants which control the quality of light emitted. Precise ratios of component materials are used to maintain strict stoichiometry in the end product, and component

materials are thoroughly blended before reaction for uniformity of the product. Heat may be absorbed or released by the reactant mixture at certain temperatures, typically by the release of water: This is generally an indication of chemical substance synthesis. During the manufacture of activated phosphors, other volatile reaction products are often emitted, another indication that chemical substances are being formed. The phosphor and the amount of dopant added need to be controlled with high precision, and during sintering the doped phosphor undergoes oxidation state changes. Consequently, EPA believes that activated phosphors cannot be manufactured for commercial purposes without chemical reaction. Additionally, activated phosphor products have a different function from the material which would be produced by the same synthetic process in the absence of dopant, and which would not emit the characteristic light, which is the primary property sought. Because dopants provide the primary property sought from these materials, small or even trace amounts of dopant must be considered to be reactants which must be included in the chemical identity. These factors preclude these materials from being considered as ''mixtures.''

B. What is the Agency's Authority for Taking this Action?

Section 5 of TSCA requires any person who intends to manufacture (defined by statute to include import) a new chemical substance (i.e., a chemical substance not on the TSCA Inventory) to notify EPA at least 90 days in advance and comply with the statutory provisions pertaining to the manufacture of new chemical substances for non-exempt commercial purposes. Section 8(b) of TSCA requires EPA to compile, keep current, and publish a list of each chemical substance which is manufactured or processed in the United States (the TSCA Inventory). This requirement includes defining the scope of the listings on the TSCA Inventory.

C. Why is this Proposed Chemical Identity Clarification Necessary?

Because activated phosphors are precluded by the factors identified in the last paragraph of Unit II.A. from being considered to be formulated or statutory mixtures, some previous EPA interpretations that such materials need not be reviewed through the new chemicals process were incorrect. As a result of certain past EPA interpretations, some manufacturers of activated phosphors have not submitted new chemical notifications under TSCA section 5 because those interpretations incorrectly indicated that activated phosphors were covered for TSCA purposes if the substances used in their manufacture were already on the TSCA Inventory. Other manufacturers have submitted notices for these materials, and they have been given TSCA Inventory listings in some cases. Several industry representatives have asked EPA to clarify the Agency's chemical identity policy for activated phosphors. EPA now agrees that it is necessary to add listings to the TSCA Inventory for activated phosphors which have been manufactured but not listed, and that it is possible that some existing listings should be altered to describe certain metal components as dopants. This document proposes a clarification to previous interpretations on chemical identity for activated phosphors. With this proposed clarification, activated phosphors that are not on the TSCA Inventory would be considered new chemical substances under TSCA section 5.

Because some of the interpretations provided by the agency prior to 2003 led some manufacturers to believe that the products they manufactured were already on the TSCA Inventory if their precursor substances were on the TSCA Inventory, some manufacturers of activated phosphor products have not submitted PMNs required under TSCA section 5. This chemical identification problem is similar to one involving monomer acid and its derivatives, which was resolved through Agency-industry dialog and a period for submission of new notices (Correction to Chemical Nomenclature for Monomer Acid and Derivatives for TSCA Inventory Purpose published in the **Federal Register** issue of June 27, 2001 (66 FR 34193) (FRL–6784–6). The Agency is proposing to address this activated phosphor situation in a similar manner.

III. Proposed TSCA New Chemicals Program Policy for Activated Phosphor Chemical Identity

EPA is proposing that the portion of EPA's earlier interpretations indicating that activated phosphors are mixtures rather than chemical substances in their own right was erroneous, and that TSCA Inventory listing would be required for these materials. Under this proposal, PMNs would be required for activated phosphors not on the TSCA Inventory (and for which a TSCA section 5(h)(4) exemption has not been granted) and which are manufactured on or after the effective date of the final clarification. In accordance with TSCA Inventory correction guidelines published in the **Federal Register** issue of July 29, 1980 (45 FR 50544), activated phosphors that were never reported for the Initial TSCA Inventory are not eligible for TSCA Inventory correction as an alternative to PMN submission.

A. What is the Basis for and Scope of this Proposed Chemical Identification Clarification?

EPA no longer considers to be valid the chemical identity interpretation that activated phosphors are mixtures rather than chemical substances in their own right. Thus listing on the TSCA Inventory established at TSCA section 8(b) is required for these chemical substances. The proposed chemical identity clarification would affect anyone who manufactures or imports, or who plans to manufacture or import, an activated phosphor not now listed on the TSCA Inventory.

B. What Are the Key Dates and Provisions of this Proposed Chemical Identification Clarification?

The effective date for this proposed new chemical identity clarification, described in Unit II.B. would be 12 months following the date of publication of the final chemical identification clarification document in the **Federal Register**. Prior to this effective date, companies would be allowed to continue commercial production of non-TSCA Inventory listed activated phosphors under the old, incorrect chemical identity interpretation. After the effective date, any manufacturer making non-TSCA Inventory listed activated phosphors for non-exempt commercial purposes would no longer be in compliance with TSCA section 5. Therefore, companies would need to submit PMNs or exemption applications at least 90 days before the effective date to ensure that Agency review is completed before this chemical identification clarification takes effect. Continued commercial production prior to expiration of the applicable review period would be allowed if it were during the year following the date of publication of the final chemical identification clarification document in the **Federal Register** and applies only to activated phosphor materials already being made.

EPA will work closely with chemical manufacturers and importers to resolve chemical identity issues for any specific material for which the manufacturer believes the incorrect activated phosphor interpretations may still have applicability.

To facilitate the PMN process for activated phosphors currently using the incorrect chemical identification, EPA

would allow an exception to its TSCA new chemicals program policy of a limit of six chemical substances per consolidation notice for these chemical substances. However, consistent with the Agency's chemical identification requirements for consolidated notices, submitters must use the Chemical Abstracts Service (CAS) Inventory Expert Service to develop correct Chemical Abstracts (CA) names for all of their reported chemical substances, in accordance with Method 1 as described in the Premanufacture Notification regulations, 40 CFR 720.45(a)(3)(i). EPA encourages persons intending to manufacture activated phosphors to file PMNs using the proper chemical identity immediately instead of delaying their submissions to near the effective date of this proposed document.

PMNs filed in response to this chemical identification clarification should, as specified in 40 CFR 720.50, include all information normally included with a PMN submission, such as toxicity data on the PMN chemical substance that are in the possession or control of the PMN submitter, or known to or reasonably ascertainable by the PMN submitter.

C. What Are the Consequences of Not Submitting a PMN and Completing PMN Review on an Activated Phosphor Before the Effective Date of this Proposed Chemical Identification Clarification?

Starting on the effective date of the final chemical identification clarification document, anyone manufacturing (includes import) for a non–exempt commercial purpose an activated phosphor that is not specifically listed on the TSCA Inventory would be in violation of TSCA. Penalties of $32,500 per violation per day are possible.

D. Would a PMN Be Required for Persons Who Did Not Submit One Due to an Incorrect EPA Interpretation, Regardless of Whether They Still Manufacture the Chemical Substance?

A PMN would have to be submitted by any person who intends to manufacture or import an activated phosphor not on the TSCA Inventory for a non–exempt commercial purpose on or after the effective date of the final chemical identification clarification document. If future manufacture is not intended, no PMN need be submitted. For example, if you manufactured such a phosphor in 1986 but are not currently manufacturing nor intending to resume manufacture, you would not be required to submit a PMN at this time. However, if you later form an intention to manufacture the activated phosphor after the effective date of the final chemical identification clarification document, you would need to submit a PMN 90 days before commencing manufacture.

IV. Do Certain Statutory and Executive Order Reviews Apply to this Action?

No. This document presents the Agency's clarification of the TSCA Inventory chemical identification principles. This action is not a regulatory action or significant guidance document under Executive Order 12866, entitled *Regulatory Planning and Review* (58 FR 51735, October 4, 1993), as amended by Executive Order 13422 (72 FR 2763, January 23, 2007). As such, this action does not require review by the Office of Management and Budget (OMB) under Executive Order 12866. In addition, Executive Orders 13045, entitled *Protection of Children from Environmental Health Risks and Safety Risks* (62 FR 19885, April 23, 1997) and 13211, entitled *Actions Concerning Regulations that Significantly Affect Energy Supply, Distribution, or Use* (66 FR 28355, May 22, 2001), do not apply to this action because it is not ''economically significant'' as defined by section 3(f) of Executive Order 12866. Nor does this action establish an environmental standard that may have a negatively disproportionate effect on children, or otherwise have any significant adverse effect on the supply, distribution, or use of energy.

This document does not contain any new information collection requirements that would require additional review and approval by OMB under the Paperwork Reduction Act (PRA) (44 U.S.C. 3501 *et seq.*). The information collection activities related to the submission of information pursuant to TSCA section 5 are already approved by OMB under OMB Control No. 2070–0012 (EPA Information Collection Request [ICR] No.574). The burden for that ICR is estimated to average 100 hours per respondent, including time for reading the regulations, processing, compiling, and reviewing the requested data, generating the request, storing, filing, and maintaining the data. Under PRA, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a currently valid OMB control number, or is otherwise required to submit the specific information by a statute. The OMB control numbers for the EPA regulations that are codified in 40 CFR chapter I, after appearing in the preamble of the final rule, are further displayed either by publication in the Federal Register or by other appropriate means, such as on the related collection instrument or form, if applicable. The display of OMB control numbers for certain EPA regulations is consolidated in a list at 40 CFR 9.1.

As indicated previously, this action is not subject to the notice–and–comment requirements under the Administrative Procedure Act (APA) (5 U.S.C. 551 *et seq.*) or any other statute. As such, it is not subject to the provisions of the Regulatory Flexibility Act (RFA) (5 U.S.C. 601 *et seq.*). Further, this action is expected to only have a limited impact because only entities which are now manufacturing such a chemical substance, and which have not already prepared and submitted a PMN to EPA, must submit a PMN as a result of this action if they intend to continue manufacturing it.

Based on EPA's experience with review of PMNs, State, local, and Tribal governments have not been impacted by these activities, and EPA does not have any reason to believe that any State, local, or Tribal government would be impacted by this action. As such, this action will not have substantial direct effects on the States or on the relationship between the national government and the States or on the distribution of power and responsibilities among the various levels of government, as specified in Executive Order 13132, entitled *Federalism* (64 FR 43255, August 10, 1999). Nor does this action significantly or uniquely affect the communities of tribal governments as specified by Executive Order 13175, entitled *Consultation and Coordination with Indian Tribal Governments* (65 FR 67249, November 9, 2000). In addition, EPA has determined that this regulatory action would not impose any enforceable duty, contain any unfunded mandate, or otherwise have any affect on small governments subject to the requirements of sections 202, 203, 204, or 205 of the Unfunded Mandates Reform Act of 1995 (UMRA) (Public Law 104-4).

This action does not involve any technical standards that require the Agency's consideration of voluntary consensus standards pursuant to section 12(d) of the National Technology Transfer and Advancement Act of 1995 (NTTAA), Public Law 104–113, section 12(d) (15 U.S.C. 272 note).

This action will not have an adverse impact on the environmental and health conditions in low-income and minority communities. Therefore, under Executive Order 12898, entitled *Federal Actions to Address Environmental Justice in Minority Populations and*

Low-Income Populations (59 FR 7629, February 16, 1994), the Agency is not required to and has not considered environmental justice-related issues.

List of Subjects

40 CFR Part 704

Environmental protection, Chemicals, Confidential business information, Hazardous substances, Imports, Reporting and recordkeeping requirements.

40 CFR Part 720

Environmental protection, Chemicals, Hazardous substances, Imports, Reporting and recordkeeping requirements.

40 CFR Part 721

Environmental protection, Administrative practice and procedure, Chemicals, Hazardous substances, Imports, Labeling, Occupational safety and health, Reporting and recordkeeping requirements.

40 CFR Part 723

Environmental protection, Chemicals, Hazardous substances, Photographic industry, Reporting and recordkeeping requirements.

Dated: January 10, 2008.

James B. Gulliford,

Assistant Administrator, Office of Prevention, Pesticides and Toxic Substances.

[FR Doc. E8–681 Filed 1–15–08; 8:45 am]

BILLING CODE 6560–50–S

DEPARTMENT OF HOMELAND SECURITY

Federal Emergency Management Agency

44 CFR Part 67

[Docket No. FEMA–B–7756]

Proposed Flood Elevation Determinations

AGENCY: Federal Emergency Management Agency, DHS.

ACTION: Proposed rule.

SUMMARY: Comments are requested on the proposed Base (1 percent annual-chance) Flood Elevations (BFEs) and proposed BFE modifications for the communities listed in the table below. The purpose of this notice is to seek general information and comment regarding the proposed regulatory flood elevations for the reach described by the downstream and upstream locations in the table below. The BFEs and modified BFEs are a part of the floodplain management measures that the community is required either to adopt or to show evidence of having in effect in order to qualify or remain qualified for participation in the National Flood Insurance Program (NFIP). In addition, these elevations, once finalized, will be used by insurance agents, and others to calculate appropriate flood insurance premium rates for new buildings and the contents in those buildings.

DATES: Comments are to be submitted on or before April 15, 2008.

ADDRESSES: The corresponding preliminary Flood Insurance Rate Map (FIRM) for the proposed BFEs for each community are available for inspection at the community's map repository. The respective addresses are listed in the table below.

You may submit comments, identified by Docket No. FEMA–B–7756, to William R. Blanton, Jr., Chief, Engineering Management Branch, Mitigation Directorate, Federal Emergency Management Agency, 500 C Street, SW., Washington, DC 20472, (202) 646–3151, or (e-mail) *bill.blanton@dhs.gov.*

FOR FURTHER INFORMATION CONTACT: William R. Blanton, Jr., Chief, Engineering Management Branch, Mitigation Directorate, Federal Emergency Management Agency, 500 C Street, SW., Washington, DC 20472, (202) 646–3151 or (e-mail) *bill.blanton@dhs.gov.*

SUPPLEMENTARY INFORMATION: The Federal Emergency Management Agency (FEMA) proposes to make determinations of BFEs and modified BFEs for each community listed below, in accordance with section 110 of the Flood Disaster Protection Act of 1973, 42 U.S.C. 4104, and 44 CFR 67.4(a).

These proposed BFEs and modified BFEs, together with the floodplain management criteria required by 44 CFR 60.3, are the minimum that are required. They should not be construed to mean that the community must change any existing ordinances that are more stringent in their floodplain management requirements. The community may at any time enact stricter requirements of its own, or pursuant to policies established by other Federal, State, or regional entities. These proposed elevations are used to meet the floodplain management requirements of the NFIP and are also used to calculate the appropriate flood insurance premium rates for new buildings built after these elevations are made final, and for the contents in these buildings.

Comments on any aspect of the Flood Insurance Study and FIRM, other than the proposed BFEs, will be considered. A letter acknowledging receipt of any comments will not be sent.

Administrative Procedure Act Statement. This matter is not a rulemaking governed by the Administrative Procedure Act (APA), 5 U.S.C. 553. FEMA publishes flood elevation determinations for notice and comment; however, they are governed by the Flood Disaster Protection Act of 1973, 42 U.S.C. 4105, and the National Flood Insurance Act of 1968, 42 U.S.C. 4001, *et seq.*, and do not fall under the APA.

National Environmental Policy Act. This proposed rule is categorically excluded from the requirements of 44 CFR part 10, Environmental Consideration. An environmental impact assessment has not been prepared.

Regulatory Flexibility Act. As flood elevation determinations are not within the scope of the Regulatory Flexibility Act, 5 U.S.C. 601–612, a regulatory flexibility analysis is not required.

Executive Order 12866, Regulatory Planning and Review. This proposed rule is not a significant regulatory action under the criteria of section 3(f) of Executive Order 12866, as amended.

Executive Order 13132, Federalism. This proposed rule involves no policies that have federalism implications under Executive Order 13132.

Executive Order 12988, Civil Justice Reform. This proposed rule meets the applicable standards of Executive Order 12988.

List of Subjects in 44 CFR Part 67

Administrative practice and procedure, Flood insurance, Reporting and recordkeeping requirements.

Accordingly, 44 CFR part 67 is proposed to be amended as follows:

PART 67—[AMENDED]

1. The authority citation for part 67 continues to read as follows:

Authority: 42 U.S.C. 4001, *et seq.*; Reorganization Plan No. 3 of 1978, 3 CFR, 1978 Comp., p. 329; E.O. 12127, 44 FR 19367, 3 CFR, 1979 Comp., p. 376.

§ 67.4 [Amended]

2. The tables published under the authority of § 67.4 are proposed to be amended as follows:

Flooding source(s)	Location of referenced elevation**	* Elevation in feet (NGVD) + Elevation in feet (NAVD) # Depth in feet above ground		Communities affected
		Effective	Modified	
Pulaski County, Arkansas, and Incorporated Areas				
Arkansas River	Intersection with IH 440	+246	+247	Unincorporated Areas of Pulaski County, City of Little Rock, City of Maumelle, City of North Little Rock.
	Confluence with Palarm Creek	+269	+268	
Bayou Two Prairie	Intersection with Highway 5 (county line)	None	+280	Unincorporated Areas of Pulaski County.
	Approximately 1,050 feet upstream of Private Road	None	+314	
Blue Branch	Confluence with Bayou Two Prairie	None	+286	Unincorporated Areas of Pulaski County.
	Approximately 2,180 feet upstream of Highway 89 intersection.	None	+318	
Ferndale Creek	Confluence with Little Maumelle River	None	+362	Unincorporated Areas of Pulaski County.
	Approximately 1,300 feet upstream of Ferndale Rd. (county line).	None	+453	
Fletcher Creek	Confluence with Little Maumelle River	None	+328	Unincorporated Areas of Pulaski County.
	Approximately 3,200 feet upstream of Walnut Grove Trail.	None	+429	
Glade Branch	Approximately 580 Feet upstream of Highway 67/167	None	+266	Unincorporated Areas of Pulaski County.
	Approximately 6,300 feet upstream of Roland Rd intersection.	None	+353	
Good Earth Drain	Confluence with Taylor Loop Creek	None	+280	City of Little Rock.
	Divergence from Taylor Loop Creek	None	+285	
Isom Creek	Confluence with Taylor Loop Creek	+264	+265	Unincorporated Areas of Pulaski County, City of Little Rock.
	Approximately 100 feet upstream of Russ Street	None	+345	
Jacks Bayou	Approximately 500 feet downstream of Union Pacific Railroad intersection (county line).	+254	+252	Unincorporated Areas of Pulaski County, City of Jacksonville.
	Approximately 150 feet upstream of Peters Rd. intersection.	None	+283	
Jacks Bayou Tributary 10	Confluence with Jacks Bayou	None	+271	Unincorporated Areas of Pulaski County.
	Approximately 700 feet upstream of Hercules Dr. intersection.	None	+279	
Kinley Creek	Approximately 8,010 feet downstream from intersection with Garrison Rd.	+350	+349	Unincorporated Areas of Pulaski County.
	Approximately 1,130 feet upstream from intersection with Garrison Rd.	+425	+424	
Little Maumelle River	Approximately 2,570 feet downstream from confluence with Arkansas River.	+257	+262	Unincorporated Areas of Pulaski County.
	Approximately 5,300 feet upstream from intersection with Carnation Lane.	+564	+561	
Neal Creek	Confluence with Kinley Creek	None	+380	Unincorporated Areas of Pulaski County.
	Approximately 7,200 feet upstream of intersection with Condor Rd.	None	+514	
Nowlin Creek	Approximately 25,098 feet upstream from intersection with Goodson Rd.	+497	+495	Unincorporated Areas of Pulaski County.
	Approximately 25,348 feet upstream from intersection with Goodson Rd.	+500	+497	
South Loop	Approximately 1,358 feet upstream from confluence with Taylor Loop Creek.	None	+266	Unincorporated Areas of Pulaski County.
	Approximately 1,801 feet downstream from confluence with Taylor Loop Creek.	None	+299	
South Split	At confluence with South Loop	None	+280	Unincorporated Areas of Pulaski County.
	Approximately 194 feet downstream from confluence with South Loop.	None	+290	
Taylor Loop Creek	Approximately 475 feet downstream from intersection with Railroad.	None	+266	Unincorporated Areas of Pulaski County.

Flooding source(s)	Location of referenced elevation**	* Elevation in feet (NGVD) + Elevation in feet (NAVD) # Depth in feet above ground		Communities affected
		Effective	Modified	
	Approximately 1,451 feet downstream from intersection with Jennifer Dr.	None	+430	
Tributary 4 to Little Maumelle River.	Confluence with Little Maumelle River	None	+240	Unincorporated Areas of Pulaski County, City of Little Rock.
	Intersection with Cantrell Rd	None	+301	
Tributary 5 to Little Maumelle River.	Confluence with Little Maumelle River	None	+266	Unincorporated Areas of Pulaski County.
	Approximately 120 feet downstream of Guenther Rd	None	+282	
Tributary 6 to Fletcher Creek	Confluence with Fletcher Creek	None	+366	Unincorporated Areas of Pulaski County.
	Approximately 6,150 feet upstream of intersection with Walnut Grove Rd.	None	+427	
Tributary 7 to Little Maumelle River.	Approximately 3,275 feet downstream from intersection with Ferndale Rd.	None	+316	Unincorporated Areas of Pulaski County.
	Approximately 12,163 feet upstream from intersection with Ferndale Rd.	None	+455	
Tributary 8 to Fletcher Creek	Approximately 233 feet upstream from confluence with Fletcher Creek.	None	+404	Unincorporated Areas of Pulaski County.
	Approximately 3,488 feet upstream from intersection with Autumn Blaze Trail.	None	+509	
Tributary 9 to Little Maumelle River.	Approximately 748 feet upstream from confluence with Little Maumelle River.	None	+330	Unincorporated Areas of Pulaski County.
	Approximately 1,160 feet upstream of intersection with Garrison Rd.	None	+512	
White Oak Branch	Approximately 123 feet upstream from intersection with Highway 5.	None	+288	Unincorporated Areas of Pulaski County.
	Approximately 6,051 feet upstream from intersection with Mount Pleasant.	None	+329	

* National Geodetic Vertical Datum.
+ North American Vertical Datum.
# Depth in feet above ground.
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Send comments to William R. Blanton, Jr., Chief, Engineering Management Branch, Mitigation Directorate, Federal Emergency Management Agency, 500 C Street, SW., Washington, DC 20472.

ADDRESSES

City of Jacksonville
Maps are available for inspection at 15412 Main St., Alexander, AR 72002.

City of Little Rock
Maps are available for inspection at 701 West Markham St., Little Rock, AR 72201.

City of Maumelle
Maps are available for inspection at 550 Edgewood Dr., Maumelle, AR 72113.

City of North Little Rock
Maps are available for inspection at 120 Main St., North Little Rock, AR 72114.

City of Sherwood
Maps are available for inspection at 2199 East Kiehl Ave., Sherwood, AR 72120.

Town of Alexander
Maps are available for inspection at 15412 Main St., Alexander, AR 72002.

Town of Cammack
Maps are available for inspection at 2710 N. Mckinley, Cammack Village, AR 72207.

Unincorporated Areas of Pulaski County
Maps are available for inspection at 501 W. Markham, Suite A, Little Rock, AR 72201.

Oxford County, Maine, and Incorporated Areas

Barkers Brook	Approximately 625 feet downstream of Cushing Road	None	+634	Town of Bethel.
	Approximately 680 feet downstream of Gore Road	None	+662	
Barkers Pond	At ponding area north of approximately 500 feet east of the intersection of Pine Cove Point and Narrow Gauge Trail and east of Narrow Gauge Trail.	None	+497	Town of Hiram.
Crooked River	Approximately 500 feet downstream of Jesse Mill Road.	+330	+333	Town of Otisfield.
	Approximately 600 feet upstream of Harrison Road	+400	+398	

Flooding source(s)	Location of referenced elevation**	* Elevation in feet (NGVD) + Elevation in feet (NAVD) # Depth in feet above ground		Communities affected
		Effective	Modified	
Hancock Brook	Approximately 600 feet downstream of Scribner Mill Road.	+362	+361	Town of Hiram.
	Approximately 180 feet southeast of the intersection of Pine Cove Point and Narrow Gauge Trail.	None	+494	
Moose Pond.	At ponding area north of approximately 600 feet upstream of the intersection of Evergreen Drive and Hemlock Road, east of Pine Drive and west of Fox Run Line.	None	+524	Town of Otisfield.
Saturday Pond	At ponding area approximately 875 feet northwest of Peaco Hill Road, west of Great Oaks Line and east of west Shore Drive.	None	+533	Town of Otisfield.
Stony Brook	Approximately 100 feet downstream of Buckfield Road.	None	+479	Town of Paris.
	Approximately 155 feet downstream of Christian Road	None	+577	
Twitchell Brook	Approximately 700 feet east of the intersection of Buckfield Road and Emery Avenue.	None	+395	Town of Paris.
	Approximately 2,750 feet upstream of Hebron Road	None	+487	

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ADDRESSES

Town of Bethel
Maps are available for inspection at Town Office, 19 Main Street, Bethel, ME 04217.

Town of Hiram
Maps are available for inspection at Town Office, 25 Allard Circle, Hiram, ME 04041.

Town of Otisfield
Maps are available for inspection at Town Office, 403 State Route 121, Otisfield, ME 04270.

Town of Paris
Maps are available for inspection at Town Office, 33 Market Square, South Paris, ME 04281.

Hancock County, Mississippi, and Incorporated Areas

Bayou Coco	Approximately 300 feet upstream of Sam Farve Road	+15	+17	Unincorporated Areas of Hancock County.
	Just downstream of Cuevas Road	None	+38	
Bayou Coco Tributary 1	At the confluence with Bayou Coco	None	+26	Unincorporated Areas of Hancock County.
	Approximately 6,500 feet upstream of the confluence with Bayou Coco.	None	+55	
Bayou La Terre	Approximately 3,100 feet upstream of Kiln Delisle Road.	+14	+17	Unincorporated Areas of Hancock County.
	Approximately 8,976 feet upstream of Kiln Delisle Road.	+20	+21	
Bayou Lasalle	Approximately 2,000 feet upstream of Kiln Delisle Road.	+14	+17	Unincorporated Areas of Hancock County.
	Approximately 2,100 feet downstream of confluence with Bayou LaSalle Tributary 1.	+20	+21	
Bayou Talla	Approximately 1,300 feet downstream of confluence with Bayou Talla Tributary 3.	None	+17	Unincorporated Areas of Hancock County.
	Just downstream of Kiln Picayune Road	None	+25	
Bayou Talla Tributary 3	At the confluence with Bayou Talla	None	+19	Unincorporated Areas of Hancock County.
	Approximately 2,300 feet upstream of the confluence with Bayou Talla.	None	+28	
Catahoula Creek	At the confluence with Jourdan River	None	+18	Unincorporated Areas of Hancock County.
	Approximately 3,100 feet downstream of Mitchell Road.	None	+47	
Dead Tiger Creek	At the confluence with Catahoula Creek	None	+27	Unincorporated Areas of Hancock County.

Flooding source(s)	Location of referenced elevation**	* Elevation in feet (NGVD) + Elevation in feet (NAVD) # Depth in feet above ground		Communities affected
		Effective	Modified	
	Just downstream of Flat Top Road	None	+34	
Hickory Creek	At the confluence with Catahoula Creek	None	+45	Unincorporated Areas of Hancock County.
	Approximately 450 feet downstream of the confluence with Crane Pond Branch.	None	+50	
Hickory Creek Tributary 1	Approximately 2,500 feet upstream of the confluence with Hickory Creek.	None	+81	Unincorporated Areas of Hancock County.
	Approximately 7,500 feet upstream of the confluence with Hickory Creek.	None	+113	
Jourdan River	Approximately 10,560 feet downstream of confluence with Bayou Bacon.	None	+16	Unincorporated Areas of Hancock County.
	At the confluence with Bayou Bacon	None	+18	
Mississippi Sound/Gulf of Mexico.	Near the intersection of Beach Boulevard and Lafitte Drive.	+13	+18	Unincorporated Areas of Hancock County, City of Bay St. Louis, City of Waveland.
	Near the intersection of Hancock Street and St. Charles Street.	+17	+27	
Pearl River/Mississippi Sound.	Just west of the intersection of State Highway 607 and Old Highway 43.	+13	+12	Unincorporated Areas of Hancock County.
	South of La France Road at railroad along coastline	+18	+25	
St. Louis Bay/Bayou La Croix/Bayou Philip/Jourdan River.	Approximately 15,840 feet east of intersection of Interstate 10 and State Highway 607.	None	+9	Unincorporated Areas of Hancock County, City of Bay St. Louis, City of Waveland.
	Eastern county boundary south of Interstate 10	+16	+26	
Stall Branch	At the confluence with Dead Tiger Creek	None	+30	Unincorporated Areas of Hancock County.
	Approximately 14,600 feet upstream of the confluence with Dead Tiger Creek.	None	+42	

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ADDRESSES

City of Bay St. Louis
Maps are available for inspection at Courthouse, 688 Highway 90, Bay St. Louis, MS 39520.

City of Waveland
Maps are available for inspection at Permit Department, 335 Coleman Avenue, Building 5, Waveland, MS 39576.

Unincorporated Areas of Hancock County
Maps are available for inspection at Building Department, 3068 Longfellow Drive, Building 6, Bay St. Louis, MS 39520.

Jackson County, Mississippi, and Incorporated Areas

Bay of Biloxi	Approximately 5,000 feet downstream of Interstate 10	+10	+12	Unincorporated Areas of Jackson County, City of Ocean Springs.
	At Jackson/Harrison county boundary at the shoreline just south of the intersection of Beach Bayou Avenue and Racetrack Road.	+16	+23	
Bayou Costapia	At Jackson/Harrison county boundary	+13	+14	Unincorporated Areas of Jackson County.
	Approximately 780 feet upstream of Jackson/Harrison county boundary.	+14	+15	
Bluff Creek	Approximately 500 feet upstream of confluence with Woodmans Branch.	+10	+11	Unincorporated Areas of Jackson County.
	Approximately 650 feet downstream of Highway 57	+12	+13	
Cypress Creek	Approximately 1,000 feet upstream of Jackson/Harrison county boundary.	+12	+14	Unincorporated Areas of Jackson County.
	At the confluence with Ditch No. 1	+15	+16	

Flooding source(s)	Location of referenced elevation**	* Elevation in feet (NGVD) + Elevation in feet (NAVD) # Depth in feet above ground		Communities affected
		Effective	Modified	
Gulf of Mexico/Mississippi Sound/Pascagoula River.	At the intersection of Frank Griffin Road and Interstate 10.	+7	+8	Unincorporated Areas of Jackson County, City of Gautier, City of Moss Point, City of Ocean Springs, City of Pascagoula.
	Petit Bois Island	+10	+17	
	Horn Island	+8	+18	
	At the western end of Point Aux Chenes Road	+17	+23	
Jackson Creek	At the confluence with Escatawpa River	None	+15	Unincorporated Areas of Jackson County.
	At Mississippi/Alabama state boundary	None	+19	
Jackson Creek Tributary 2	At the confluence with Jackson Creek	None	+16	Unincorporated Areas of Jackson County.
	Approximately 4,150 feet upstream of the confluence with Jackson Creek.	None	+20	
Old Fort Bayou	Approximately 3,200 feet downstream of Interstate 10	+10	+12	Unincorporated Areas of Jackson County.
	Approximately 900 feet upstream of confluence with Bayou Castelle.	+12	+13	
Old Fort Bayou Tributary 7	Appproximately 3,800 feet upstream of the confluence with Old Fort Bayou.	None	+18	Unincorporated Areas of Jackson County.
	Approximately 500 feet downstream of Humphrey Road.	None	+41	
Old Fort Bayou Tributary 8	Approximately 2,100 feet upstream of the confluence with Old Fort Bayou Tributary 7.	None	+18	Unincorporated Areas of Jackson County.
	Approximately 4,600 feet upstream of the confluence with Old Fort Tributary 7.	None	+25	
Ponding Area	Ponding area bound by State Highway 613 to the north, Highway 90 to the south, 14th Street to the west, and Hospital Street to the east.	None	+13	City of Moss Point.
	Ponding area bound by Elder Street to the north, Dr. Martin Luther King Drive to the south, State Highway 613 to the west, and Palmetto Street to the east.	None	+14	
	Approximately 750 feet east of intersection of Slag Road and Gautier Street.	None	+16	
Ponding Area	Ponding area bound by Nottingham Road to the north, Highway 90 to the south, Bristol Boulevard to the west, and Guilford Road to the east.	None	+20	City of Ocean Springs.
Ponding Areas	Ponding areas bound by Groveland Road to the north, Highway 90 to the south, Industrial Park Circle to the west, and Parktown Drive to the east.	None	+19	City of Ocean Springs.
Waters Creek	At McGregor Road	None	+26	Unincorporated Areas of Jackson County.
	At the confluence with Waters Creek Tributary 4	None	+38	

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Depth in feet above ground.

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ADDRESSES

City of Gautier

Maps are available for inspection at Code Enforcement, 3330 Highway 90, Gautier, MS 39553.

City of Moss Point

Maps are available for inspection at City Hall, 4412 Denny Street, Moss Point, MS 39563.

City of Ocean Springs

Maps are available for inspection at Building Department, 1018 Porter Avenue, Ocean Springs, MS 39564.

City of Pascagoula

Maps are available for inspection at Code Enforcement Department, 4015 14th Street, Pascagoula, MS 39567.

Flooding source(s)	Location of referenced elevation**	* Elevation in feet (NGVD) + Elevation in feet (NAVD) # Depth in feet above ground		Communities affected
		Effective	Modified	
Unincorporated Areas of Jackson County				
Maps are available for inspection at Jackson County Civic Center, 2902 Shortcut Road, Pascagoula, MS 39567.				
Marion County, Tennessee, and Incorporated Areas				
Pryor Cove Branch	Confluence with Standifer Branch	None	+640	Town of Jasper.
	Confluence with West Fork Pryor Cove Branch	+715	+714	
Sequatchie River	At confluence with Tennessee River	None	+616	Town of Jasper.
	Approximately 575 feet upstream of U.S. Highway 41	None	+620	
Standifer Branch	At confluence of Town Creek	None	+619	Town of Jasper.
	At confluence of Pryor Cove Branch	None	+639	
West Fork Pryor Cove Branch.	At confluence with Pryor Cove Branch	None	+714	Town of Jasper.
	Approximately 250 feet upstream of Pryor Cove Road	None	+786	

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ADDRESSES

Town of Jasper
Maps are available for inspection at 4460 Main Street, Jasper, TN 37347.

Dallas County, Texas, and Incorporated Areas				
Bear Creek	Approximately 406 feet upstream from intersection with S. Beltline Rd.	+443	+446	City of Irving, City of Grand Prairie.
	Approximately 481 feet upstream from intersection with County Line Rd.	+475	+472	

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ADDRESSES

City of Grand Prairie
Maps are available for inspection at 206 West Church St., Grand Prairie, TX 75051.

City of Irving
Maps are available for inspection at 825 West Irving Blvd., Irving, TX 75015.

Kenosha County, Wisconsin, and Incorporated Areas				
Airport Creek	At the confluence with Pike Creek	+679	+677	Unincorporated Areas of Kenosha County, City of Kenosha.
	Approximately 4,910 feet upstream of its confluence	None	+688	
Brighton Creek	At the confluence with the Des Plaines River	+696	+695	Unincorporated Areas of Kenosha County.
	At the downstream side of State Highway 75	None	+789	
Center Creek	At the confluence with the Des Plaines River	+681	+679	Unincorporated Areas of Kenosha County.
	At the downstream side of State Highway 50	None	+705	
Des Plaines River	From the Wisconsin-Illinois State Line	+674	+676	Unincorporated Areas of Kenosha County, Village of Pleasant Prairie.
	Approximately 1,190 feet from the Kenosha County-Racine County Line.	+705	+706	
Dutch Gap Canal	From the Wisconsin-Illinois State Line	None	+575	Unincorporated Areas of Kenosha County.

Flooding source(s)	Location of referenced elevation**	* Elevation in feet (NGVD) + Elevation in feet (NAVD) # Depth in feet above ground		Communities affected
		Effective	Modified	
	At the downstream side of County Highway C	None	+579	
Jerome Creek	Approximately 1,575 feet downstream of 88th Avenue	+677	+676	Village of Pleasant Prairie.
	Approximately 750 feet upstream of Johnson Road	None	+715	
Kenosha Branch	At the confluence with the Pike River	+595	+593	Unincorporated Areas of Kenosha County, City of Kenosha.
	Approximately 700 feet upstream of 22nd Avenue	None	+619	
Kilbourn Road Ditch	At the confluence with the Des Plaines River	+680	+679	Unincorporated Areas of Kenosha County, Village of Pleasant Prairie.
	Kenosha County-Racine County Line	+727	+726	
Mud Lake Outlet	At the confluence with Dutch Gap Canal	+757	+758	Unincorporated Areas of Kenosha County.
	Approximately 2,500 feet upstream of 187th Street	None	+765	
Nelson Creek	At the confluence with Sorenson Creek	+601	+600	Unincorporated Areas of Kenosha County.
	Kenosha County-Racine County Line	None	+616	
Pike Creek	Just upstream of State Highway 31	+647	+645	Unincorporated Areas of Kenosha County, City of Kenosha.
	Just upstream of State Highway 50	None	+684	
Pike River	At the confluence with Lake Michigan	+585	+584	Unincorporated Areas of Kenosha County, City of Kenosha.
	Just upstream of State Highway 31	+654	+653	
Pleasant Prairie Tributary	Approximately 1,900 feet downstream of County Highway C.	+678	+677	Village of Pleasant Prairie.
	Approximately 5,500 feet upstream of its confluence with the Des Plaines River.	None	+685	
Salem Branch	Approximately 150 feet upstream of its confluence with Brighton Creek.	None	+721	Unincorporated Areas of Kenosha County, Village of Paddock Lake.
	Approximately 2.37 miles upstream of its confluence with Brighton Creek.	None	+756	
Somers Branch	At the confluence with Pike Creek	+661	+659	Unincorporated Areas of Kenosha County.
	Approximately 110 feet downstream of 12th Street	+703	+704	
Sorenson Creek	At the confluence with the Pike River	+601	+600	Unincorporated Areas of Kenosha County.
	At the Kenosha County-Racine County Line	+614	+611	
Union Grove Industrial Tributary.	At the confluence with the Des Plaines River	+704	+706	Unincorporated Areas of Kenosha County.
	Kenosha County-Racine County Line	None	+739	
Unnamed Tributary No. 1E to Des Plaines River.	At the confluence with Unnamed Tributary No. 1 to the Des Plaines River.	+674	+676	Unincorporated Areas of Kenosha County, Village of Pleasant Prairie.
	Approximately 1,700 feet upstream of Johnson Road	None	+726	
Unnamed Tributary No 1. to Center Creek.	At the confluence with Center Creek	None	+684	Unincorporated Areas of Kenosha County.
	Approximately 5,702 feet upstream of State Highway 50.	None	+756	
Unnamed Tributary No. 1 to Des Plaines River.	From the Wisconsin-Illinois State Line	+674	+675	Village of Pleasant Prairie.
	Approximately 5,400 feet upstream of Springbrook Road.	None	+713	
Unnamed Tributary No. 1 to Hooker Lake.	At the confluence with Hooker Lake	None	+757	Unincorporated Areas of Kenosha County.
	Approximately 5,637 feet upstream of 89th Street	None	+813	
Unnamed Tributary No. 1 to Kilbourn Road Ditch.	At the confluence with Kilbourn Road Ditch	+680	+679	Village of Pleasant Prairie.
	Approximately 3,800 feet upstream of its confluence with Kilbourn Road Ditch.	None	+686	
Unnamed Tributary No. 1 to Salem Branch Brighton Creek.	At the confluence with Salem Branch	None	+729	Unincorporated Areas of Kenosha County.
	At the downstream side of 85th Street	None	+761	
Unnamed Tributary No. 13 to Kilbourn Road Ditch.	At the confluence with Kilbourn Road Ditch	+716	+715	Unincorporated Areas of Kenosha County.

Flooding source(s)	Location of referenced elevation**	* Elevation in feet (NGVD) + Elevation in feet (NAVD) # Depth in feet above ground		Communities affected
		Effective	Modified	
	At the upstream side of Frontage Road	None	+736	
Unnamed Tributary No. 15 to Kilbourn Road Ditch.	At the confluence with Kilbourn Road Ditch	+724	+723	Unincorporated Areas of Kenosha County.
	Approximately 2,286 feet upstream of its confluence with Kilbourn Road Ditch.	None	+726	
Unnamed Tributary No. 1A to Des Plaines River.	At the confluence with Unnamed Tributary No. 1 to the Des Plaines River.	+674	+678	Village of Pleasant Prairie.
	At the Wisconsin-Illinois State Line	None	+715	
Unnamed Tributary No. 1B to Des Plaines River.	At the confluence with Unnamed Tributary No. 1 to the Des Plaines River.	None	+683	Village of Pleasant Prairie.
	Just downstream of its confluence with Unnamed Tributary No. 1C to the Des Plaines River.	None	+698	
Unnamed Tributary No. 1C to Des Plaines River.	At the confluence with Unnamed Tributary No. 1B	None	+698	Village of Pleasant Prairie.
	Approximately 8,500 feet upstream of its confluence with Unnamed Tributary No. 1B.	None	+736	
Unnamed Tributary No. 1F to Des Plaines River.	At the confluence with Unnamed Tributary No. 1E to the Des Plaines River.	None	+691	Unincorporated Areas of Kenosha County, Village of Pleasant Prairie.
	Approximately 1,560 feet upstream of its confluence with Unnamed Tributary No. 1E.	None	+746	
Unnamed Tributary No. 2 to Des Plaines River.	At the confluence with Unnamed Tributary No. 1E to the Des Plaines River.	+675	+676	Village of Pleasant Prairie.
	Approximately 1 mile upstream of Johnson Road	None	+748	
Unnamed Tributary No. 2 to Jerome Creek.	At the confluence with Jerome Creek	None	+680	Village of Pleasant Prairie.
	At the divergence from Unnamed Tributary No. 3 to Jerome Creek.	None	+681	
Unnamed Tributary No. 2 to Salem Branch Brighton Creek and Paddock Lake.	At the confluence with Salem Branch	None	+751	Unincorporated Areas of Kenosha County, Village of Paddock Lake.
	Approximately 968 feet upstream of State Highway 50	None	+794	
Unnamed Tributary No. 2A to Des Plaines River.	At the confluence with Unnamed Tributary No. 2 to the Des Plaines River.	None	+712	Village of Pleasant Prairie.
	Approximately 1,400 feet upstream of its confluence with Unnamed Tributary No. 2.	None	+727	
Unnamed Tributary No. 3 to Dutch Gap Canal.	At the confluence with Dutch Gap Canal	None	+759	Unincorporated Areas of Kenosha County.
	Approximately 4,965 feet upstream of U.S. Highway 45.	None	+791	
Unnamed Tributary No. 3 to Jerome Creek.	At the confluence with Jerome Creek	None	+681	Village of Pleasant Prairie, City of Kenosha.
	At the downstream side of 70th Avenue	None	+688	
Unnamed Tributary No. 3 to Salem Brighton Creek and Montgomery Lake.	At the confluence with Salem Branch	None	+756	Unincorporated Areas of Kenosha County.
	Approximately 2,847 feet upstream of 84th Street	None	+801	
Unnamed Tributary No. 4 to Dutch Gap Canal.	At the confluence with Unnamed Tributary No. 3 to the Dutch Gap Canal.	None	+763	Unincorporated Areas of Kenosha County.
	Approximately 3,370 feet upstream of 107th Street	None	+772	
Unnamed Tributary No. 4 to Jerome Creek.	At the confluence with Jerome Creek	None	+681	Village of Pleasant Prairie.
	Approximately 5,000 feet upstream of Johnson Road	None	+715	
Unnamed Tributary No. 4 to Jerome Creek Overflow.	At the confluence with Jerome Creek	None	+682	Village of Pleasant Prairie.
	At the divergence from Unnamed Tributary No. 4 to Jerome Creek.	None	+690	
Unnamed Tributary No. 5 to Des Plaines River.	Approximately 500 feet downstream of County Highway H.	+676	+677	Village of Pleasant Prairie.
	Approximately 250 feet upstream of Johnson Road	None	+680	
Unnamed Tributary No. 5 to Kilbourn Road Ditch.	Approximately 670 feet upstream of 120th Avenue	None	+701	Unincorporated Areas of Kenosha County, City of Kenosha.
	At the downstream side of 128th Avenue	None	+736	
Unnamed Tributary No. 5B to Des Plaines River.	At the confluence with Unnamed Tributary No. 5 to the Des Plaines River.	None	+679	Village of Pleasant Prairie.
	Approximately 1,700 feet upstream of its confluence with Unnamed Tributary No. 5.	None	+685	

Flooding source(s)	Location of referenced elevation**	* Elevation in feet (NGVD) + Elevation in feet (NAVD) # Depth in feet above ground		Communities affected
		Effective	Modified	
Unnamed Tributary No. 6 to Brighton Creek and League Lake.	At the confluence with Brighton Creek	None	+742	Unincorporated Areas of Kenosha County, Village of Paddock Lake.
	Approximately 1,681 feet upstream of 60th Street	None	+789	
Unnamed Tributary No. 7 to Des Plaines River.	Approximately 815 feet downstream of 120th Avenue	None	+676	Unincorporated Areas of Kenosha County, Village of Pleasant Prairie.
	At the downstream side of 136th Avenue	None	+710	
Unnamed Tributary No. 8 to Kilbourn Road Ditch.	Approximately 670 feet upstream of the confluence with Kilbourn Road Ditch.	+709	+710	Unincorporated Areas of Kenosha County.
	At the upstream side of Frontage Road	None	+724	
Unnamed Tributary No. 8 to Kilbourn Road Ditch Overflow.	Approximately 800 feet upstream of its confluence with Kilbourn Road Ditch.	+707	+708	Unincorporated Areas of Kenosha County.
	Approximately 2,464 feet upstream of its confluence with Kilbourn Road Ditch.	None	+716	

* National Geodetic Vertical Datum.
+ North American Vertical Datum.
# Depth in feet above ground.
** BFEs to be changed include the listed downstream and upstream BFEs, and include BFEs located on the stream reach between the referenced locations above. Please refer to the revised Flood Insurance Rate Map located at the community map repository (see below) for exact locations of all BFEs to be changed.

Send comments to William R. Blanton, Jr., Chief, Engineering Management Branch, Mitigation Directorate, Federal Emergency Management Agency, 500 C Street, SW., Washington, DC 20472.

ADDRESSES

City of Kenosha
Maps are available for inspection at City Hall, 625 52nd Street, Kenosha, WI 53140–3738.

Unincorporated Areas of Kenosha County
Maps are available for inspection at County Courthouse, 912 56th Street, Kenosha, WI 53140–3738.

Village of Paddock Lake
Maps are available for inspection at Village Hall, 6969 236th Avenue, Salem, WI 53168.

Village of Pleasant Prairie
Maps are available for inspection at Village Hall, 9915 39th Avenue, Pleasant Prairie, WI 53158–6501.

(Catalog of Federal Domestic Assistance No. 97.022, ''Flood Insurance.'')

Dated: January 3, 2008.

David I. Maurstad,

Federal Insurance Administrator of the National Flood Insurance Program, Department of Homeland Security, Federal Emergency Management Agency.

[FR Doc. E8–725 Filed 1–15–08; 8:45 am]

BILLING CODE 9110–12–P

DEPARTMENT OF HOMELAND SECURITY

Federal Emergency Management Agency

44 CFR Part 67

[Docket No. FEMA–B–7757]

Proposed Flood Elevation Determinations

AGENCY: Federal Emergency Management Agency, DHS.

ACTION: Proposed rule.

SUMMARY: Comments are requested on the proposed Base (1 percent annual-chance) Flood Elevations (BFEs) and proposed BFE modifications for the communities listed in the table below. The purpose of this notice is to seek general information and comment regarding the proposed regulatory flood elevations for the reach described by the downstream and upstream locations in the table below. The BFEs and modified BFEs are a part of the floodplain management measures that the community is required either to adopt or show evidence of having in effect in order to qualify or remain qualified for participation in the National Flood Insurance Program (NFIP). In addition, these elevations, once finalized, will be used by insurance agents, and others to calculate appropriate flood insurance premium rates for new buildings and the contents in those buildings.

DATES: Comments are to be submitted on or before April 15, 2008.

ADDRESSES: The corresponding preliminary Flood Insurance Rate Map (FIRM) for the proposed BFEs for each community is available for inspection at the community's map repository. The respective addresses are listed in the table below.

You may submit comments, identified by Docket No. FEMA–B–7757, to William R. Blanton, Jr., Chief, Engineering Management Branch, Mitigation Directorate, Federal Emergency Management Agency, 500 C Street, SW., Washington, DC 20472, (202) 646–3151, or (e-mail) *bill.blanton@dhs.gov.*

FOR FURTHER INFORMATION CONTACT: William R. Blanton, Jr., Chief, Engineering Management Branch, Mitigation Directorate, Federal Emergency Management Agency, 500 C Street, SW., Washington, DC 20472, (202) 646–3151 or (e-mail) *bill.blanton@dhs.gov.*

SUPPLEMENTARY INFORMATION: The Federal Emergency Management Agency

(FEMA) proposes to make determinations of BFEs and modified BFEs for each community listed below, in accordance with section 110 of the Flood Disaster Protection Act of 1973, 42 U.S.C. 4104, and 44 CFR 67.4(a).

These proposed BFEs and modified BFEs, together with the floodplain management criteria required by 44 CFR 60.3, are the minimum that are required. They should not be construed to mean that the community must change any existing ordinances that are more stringent in their floodplain management requirements. The community may at any time enact stricter requirements of its own, or pursuant to policies established by other Federal, State, or regional entities. These proposed elevations are used to meet the floodplain management requirements of the NFIP and are also used to calculate the appropriate flood insurance premium rates for new buildings built after these elevations are made final, and for the contents in these buildings.

Comments on any aspect of the Flood Insurance Study and FIRM, other than the proposed BFEs, will be considered. A letter acknowledging receipt of any comments will not be sent.

Administrative Procedure Act Statement. This matter is not a rulemaking governed by the Administrative Procedure Act (APA), 5 U.S.C. 553. FEMA publishes flood elevation determinations for notice and comment; however, they are governed by the Flood Disaster Protection Act of 1973, 42 U.S.C. 4105, and the National Flood Insurance Act of 1968, 42 U.S.C. 4001, *et seq.*, and do not fall under the APA.

National Environmental Policy Act. This proposed rule is categorically excluded from the requirements of 44 CFR part 10, Environmental Consideration. An environmental impact assessment has not been prepared.

Regulatory Flexibility Act. As flood elevation determinations are not within the scope of the Regulatory Flexibility Act, 5 U.S.C. 601–612, a regulatory flexibility analysis is not required.

Executive Order 12866, Regulatory Planning and Review. This proposed rule is not a significant regulatory action under the criteria of section 3(f) of Executive Order 12866, as amended.

Executive Order 13132, Federalism. This proposed rule involves no policies that have federalism implications under Executive Order 13132.

Executive Order 12988, Civil Justice Reform. This proposed rule meets the applicable standards of Executive Order 12988.

List of Subjects in 44 CFR Part 67

Administrative practice and procedure, Flood insurance, Reporting and recordkeeping requirements.

Accordingly, 44 CFR part 67 is proposed to be amended as follows:

PART 67—[AMENDED]

1. The authority citation for part 67 continues to read as follows:

Authority: 42 U.S.C. 4001, *et seq.*; Reorganization Plan No. 3 of 1978, 3 CFR, 1978 Comp., p. 329; E.O. 12127, 44 FR 19367, 3 CFR, 1979 Comp., p. 376.

§ 67.4 [Amended]

2. The tables published under the authority of § 67.4 are proposed to be amended as follows:

Flooding source(s)	Location of referenced elevation**	* Elevation in feet (NGVD) + Elevation in feet (NAVD) # Depth in feet above ground		Communities affected
		Effective	Modified	
Kenton County, Kentucky, and Incorporated Areas				
Banklick Creek	Eaton Drive bridge	+498	+499	City of Covington, City of Erlanger, City of Fort Wright, City of Independence, Unincorporated Areas of Kenton County.
	3,500 feet upstream of Webster Lane bridge	+649	+648	
Bullock Pen Creek (Banklick Creek backwater).	140′ upstream of CSX railroad crossing of Bullock Pen Creek.	None	+517	City of Edgewood.
	City of Edgewood and City of Erlanger corporate limits.	None	+517	
DeCoursey Creek (Licking River backwater).	City of Fairview and Kenton County Unincorporated corporate limits.	None	+504	City of Fairview.
	4,670 feet upstream of City of Fairview and Kenton County Unincorporated corporate limits.	None	+504	
Fowler Creek	Mouth at Banklick Creek	+554	+562	City of Independence, Unincorporated Areas of Kenton County.
	Pelly Road bridge	+710	+713	
Unnamed Tributary (Backwater from Licking River).	870 feet downstream of CSX Railroad Bridge	None	+518	Unincorporated Areas of Kenton County.
	1,010 feet upstream of CSX Railroad	None	+518	

* National Geodetic Vertical Datum.

+ North American Vertical Datum.

Depth in feet above ground.

** BFEs to be changed include the listed downstream and upstream BFEs, and include BFEs located on the stream reach between the referenced locations above. Please refer to the revised Flood Insurance Rate Map located at the community map repository (see below) for exact locations of all BFEs to be changed.

Flooding source(s)	Location of referenced elevation**	* Elevation in feet (NGVD) + Elevation in feet (NAVD) # Depth in feet above ground		Communities affected
		Effective	Modified	

Send comments to William R. Blanton, Jr., Chief, Engineering Management Branch, Mitigation Directorate, Federal Emergency Management Agency, 500 C Street, SW., Washington, DC 20472.

ADDRESSES

City of Covington
Maps are available for inspection at 638 Madison Avenue, Covington, KY 41011.

City of Edgewood
Maps are available for inspection at 385 Dudley Road, Edgewood, KY 41017.

City of Erlanger
Maps are available for inspection at 505 Commonwealth Avenue, Erlanger, KY 41018.

City of Fairview
Maps are available for inspection at 303 Court Street, Covington, KY 41011.

City of Fort Wright
Maps are available for inspection at 409 Kyles Lane, Fort Wright, KY 41011.

City of Independence
Maps are available for inspection at 5292 Madison Pike, Independence, KY 41051.

Unincorporated Areas of Kenton County
Maps are available for inspection at 303 Court Street, Covington, KY 41011.

Harrison County, Mississippi, and Incorporated Areas

Back Bay of Biloxi/Big Lake ..	Near the intersection of Popps Ferry Road and Causeway Drive.	+11	+15	City of D'Iberville, City of Biloxi, Unincorporated Areas of Harrison County.
	Near the intersection of Interstate 110 and Bay Shore Drive.	+13	+21	
Bay of Biloxi	Near the intersection of D'Iberville Boulevard and Lamey Bridge Road.	+11	+16	City of Biloxi, City of D'Iberville, Unincorporated Areas of Harrison County.
	At Harrison/Jackson county boundary near U.S. Highway 90.	+16	+23	
Bernard Bayou	Approximately 350 feet upstream of Interstate 10	+11	+15	Unincorporated Areas of Harrison County, City of Gulfport.
	Approximately 3,000 feet upstream of Mennonite Road.	None	+87	
Tributary 3	At the confluence with Bernard Bayou	None	+23	Unincorporated Areas of Harrison County.
	Approximately 5,808 feet upstream of Orange Grove Road.	None	+44	
Tributary 4	At the confluence with Bernard Bayou Tributary 3	None	+24	Unincorporated Areas of Harrison County, City of Gulfport.
	Approximately 1,900 feet upstream of Lambrecht Road.	None	+64	
Tributary 5	At the confluence with Bernard Bayou Tributary 4	None	+40	Unincorporated Areas of Harrison County, City of Gulfport.
	Approximately 850 feet upstream of Pheasant Drive ..	None	+65	
Tributary 6	At the confluence with Bernard Bayou	None	+28	Unincorporated Areas of Harrison County.
	Approximately 300 feet upstream of Orange Grove Road.	None	+52	
Big Creek	Approximately 29,040 feet upstream of the confluence with Wolf River.	None	+55	Unincorporated Areas of Harrison County.
	Approximately 32,208 feet upstream of the confluence with Wolf River.	None	+58	
Biloxi River	Approximately 100 feet upstream of Lorraine Rd	+11	+15	City of Biloxi, City of Gulfport, Unincorporated Areas of Harrison County.
	At Harrison/Stone county boundary	None	+104	
Brickyard Bayou	Approximately 200 feet upstream of 8th Avenue	+10	+13	City of Gulfport.
	Approximately 250 feet upstream of Stewart Avenue	None	+30	

Flooding source(s)	Location of referenced elevation**	* Elevation in feet (NGVD) + Elevation in feet (NAVD) # Depth in feet above ground		Communities affected
		Effective	Modified	
Brickyard Bayou/Bernard Bayou/Turkey Creek.	Near intersection of 8th Avenue and Pass Road	+10	+12	City of Gulfport.
	Near the intersection of Ridge Road and Taylor Road	+11	+18	
Canal No. 1	Approximately 2,100 feet upstream of Epsy Avenue	+16	+18	City of Pass Christian, Unincorporated Areas of Harrison County.
	Approximately 2,900 feet upstream of Epsy Ave	+17	+18	
Canal No. 3	Approximately 1,000 feet downstream of Epsy Avenue.	+14	+17	Unincorporated Areas of Harrison County, City of Long Beach.
	Approximately 1,000 feet downstream of Beatline Road.	+18	+19	
Crow Creek	Approximately 19,008 feet upstream of the confluence with Biloxi River.	None	+95	Unincorporated Areas of Harrison County.
	Approximately 24,816 feet upstream of the confluence with Biloxi River.	None	+101	
Flat Branch	At the confluence with Bernard Bayou	+11	+15	Unincorporated Areas of Harrison County, City of Gulfport.
	Approximately 8,976 upstream of the confluence with Flat Branch Tributary 2.	None	+66	
Tributary 1	Approximately 1,450 feet downstream of Hamilton Street.	None	+22	City of Gulfport.
	Approximately 3,900 feet upstream of Robinson Road	None	+58	
Tributary 2	At the confluence with Flat Branch	None	+53	City of Gulfport.
	Approximately 2,450 feet upstream of the confluence with Flat Branch.	None	+56	
Fritz Creek	Approximately 3,400 feet upstream of Lorraine Road	+11	+15	City of Gulfport.
	Approximately 850 feet upstream of Three Rivers Road.	None	+56	
Tributary 1	Shallow flooding area bound by O'Neal Road to the North, Mays Road to the South, Crystal Weel Court to the West, and Three Rivers Road to the East.	None	#2	City of Gulfport.
	Approximately 100 feet upstream of Three Rivers Road.	None	+52	
	Approximately 1,050 feet upstream of O'Neal Road	None	+60	
Tributary 2	At the confluence with Fritz Creek	None	+39	City of Gulfport, Unincorporated Areas of Harrison County.
	Approximately 1,650 feet upstream of Three Rivers Road.	None	+58	
Gulf of Mexico/Mississippi Sound.	Near the intersection of Main Street and Water Street	+12	+17	City of Biloxi, City of Gulfport, City of Long Beach, City of Pass Christian, Unincorporated Areas of Harrison County.
	Near the intersection of Espy Avenue and U.S. Highway 90.	+18	+26	
Hickory Creek	Approximately 3,850 feet upstream of McHenry Road	None	+121	Unincorporated Areas of Harrison County.
	Approximately 7,920 feet upstream of McHenry Road	None	+128	
Hog Branch	Approximately 1,800 feet upstream of the confluence with Tuxachanie Creek.	+35	+36	Unincorporated Areas of Harrison County.
	Approximately 10,032 feet upstream of South Carr Bridge Road.	None	+98	
Howard Creek	Approximately 2,700 feet upstream of Old Highway 67.	+13	+15	City of Biloxi.
	Approximately 3,300 feet upstream of Old Highway 67.	+15	+16	
Little Biloxi River	Approximately 150 feet downstream of McHenry Road.	None	+120	Unincorporated Areas of Harrison County.
	Approximately 6,700 feet upstream of McHenry Road	None	+129	
Mill Creek	Approximately 4,900 feet upstream of State Highway 53.	None	+104	Unincorporated Areas of Harrison County.
	Approximately 8,976 feet upstream of State Highway 53.	None	+114	

Flooding source(s)	Location of referenced elevation**	* Elevation in feet (NGVD) + Elevation in feet (NAVD) # Depth in feet above ground		Communities affected
		Effective	Modified	
Palmer Creek	Approximately 3,800 feet upstream of Wortham Road	None	+76	Unincorporated Areas of Harrison County.
	Approximately 9,200 feet upstream of Wortham Road	None	+87	
Parker Creek	Approximately 430 feet upstream of Woolmarket Road.	+13	+15	City of Biloxi, Unincorporated Areas of Harrison County.
	Approximately 9,504 feet upstream of State Highway 67.	None	+75	
Pole Branch	Approximately 270 feet downstream of Cable Bridge Road.	None	+61	Unincorporated Areas of Harrison County.
	Approximately 3,200 feet upstream of Cable Bridge Road.	None	+68	
Ponding Area	Ponding area bound by Irish Hill Drive to the North, West Howard Avenue to the South, Porter Avenue to the West, and Iroquois Street to the East.	None	+21	City of Biloxi.
Ponding Areas	Near intersection of Big Lake Road and Lejuene Drive.	None	+25	City of Biloxi.
	Near intersection of Irish Hill Drive and Brister Place	None	+29	
Sandy Creek	Approximately 1,200 feet downstream of Steel Bridge Road.	None	+72	Unincorporated Areas of Harrison County.
	Approximately 2,500 feet upstream of Steel Bridge Road.	None	+75	
Saucier Creek	Approximately 1,200 feet upstream of State Highway 67.	None	+92	Unincorporated Areas of Harrison County.
	Just downstream of Martha Redmond Road	None	+111	
Shallow Flooding	Shallow flooding bounded by West 2nd Street to the North, Scenic Drive to the South, Leovy Avenue to the West, and Paul Dunbar Avenue to the East.	None	#1	City of Pass Christian.
St. Louis Bay/Wolf River/ Canal No. 1/Canal No. 3.	Near the intersection of Red Creek Road and Menge Avenue.	+12	+17	Unincorporated Areas of Harrison County, City of Pass Christian.
	At Harrison/Hancock county boundary south of Interstate 10.	+16	+26	
Tchoutacabouffa River	Approximately 5,400 feet upstream of State Highway 15.	+11	+14	City of Biloxi, Unincorporated Areas of Harrison County.
	Approximately 5,000 feet upstream of the confluence with Railroad Creek.	None	+75	
Tchoutacabouffa River/Biloxi River.	Near intersection of Old Highway 67 and Woolmarket Road.	+11	+13	City of Gulfport, City of Biloxi, City of D'Iberville, Unincorporated Areas of Harrison County.
	Near the intersection of Pin Oak Drive and Oaklawn Road.	+14	+19	
Turkey Creek	Approximately 2,250 feet downstream of Airport Road	+11	+14	City of Gulfport, Unincorporated Areas of Harrison County.
	Approximately 3,350 feet upstream of Ohio Avenue	+15	+16	
Tuxachanie Creek	Approximately 1,050 feet downstream of Whit Plains Road.	+33	+34	Unincorporated Areas of Harrison County.
	Approximately 21,120 feet upstream of Bethel Road	None	+95	
West Creek	Approximately 2,000 feet downstream of State Highway 67.	None	+85	Unincorporated Areas of Harrison County.
	Approximately 10,032 feet upstream of State Highway 67.	None	+95	
Wolf River	Approximately 9,700 feet upstream of Bells Ferry Road.	+17	+19	Unincorporated Areas of Harrison County.
	Approximately 1,000 feet downstream of I–10	+20	+21	

* National Geodetic Vertical Datum.
# Depth in feet above ground.
+ North American Vertical Datum.
** BFEs to be changed include the listed downstream and upstream BFEs, and include BFEs located on the stream reach between the referenced locations above. Please refer to the revised Flood Insurance Rate Map located at the community map repository (see below) for exact locations of all BFEs to be changed.

Send comments to William R. Blanton, Jr., Chief, Engineering Management Branch, Mitigation Directorate, Federal Emergency Management Agency, 500 C Street, SW., Washington, DC 20472.

Flooding source(s)	Location of referenced elevation**	* Elevation in feet (NGVD) + Elevation in feet (NAVD) # Depth in feet above ground		Communities affected
		Effective	Modified	

ADDRESSES

City of Biloxi
Maps are available for inspection at Floodplain Management, 676 Dr. Martin Luther King Boulevard, Biloxi, MS 39533.

City of D'Iberville
Maps are available for inspection at 10383 Automall Parkway, D'Iberville, MS 39540.

City of Gulfport
Maps are available for inspection at Department of Urban Development-Building Codes Services, 2200 15th Street, Trailer B-5, Gulfport, MS 39501.

City of Long Beach
Maps are available for inspection at Building Code Office, 645 Klondike Road, Long Beach, MS 39560.

City of Pass Christian
Maps are available for inspection at Building Code Office, 203 Fleitas Avenue, Pass Christian, MS 39571.

Unincorporated Areas of Harrison County
Maps are available for inspection at County Code Office, 15309 Community Road, Gulfport, MS 39503.

(Catalog of Federal Domestic Assistance No. 97.022, ''Flood Insurance.'')

Dated: January 3, 2008.

David I. Maurstad,

Federal Insurance Administrator of the National Flood Insurance Program, Department of Homeland Security, Federal Emergency Management Agency.

[FR Doc. E8–724 Filed 1–15–08; 8:45 am]

BILLING CODE 9110–12–P

DEPARTMENT OF HOMELAND SECURITY

Federal Emergency Management Agency

44 CFR Part 67

[Docket No. FEMA–B–7758]

Proposed Flood Elevation Determinations

AGENCY: Federal Emergency Management Agency, DHS.

ACTION: Proposed rule.

SUMMARY: Comments are requested on the proposed Base (1 percent annual-chance) Flood Elevations (BFEs) and proposed BFE modifications for the communities listed in the table below. The purpose of this notice is to seek general information and comment regarding the proposed regulatory flood elevations for the reach described by the downstream and upstream locations in the table below. The BFEs and modified BFEs are a part of the floodplain management measures that the community is required either to adopt or show evidence of having in effect in order to qualify or remain qualified for participation in the National Flood Insurance Program (NFIP). In addition, these elevations, once finalized, will be used by insurance agents, and others to calculate appropriate flood insurance premium rates for new buildings and the contents in those buildings.

DATES: Comments are to be submitted on or before April 15, 2008.

ADDRESSES: The corresponding preliminary Flood Insurance Rate Map (FIRM) for the proposed BFEs for each community are available for inspection at the community's map repository. The respective addresses are listed in the table below.

You may submit comments, identified by Docket No. FEMA–B–7758, to William R. Blanton, Jr., Chief, Engineering Management Branch, Mitigation Directorate, Federal Emergency Management Agency, 500 C Street, SW., Washington, DC 20472, (202) 646–3151, or (e-mail) *bill.blanton@dhs.gov.*

FOR FURTHER INFORMATION CONTACT: William R. Blanton, Jr., Chief, Engineering Management Branch, Mitigation Directorate, Federal Emergency Management Agency, 500 C Street, SW., Washington, DC 20472, (202) 646–3151 or (e-mail) *bill.blanton@dhs.gov.*

SUPPLEMENTARY INFORMATION: The Federal Emergency Management Agency (FEMA) proposes to make determinations of BFEs and modified BFEs for each community listed below, in accordance with section 110 of the Flood Disaster Protection Act of 1973, 42 U.S.C. 4104, and 44 CFR 67.4(a).

These proposed BFEs and modified BFEs, together with the floodplain management criteria required by 44 CFR 60.3, are the minimum that are required. They should not be construed to mean that the community must change any existing ordinances that are more stringent in their floodplain management requirements. The community may at any time enact stricter requirements of its own, or pursuant to policies established by other Federal, State, or regional entities. These proposed elevations are used to meet the floodplain management requirements of the NFIP and are also used to calculate the appropriate flood insurance premium rates for new buildings built after these elevations are made final, and for the contents in these buildings.

Comments on any aspect of the Flood Insurance Study and FIRM, other than the proposed BFEs, will be considered. A letter acknowledging receipt of any comments will not be sent.

Administrative Procedure Act Statement. This matter is not a rulemaking governed by the Administrative Procedure Act (APA), 5 U.S.C. 553. FEMA publishes flood elevation determinations for notice and comment; however, they are governed by the Flood Disaster Protection Act of 1973, 42 U.S.C. 4105, and the National Flood Insurance Act of 1968, 42 U.S.C. 4001 *et seq.*, and do not fall under the APA.

National Environmental Policy Act. This proposed rule is categorically excluded from the requirements of 44 CFR part 10, Environmental Consideration. An environmental impact assessment has not been prepared.

Regulatory Flexibility Act. As flood elevation determinations are not within the scope of the Regulatory Flexibility Act, 5 U.S.C. 601–612, a regulatory flexibility analysis is not required.

Executive Order 12866, Regulatory Planning and Review. This proposed rule is not a significant regulatory action under the criteria of section 3(f) of Executive Order 12866, as amended.

Executive Order 13132, Federalism. This proposed rule involves no policies that have federalism implications under Executive Order 13132.

Executive Order 12988, Civil Justice Reform. This proposed rule meets the applicable standards of Executive Order 12988.

List of Subjects in 44 CFR Part 67

Administrative practice and procedure, Flood insurance, Reporting and recordkeeping requirements.

Accordingly, 44 CFR part 67 is proposed to be amended as follows:

PART 67—[AMENDED]

1. The authority citation for part 67 continues to read as follows:

Authority: 42 U.S.C. 4001 *et seq.*; Reorganization Plan No. 3 of 1978, 3 CFR, 1978 Comp., p. 329; E.O. 12127, 44 FR 19367, 3 CFR, 1979 Comp., p. 376.

§ 67.4 [Amended]

2. The tables published under the authority of § 67.4 are proposed to be amended as follows:

State	City/town/county	Source of flooding	Location**	* Elevation in feet (NGVD) + Elevation in feet (NAVD) # Depth in feet above ground	
				Existing	Modified
City of Warren, Ohio					
Ohio	City of Warren	Duck Creek	Mouth at Mahoning River	None	+891
			About 600 feet downstream of Risher St	None	+891

* National Geodetic Vertical Datum.
# Depth in feet above ground.
+ North American Vertical Datum.
** BFEs to be changed include the listed downstream and upstream BFEs, and include BFEs located on the stream reach between the referenced locations above. Please refer to the revised Flood Insurance Rate Map located at the community map repository (see below) for exact locations of all BFEs to be changed

Send comments to William R. Blanton, Jr., Chief, Engineering Management Branch, Mitigation Directorate, Federal Emergency Management Agency, 500 C Street SW., Washington, DC 20472.

ADDRESSES

City of Warren
Maps are available for inspection at 540 Laird Avenue SE, Warren, OH 44484.

Flooding source(s)	Location of referenced elevation **	* Elevation in NGVD) + Elevation in feet (NAVD) # Depth in feet above ground		Communities affected
		Effective	Modified	
Randall County, Texas, and Incorporated Areas				
Palo Duro Creek	Confluence with Prairie Dog Town Fork of Red River	*3482	+3484	Unincorporated Areas of Randall County.
	Intersection with West Country Club Road	*3560	+3562	
Playa Lake 11	Approximately 500 feet south of the intersection of Bell St. and Attebury Dr.	None	+3646	City of Amarillo, Unincorporated Areas of Randall County.
Playa Lake 13	Approximately 2500 feet southeast of the intersection of West 335 South LP and Valleyview Drive.	None	+3626	City of Amarillo, Unincorporated Areas of Randall County.
Playa Lake 14	Approximately 100 feet south of Winners Circle	*3657	+3658	City of Amarillo.
Playa Lake 16	Approximately 350 feet south of S. Hayden and SW 48th Ave. intersection.	*3625	+3627	City of Amarillo.
Playa Lake 18	Approximately 1000 feet south of Farmers Ave. and Tradewind St.	None	+3583	Unincorporated Areas of Randall County.
Playa Lake 19	Approximately 1200 feet east of SW 42nd Ave. and S. Harrison St. intersection.	*3633	+3635	City of Amarillo.
Playa Lake 20 (Gooch Lake)	Approximately 5000 ft. south of SE 34th Ave. and S. Manhattan St. intersection.	*3574	+3579	City of Amarillo.
Playa Lake 3	Approximately 1000 feet north of Ascension Parkway	None	+3710	Unincorporated Areas of Randall County.
Playa Lake 34	Approximately 4600 feet southwest of Highway 287 and S. Parsley Rd. intersection.	None	+3553	Unincorporated Areas of Randall County.

Flooding source(s)	Location of referenced elevation **	* Elevation in NGVD) + Elevation in feet (NAVD) # Depth in feet above ground		Communities affected
		Effective	Modified	
Playa Lake 4	W CR 58 and Helium Road	None	+3699	Unincorporated Areas of Randall County.
Playa Lake 5 (McDonald Lake).	Approximately 1100 feet southeast of S. Coulter St. and SW 45th St. intersection.	*3688	+3687	City of Amarillo.
Playa Lake 7	Approximately 100 feet north of W. 77th Ave. and Cody Dr.	None	+3675	City of Amarillo, Unincorporated Areas of Randall County.
Playa Lake 8	Approximately 100 feet south of FM 2186 and 335 South LP.	None	+3681	City of Amarillo, Unincorporated Areas of Randall County.
Playa Lake 9	Approximately 480 feet north of W. Sundown St. and Elaine St. interesection.	None	+3683	Unincorporated Areas of Randall County.
Prairie Dog Town Fork of Red River.	Approximately 100 feet downstream from the intersection of Exmoor Road and Canyon Creek Road.	*3394	+3395	Unincorporated Areas of Randall County, Village of Lake.
	Confluence with Tierra Blanca Creek	*3482	+3484	Tangle wood, Village of Palisades.
Tierra Blanca Creek	Confluence with Palo Duro Creek	*3482	+3484	City of Canyon, Unincorporated Areas of Randall County.
	Approximately 1500 feet downstream from Gordon Cummings Road.	*3545	+3547	

* National Geodetic Vertical Datum.
+ North American Vertical Datum.
# Depth in feet above ground.
** BFEs to be changed include the listed downstream and upstream BFEs, and include BFEs located on the stream reach between the referenced locations above. Please refer to the revised Flood Insurance Rate Map located at the community map repository (see below) for exact locations of all BFEs to be changed.

Send comments to William R. Blanton, Jr., Chief, Engineering Management Branch, Mitigation Directorate, Federal Emergency Management Agency, 500 C Street SW., Wasington, DC 20472.

ADDRESSES

City of Amarillo
Maps are available for inspection at 509 E. 7th Ave., Amarillo, TX 79105.

City of Canyon
Maps are available for inspection at 301 16th St., Canyon, TX 79015.

Unincorporated Areas of Randall County
Maps are available for inspection at 301 Hwy. 60, Canyon, TX 79015.

Village of Lake Tanglewood
Maps are available for inspection at 1000 Tanglewood Dr., Amarillo, TX 79118.

Village of Palisades
Maps are available for inspection at 115 Brentwood, Amarillo, TX 79118.

Brown County, Wisconsin, and Incorporated Areas

Ash Street Tributary to Lancaster Creek.	Approximately 510 feet downstream of Ash Street	None	+602	Village of Howard.
	Approximately 160 feet upstream of Ash Street	None	+608	
Ashwaubenon Creek	Approximately 2,990 feet downstream of Memorial Park Road.	+585	+586	Unincorporated Areas of Brown County, City of De Pere, Village of Ashwaubenon.
	Approximately 3,940 feet upstream of Scheuring Road.	None	+613	
Ashwaubenon Creek (Middle)	Approximately 3,980 feet downstream of Creamery Road.	None	+618	Unincorporated Areas of Brown County, City of De Pere.
	Approximately 8,085 feet upstream of Creamery Road	None	+629	
Ashwaubenon Creek (Upper)	Approximately 240 feet downstream of William Grant Drive.	None	+652	Unincorporated Areas of Brown County.
	Approximately 185 feet upstream of William Grant Drive.	None	+661	
Baird Creek	Approximately 425 feet upstream of U.S. Route 141	+590	+589	Unincorporated Areas of Brown County, City of Green Bay.

Flooding source(s)	Location of referenced elevation **	* Elevation in NGVD) + Elevation in feet (NAVD) # Depth in feet above ground		Communities affected
		Effective	Modified	
	Just upstream of Northview Road	None	+778	
Tributary	Approximately 6,340 feet downstream of Erie Road	None	+701	City of Green Bay.
	Approximately 1,465 feet upstream of Finger Road	None	+778	
Tributary 6	Approximately 450 feet downstream of Fox Valley and Western Railroad.	None	+619	City of Green Bay.
	Approximately 910 feet upstream of Fox Valley and Western Railroad.	None	+673	
Bakers Creek	Approximately 155 feet downstream of Belmont Road	None	+649	Village of Howard.
	Approximately 940 feet upstream of Hillcrest Heights Road.	None	+658	
Tributary	Approximately 125 feet upstream of railroad	None	+603	Village of Howard.
	Approximately 2,325 feet upstream of railroad	None	+617	
Barina Creek	Approximately 320 feet downstream of Church Road	None	+613	City of Green Bay.
	Approximately 2,000 feet upstream of Church Road	None	+621	
Beaver Dam Creek	Approximately 420 feet downstream of Velp Avenue	+586	+588	Village of Howard, City of Green Bay, Oneida Tribe.
	Approximately 1,400 feet upstream of Packerland Drive.	None	+677	
Bower Creek	At the confluence with the East River	None	+591	Village of Bellevue, Town of Ledgeview.
	Approximately 10,570 feet upstream of Lime Kiln Road.	None	+635	
Tributary	Approximately 396 feet downstream of Pine Grove Road.	None	+827	Unincorporated Areas of Brown County, Town of Ledgeview.
	Approximately 52 feet upstream of Dickinson Road	None	+833	
Tributary 1	Approximately 40 feet downstream of Monroe Road	None	+591	Village of Bellevue, Town of Ledgeview.
	Approximately 4,610 feet upstream of Bower Creek Road.	None	+618	
Tributary 2	Approximately 110 feet downstream of Bower Creek Road.	None	+595	Village of Bellevue, Town of Ledgeview.
	Approximately 3,260 feet upstream of Meadow Sound Drive.	None	+733	
Tributary A	Approximately 860 feet downstream of its confluence with Bower Creek Tributary B.	None	+604	Village of Bellevue, Town of Ledgeview.
	Approximately 4,465 feet upstream of its confluence with Bower Creek Tributary B.	None	+639	
Tributary B	At the confluence with Bower Creek Tributary A	None	+606	Village of Bellevue, Town of Ledgeview.
	Approximately 2,420 feet upstream of its confluence with Bower Creek Tributary A.	None	+630	
Branch River	Approximately 400 feet downstream of Park Road	+844	+845	Unincorporated Areas of Brown County.
	Approximately 3,960 feet upstream of Park Road	+853	+852	
Branch of Plum Creek	Approximately 610 feet upstream of Holland Court	None	+765	Unincorporated Areas of Brown County.
	Approximately 1,245 feet upstream of Holland Court	None	+766	
Lower Tributary	At the confluence with Branch of Plum Creek	None	+766	Unincorporated Areas of Brown County.
	Approximately 1,590 feet upstream of its confluence with Branch of Plum Creek.	None	+773	
Upper Tributary	At the confluence with Branch of Plum Creek	None	+765	Unincorporated Areas of Brown County.
	Approximately 1,190 feet upstream of its confluence with Branch of Plum Creek.	None	+769	
Duck Creek	Approximately 90 feet downstream of State Highway 41.	+585	+586	Village of Howard, City of Green Bay, Oneida Tribe, Village of Hobart.
	Approximately 4,825 feet upstream of State Highway 54.	+675	+676	
Tributary 11	At the confluence with Duck Creek	None	+606	City of Green Bay, Oneida Tribe.
	Approximately 1,000 feet upstream of Open Gate Trail.	None	+673	
Tributary 12	Approximately 925 feet downstream of West Mason Street.	None	+630	City of Green Bay, Oneida Tribe, Village of Hobart.

Flooding source(s)	Location of referenced elevation **	* Elevation in NGVD) + Elevation in feet (NAVD) # Depth in feet above ground		Communities affected
		Effective	Modified	
	Approximately 1,900 feet upstream of West Mason Street.	None	+677	
Dutchman Creek	Approximately 1,000 feet downstream of Broadway Street.	+585	+586	Village of Ashwaubenon, Oneida Tribe, Village of Hobart.
	Approximately 1,950 feet upstream of Packerland Drive.	None	+651	
North Tributary	Approximately 90 feet downstream of U.S. Highway 41.	None	+605	Village of Ashwaubenon.
	Approximately 120 feet upstream of North Road	None	+677	
South Tributary	Approximately 1,095 feet downstream of Parkview Road.	None	+611	Village of Ashwaubenon.
	Approximately 1,845 feet upstream of Glory Road	None	+624	
Southeast Tributary	Approximately 1,350 feet downstream of Main Avenue.	None	+623	Village of Ashwaubenon.
	Approximately 5,550 feet upstream of Main Avenue	None	+637	
Southwest Tributary	Approximately 1,350 feet downstream of Main Street	None	+624	Village of Ashwaubenon, Unincorporated Areas of Brown County.
	Approximately 5,350 feet upstream of County Highway G.	None	+637	
East River	Approximately 1,650 feet downstream of North Monroe Avenue.	+585	+586	City of Green Bay, City of De Pere, Town of Ledgeview, Unincorporated Areas of Brown County, Village of Allouez, Village of Bellevue.
	Just upstream of Wrightstown Road	None	+631	
Tributary	Approximately 60 feet downstream of Monroe Road	None	+589	Town of Ledgeview.
	Approximately 65 feet upstream of Dickinson Road	None	+595	
Tributary A	Approximately 990 feet downstream of Dickinson Road.	+591	+592	Town of Ledgeview, City of De Pere.
	Approximately 670 feet upstream of Heritage Road	None	+613	
Tributary B	At the confluence with East River Tributary A	+591	+592	Town of Ledgeview.
	Approximately 1,825 feet upstream of its confluence with East River Tributary A.	+591	+595	
East Verlin North Tributary to Willow Creek.	At the confluence with East Verlin Tributary to Willow Creek.	None	+606	Village of Bellevue.
	Approximately 15 feet upstream of Fox Valley and Western Railroad.	None	+606	
East Verlin Tributary to Willow Creek.	At the confluence with Willow Creek	None	+591	Village of Bellevue, City of Green Bay.
	Approximately 2,900 feet upstream of Lime Kiln Road	None	+622	
Ellis Creek	Approximately 2,625 feet downstream of Edgewood Drive.	None	+651	City of Green Bay.
	Approximately 1,105 feet upstream of Edgewood Drive.	None	+670	
Fox River	Approximately 2,500 feet downstream of Interstate 43	+585	+583	City of Green Bay, City of De Pere, Town of Ledgeview, Unincorporated Areas of Brown County, Village of Allouez, Village of Ashwaubenon, Village of Wrightstown.
	Just downstream of State Highway 96	+602	+601	
Lancaster Creek	Approximately 20 feet downstream of Riverview Drive	+585	+586	Village of Howard.
	Approximately 3,980 feet upstream of Shawano Avenue.	+618	+623	
Tributary	Just upstream of Rockwell Road	None	+618	Village of Howard.
	Approximately 1,775 feet upstream of Rockwell Road	None	+630	
Mahon Creek	Approximately 1,125 feet downstream of Nicolet Drive	None	+586	City of Green Bay.
	Approximately 1,485 feet upstream of Spartan Road	None	+775	
Middle Branch of Little Suamico River.	Approximately 40 feet downstream of Summit Street	None	+795	Village of Pulaski.
	Approximately 100 feet upstream of Lincoln Street	+806	+807	

Flooding source(s)	Location of referenced elevation **	* Elevation in NGVD) + Elevation in feet (NAVD) # Depth in feet above ground		Communities affected
		Effective	Modified	
North Branch Ashwaubenon Creek.	At the confluence with South Branch Ashwaubenon Creek.	None	+661	Unincorporated Areas of Brown County, Oneida Tribe, Village of Hobart.
	Just downstream of North County Line Road	None	+681	
Bakers Creek	At the confluence with Bakers Creek	None	+655	Village of Howard.
	Approximately 2,020 feet upstream of its confluence with Bakers Creek.	None	+665	
Willow Creek	Approximately 175 feet downstream of Main Street	None	+629	Village of Bellevue, City of Green Bay.
	Approximately 9,680 feet upstream of Manitowoc Road.	None	+736	
North Tributary South Branch Ashwaubenon Creek.	At the confluence with South Branch Ashwaubenon Creek.	None	+664	Unincorporated Areas of Brown County.
	Approximately 2,200 feet from the confluence of South Branch Ashwaubenon Creek.	None	+675	
Oneida Creek	Approximately 1,270 feet downstream of Country Club Court.	None	+596	City of Green Bay, Oneida Tribe.
	Approximately 4,755 feet upstream of Country Club Court.	None	+640	
Pioneer Tributary to Duck Creek.	Approximately 895 feet downstream of Cardinal Lane	None	+591	Village of Howard.
	Approximately 150 feet upstream of Cardinal Lane	None	+596	
Plum Creek	Approximately 675 feet downstream of Washington Street.	None	+602	Village of Wrightstown, Unincorporated Areas of Brown County.
	Approximately 11,250 feet upstream of Washington Street.	+619	+618	
Sorensons Creek	At the confluence with Spring Creek	None	+602	Village of Bellevue, Town of Ledgeview.
	Approximately 80 feet upstream of Big Creek Road	None	+683	
Tributary	Approximately 4,720 feet downstream of Santa Monica Drive.	None	+644	Village of Bellevue.
	Approximately 3,430 feet upstream of Manitowoc Road.	None	+747	
South Branch Ashwaubenon Creek.	Approximately 3,325 feet downstream of Noah Road	None	+661	Unincorporated Areas of Brown County.
	Approximately 990 feet upstream of Freedom Road	None	+671	
Little Suamico River	Approximately 80 feet downstream of Corporate Way	None	+783	Village of Pulaski, Unincorporated Areas of Brown County.
	Approximately 1,935 feet upstream of Pelican Drive	None	+799	
South Tributary to Willow Creek.	At the confluence with Willow Creek	None	+590	Village of Bellevue.
	Approximately 630 feet upstream of Lime Kiln Road	None	+601	
Spring Creek	Approximately 1,305 feet downstream of Lime Kiln Road.	None	+595	Village of Bellevue.
	Approximately 1,520 feet upstream of Willow Road	None	+784	
Tributary A	Approximately 950 feet downstream of Madrid Drive	None	+703	Village of Bellevue.
	Approximately 170 feet upstream of Ontario Road	None	+743	
Tributary A Ditch	At the confluence with Spring Creek Tributary A	None	+736	Village of Bellevue.
	Approximately 580 feet upstream of the confluence with Spring Creek Tributary A.	None	+740	
Tributary B	Approximately 2,910 feet downstream of Cottage Road.	None	+732	Village of Bellevue.
	Approximately 450 feet upstream of Cottage Road	None	+760	
Suamico River	Approximately 7,880 feet downstream of Lakeview Road.	+585	+586	Village of Suamico.
	Approximately 1,150 feet upstream of Bridge Road	+605	+606	
Tributary 1 to Dutchman Creek Southwest Tributary.	Approximately 310 feet downstream of Lost Lane	None	+642	Village of Ashwaubenon, Oneida Tribe, Village of Hobart.
	Approximately 490 feet upstream of South Packerland Drive.	None	+665	
Tributary 2 to Dutchman Creek Southwest Tributary.	At the confluence with Dutchman Creek Southwest Tributary.	None	+642	Village of Ashwaubenon.
	Approximately 2,550 feet upstream of the confluence with Dutchman Creek Southwest Tributary.	None	+666	

Flooding source(s)	Location of referenced elevation **	* Elevation in NGVD) + Elevation in feet (NAVD) # Depth in feet above ground		Communities affected
		Effective	Modified	
Tributary 3 to Dutchman Creek Southwest Tributary.	At the confluence with Dutchman Creek Southwest Tributary.	None	+646	Village of Ashwaubenon.
	Approximately 1,950 feet upstream of the confluence with Dutchman Creek Southwest Tributary.	None	+664	
Trout Creek	Approximately 1,060 feet downstream of North Hillcrest Drive.	+608	+610	Village of Hobart, Oneida Tribe.
	Just upstream of Sunlite Drive	+720	+727	
Unnamed Tributary to Green Bay.	Approximately 525 feet downstream of Nicolet Drive	None	+588	City of Green Bay.
	Approximately 1,755 feet upstream of Nicolet Drive	None	+624	
Vanguard Way Tributary to Lancaster Creek.	At the confluence with Lancaster Creek	None	+610	Village of Howard.
	Approximately 755 feet upstream of the confluence with Lancaster Creek.	None	+629	
West Verlin Tributary to Willow Creek.	Approximately 1,220 feet downstream of Bellevue Street.	None	+590	Village of Bellevue, City of Green Bay.
	Approximately 2,990 feet upstream of Verlin Road	None	+597	
Willow Creek	At the confluence with the East River	None	+590	Village of Bellevue, City of Green Bay.
	Approximately 1,740 feet upstream of Ontario Road	None	+760	

* National Geodetic Vertical Datum.
+ North American Vertical Datum.
# Depth in feet above ground.
** BFEs to be changed include the listed downstream and upstream BFEs, and include BFEs located on the stream reach between the referenced locations above. Please refer to the revised Flood Insurance Rate Map located at the community map repository (see below) for exact locations of all BFEs to be changed.

Send comments to William R. Blanton, Jr., Chief, Engineering Management Branch, Mitigation Directorate, Federal Emergency Management Agency, 500 C Street SW., Washington, DC 20472.

ADDRESSES

City of De Pere
Maps are available for inspection at Building Inspection Department, 335 South Broadway, De Pere, WI 54115.

City of Green Bay
Maps are available for inspection at Department of Public Works, Inspection Division, 100 North Jefferson Street, Room 403, Green Bay, WI 54301–5026.

Oneida Tribe
Maps are available for inspection at Village Office, 2990 South Pine Tree Road, Oneida, WI 54155.

Town of Ledgeview
Maps are available for inspection at Building Department, Ledgeview Municipal Building, 3700 Dickinson Road, De Pere, WI 54115.

Unincorporated Areas of Brown County
Maps are available for inspection at Zoning Department, 320 East Walnut, Northern Building, Room 320, Green Bay, WI 54301.

Village of Allouez
Maps are available for inspection at Public Works Department, Municipal Building, 1900 Libal Street, Green Bay, WI 54301–2499.

Village of Ashwaubenon
Maps are available for inspection at Public Works Department, Village Hall, 2155 Holmgren Way, Ashwaubenon, WI 54304.

Village of Bellevue
Maps are available for inspection at Building, Zoning and Development Department, Village Office, 305 East Walnut, Room 320, Green Bay, WI 54311.

Village of Hobart
Maps are available for inspection at Planning Department, Village Office, 2990 South Pine Tree Road, Oneida, WI 54155.

Village of Howard
Maps are available for inspection at Department of Code Administration, Village Hall, 2456 Glendale Avenue, Green Bay, WI 54313.

Village of Pulaski
Maps are available for inspection at Village Clerk's Office, 421 South St. Augustine Street, Pulaski, WI 54162.

Village of Suamico
Maps are available for inspection at Building Inspection Department, Village Hall, 2999 Lakeview Drive, Suamico, WI 54173.

Village of Wrightstown
Maps are available for inspection at Building Inspection Department, Village Hall, 529 Main Street, Wrightstown, WI 54180.

(Catalog of Federal Domestic Assistance No. 97.022, ''Flood Insurance.'')

Dated: January 3, 2008.

David I. Maurstad,

Federal Insurance Administrator of the National Flood Insurance Program, Department of Homeland Security, Federal Emergency Management Agency.

[FR Doc. E8–722 Filed 1–15–08; 8:45 am]

BILLING CODE 9110–12–P

DEPARTMENT OF HOMELAND SECURTIY

Federal Emergency Management Agency

44 CFR Part 67

[Docket No. FEMA–B–7734 & D–7818]

Proposed Flood Elevation Determinations; Correction

AGENCY: Federal Emergency Management Agency, DHS.

ACTION: Proposed rule; correction.

SUMMARY: This document corrects the table to a proposed rule published in the **Federal Register** of September 11, 2007. This correction clarifies the table representing the flooding source(s), location of referenced elevation, the effective and modified elevation in feet and the communities affected for Graham County, North Carolina, and Incorporated Areas; specifically, for flooding source ''Cochran Creek,'' than was previously published.

DATES: Comments are to be submitted on or before February 15, 2008.

ADDRESSES: You may submit comments, identified by Docket No. B–7734 and D–7818, to William R. Blanton, Jr., Chief, Engineering Management Section, Mitigation Directorate, Federal Emergency Management Agency, 500 C Street, SW., Washington, DC 20472, (202) 646–3151, or (e-mail) *bill.blanton@dhs.gov.*

FOR FURTHER INFORMATION CONTACT: William R. Blanton, Jr., Engineering Management Branch, Mitigation Directorate, Federal Emergency Management Agency, 500 C Street, SW., Washington, DC 20472, (202) 646–2903.

SUPPLEMENTARY INFORMATION: The Federal Emergency Management Agency (FEMA) publishes proposed determinations of Base (1-percent-annual-chance) Flood Elevations (BFEs) and modified BFEs for communities participating in the National Flood Insurance Program (NFIP), in accordance with section 110 of the Flood Disaster Protection Act of 1973, 42 U.S.C. 4104, and 44 CFR 67.4(a).

These proposed BFEs and modified BFEs, together with the floodplain management criteria required by 44 CFR 60.3, are the minimum that are required. They should not be construed to mean that the community must change any existing ordinances that are more stringent in their floodplain management requirements. The community may at any time enact stricter requirements of its own, or pursuant to policies established by other Federal, State, or regional entities. These proposed BFEs are used to meet the floodplain management requirements of the NFIP and are also used to calculate the appropriate flood insurance premium rates for new buildings built after these elevations are made final, and for the contents in these buildings.

Correction

In proposed rule FR Doc. E7–17821, beginning on page 51762 in the issue of September 11, 2007, make the following corrections, in the table published under the authority of 44 CFR 67.4. On page 51764, in § 67.4, in the table with center heading Graham County, North Carolina, and Incorporated Areas, the flooding source, location of referenced elevation, the effective and modified elevation in feet and the communities affected for flooding source ''Cochran Creek'', need to be corrected to read as follows:

Flooding source(s)	Location of referenced elevation	* Elevation in feet (NGVD) + Elevation in feet (NAVD) # Depth in feet above ground		Communities affected
		Effective	Modified	
* *	* *	*	*	*
Graham County, North Carolina, and Incorporated Areas				
* *	* *	*	*	*
Cochran Creek	At the confluence with Cheoah River	None	+1,693	Graham County (Unincorporated Areas).
	Approximately 0.4 mile upstream of Cochrans Creek Road (State Road 1250).	None	+1,930	
* *	* *	*	*	*

Dated: January 3, 2008.

David I. Maurstad,

Federal Insurance Administrator of the National Flood Insurance Program, Department of Homeland Security, Federal Emergency Management Agency.

[FR Doc. E8–721 Filed 1–15–08; 8:45 am]

BILLING CODE 9110–12–P

Notices

Federal Register
Vol. 73, No. 11
Wednesday, January 16, 2008

This section of the FEDERAL REGISTER contains documents other than rules or proposed rules that are applicable to the public. Notices of hearings and investigations, committee meetings, agency decisions and rulings, delegations of authority, filing of petitions and applications and agency statements of organization and functions are examples of documents appearing in this section.

DEPARTMENT OF AGRICULTURE

Office of the Secretary

Provincial Advisory Committees

AGENCY: Office of the Secretary, USDA.

ACTION: Notice of intent to renew the Provincial Advisory Committee.

SUMMARY: The Department of Agriculture, in consultation with the Department of the Interior, intends to renew the Provincial Advisory Committees (PACs) for the five provinces in California, Oregon, and Washington. This renewal is in response to the continued need for the PACs to provide advice on coordinating the implementation of the Record of Decision (ROD) of April 13, 1994, for Management of Habitat for Late-Successional and Old-Growth Forest Related Species Within the Range of the Northern Spotted Owl. The PACs also provide advice and recommendations to promote integration and coordination of forest management activities between Federal and non-Federal entities.

ADDRESSES: Copies of the April 13, 1994, Record of Decision can be obtained electronically at *http://www.reo.gov/library/reports/newsandga.pdf*. Paper copies can be obtained from the Office of Strategic Planning, P.O. Box 3623, Portland, OR 97208.

FOR FURTHER INFORMATION CONTACT: Geraldine Bower, Planning Specialist, Ecosystem Management Coordination Staff, Forest Service, USDA (202) 205–1022.

SUPPLEMENTARY INFORMATION: Pursuant to the Federal Advisory Committee Act (5 U.S.C. App.), notice is hereby given that the Department of Agriculture, in consultation with the Department of the Interior, intends to renew the Provincial Advisory Committees (PACs), which will advise the Provincial Interagency Executive Committee (PIEC). The purpose of the PIEC is to facilitate the coordinated implementation of the ROD of April 13, 1994, for Management of Habitat for Late-Successional and Old-Growth Forest Related Species Within the Range of the Northern Spotted Owl. The PIEC consists of representatives of the following Federal agencies: Forest Service, Natural Resources Conservation Service, Bureau of Indian Affairs, Bureau of Land Management, National Marine Fisheries Service, National Park Service, U.S. Fish and Wildlife Service, U.S. Geological Survey Biological Resources Division, Environmental Protection Agency, and U.S. Army Corps of Engineers.

Ecosystem management at the province level requires improved coordination among governmental entities responsible for land management decisions and the public those agencies serve. Each PAC will provide advice and recommendations regarding implementation to promote integration and coordination of forest management activities between Federal and non-Federal entities. Each PAC will provide advice regarding implementation of a comprehensive ecosystem management strategy for Federal land within a province (provinces are defined in the ROD at E19).

The chair of each PAC will alternate annually between representatives of the Forest Service and the Bureau of Land Management. When the Bureau of Land Management is not represented on the PIEC, the Forest Service representative will serve as chair. The chair, or a designated agency employee, will serve as the Designated Federal Officer under sections 10(e) and (f) of the Federal Advisory Committee Act (5 U.S.C. App.). Any vacancies on the committee will be filled in the manner in which the original appointment was made.

A meeting notice will be published in the **Federal Register** within 15 to 45 days before a scheduled meeting date. All meetings are generally open to the public and may include a ''public forum'' that may offer 5–10 minutes for participants to present comments to the advisory committee. Alternates may choose not to be active during this session on the agenda. The chair of the given committee ultimately makes the decision whether to offer time on the agenda for the public to speak to the general body.

Renewal of the PACs does not require an amendment of Bureau of Land Management or Forest Service planning documents because the renewal does not affect the standards and guidelines or land allocations. The Bureau of Land Management and Forest Service will provide further notice, as needed, for additional actions or adjustments when implementing interagency coordination, public involvement, and other aspects of the ROD.

Equal opportunity practices will be followed in all appointments to the advisory committee. To ensure that the recommendations of the PACs have taken into account the needs of diverse groups served by the Departments, membership will, to the extent practicable, include individuals with demonstrated ability to represent minorities, women, and persons with disabilities.

Dated: November 28, 2007.

Boyd Rutherford,

Assistant Secretary for Administration.

[FR Doc. E8–663 Filed 1–15–08; 8:45 am]

BILLING CODE 3410–11–P

DEPARTMENT OF AGRICULTURE

Forest Service

Information Collection; Forest Products Removal Permits and Contracts

AGENCY: Forest Service, USDA.

ACTION: Notice; Request for comment.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995, the Forest Service is seeking comments from all interested individuals and organizations on the extension of a currently approved information collection, Forest Products Removal Permits and Contracts.

DATES: Comments must be received in writing on or before March 17, 2008 to be assured of consideration. Comments received after that date will be considered to the extent practicable.

ADDRESSES: Comments concerning this notice should be addressed to Director, Forest Management Staff, Forest Service, U.S. Department of Agriculture, Mail Stop 1103, 1400 Independence Avenue, SW., Washington, DC 20250.

Comments also may be submitted via facsimile to 202–205–1045 or by e-mail to *forest_products_forms@fs.fed.us*.

The public may inspect comments received at the Forest Management Staff Office, Third Floor, Southwest Wing, Yates Building, 201 14th Street, SW., Washington, DC. Visitors are encouraged to call ahead to 202–205–1766 to facilitate entrance into the building.

FOR FURTHER INFORMATION CONTACT: Sharon Nygaard-Scott, Forest Management Staff, at 202–205–1766, or Richard Fitzgerald, Forest Management Staff, at 202–205–1753. Individuals who use telecommunication devices for the deaf (TDD) may call the Federal Relay Service (FRS) at 1–800–877–8339, 24 hours a day, every day of the year, including holidays.

SUPPLEMENTARY INFORMATION:

Title: Forest Products Removal Permits and Contracts.

OMB Number: 0596–0085.

Expiration Date of Current Approval: August 31, 2008.

Type of Request: Extension.

Abstract: Under 16 U.S.C. 551, individuals planning to remove forest products from the National Forests must obtain a permit. To obtain a permit, applicants must meet the criteria at 36 CFR 223.1, 223.2, and 223.5–223.13, which authorizes free use or sale of timber or forest products. Upon receiving a permit, the permittee must comply with the terms of the permit (36 CFR 261.6), which designates forest products that can be harvested and under what conditions, such a limiting harvest to a designated area or permitting harvest of only specifically designated material. The collected information will help the Forest Service and the Bureau of Land Management (for form FS–2400–1) oversee the approval and use of forest products by the public.

When applying for forest product removal permits, applicants (depending on the products) must complete one of the following:

- FS–2400–1, Forest Products Removal Permit and Cash Receipt, is used to sell timber or forest products such as fuel wood, Christmas trees, or pine cones (36 CFR 223.1, 223.2). The Bureau of Land Management (BLM) and the Forest Service share this form, which the Bureau of Land Management identifies as BLM–5450–24 (43 U.S.C. 1201, 43 CFR 5420).
- FS–2400–4, Forest Products Contract and Cash Receipt, is used to sell timber products such as saw timber or forest products such as fuel wood.
- FS–2400–8, Forest Products Free Use Permit, allows use of timber or forest products at no charge to the permittee (36 CFR 223.5–223.13).

Each form listed above implements different regulations and has different provisions for compliance, but collects similar information from the applicant for related purposes.

The Forest Service and the Bureau of Land Management will use the information collected on form FS–2400–1 to ensure identification of permittees in the field by agency personnel. The Forest Service will use the information collected on forms FS–2400–4 and FS–2400–8 to:

- Ensure that permittees obtaining free use of timber or forest products qualify for the free-use program and do not receive product value in excess of that allowed by regulations (36 CFR 223.8).
- Ensure that applicants purchasing timber harvest or forest products permits non-competitively do not exceed the authorized limit in a fiscal year (16 U.S.C. 472 (a)).
- Ensure identification of permittees in the field by Forest Service personnel.

Applicants may apply for more than one forest products permit or contract a year. For example, an applicant may obtain a free use permit for a timber product such as pinecones (FS–2400–8) and still purchase fuel wood (FS–2400–4).

Individuals and small business representatives usually request and apply for permits and contracts in person at the office issuing the permit. Applicants provide the following information:

- Name.
- Address.
- Personal identification number such as tax identification number, social security number, driver's license number, or other unique number identifying the applicant.

Agency personnel enter the information into a computerized database to use for subsequent requests by individuals and businesses for a forest product permit or contract. The information is printed on paper, which the applicant signs and dates. Agency personnel discuss the terms and conditions of the permit or contract with the applicant.

The data gathered is not available from other sources. The collected data is used to ensure that applicants for free use permits meet the criteria for free use of timber or forest products authorized by regulations at 36 CFR 223.5–113.13; and that applicants seeking to purchase and remove timber of forest products from Agency lands meet the criteria under which sale of timber or forest products is authorized by regulations at 36 CFR 223.80, and to ensure that permittees comply with regulations and terms of the permit at 36 CFR 261.6.

The collection of this information is necessary to ensure that applicants meet the requirements of the forest products program; those obtaining free-use permits for forest products qualify for the program; applicants purchasing non-competitive permits to harvest forest products do not exceed authorized limits; and that Federal Agency employees can identify permittees when in the field.

Estimate of Annual Burden: 5 minutes.

Type of Respondents: Individuals and small businesses.

Estimated Annual Number of Respondents: 207,600.

Estimated Annual Number of Responses per Respondent: 2.

Estimated Total Annual Burden on Respondents: 34,600.

Comment is invited on: (1) Whether this collection of information is necessary for the stated purposes and the proper performance of the functions of the Agency, including whether the information will have practical or scientific utility; (2) the accuracy of the Agency's estimate of the burden of the collection of information, including the validity of the methodology and assumptions used; (3) ways to enhance the quality, utility, and clarity of the information to be collected; and (4) ways to minimize the burden of the collection of information on respondents, including the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology.

All comments received in response to this notice, including names and addresses when provided, will be a matter of public record. Comments will be summarized and included in the submission request toward Office of Management and Budget approval.

Dated: January 7, 2008.

Anne J. Zimmerman

Associate Deputy Chief, National Forest System.

[FR Doc. E8–604 Filed 1–15–08; 8:45 am]

BILLING CODE 3410–11–P

DEPARTMENT OF AGRICULTURE

Forest Service

Lake Tahoe Basin Management Unit, California, South Shore Fuel Reduction and Healthy Forest Restoration EIS/EIR

AGENCY: Forest Service, USDA.

ACTION: Notice of intent to prepare a joint environmental impact statement/report.

SUMMARY: Notice is hereby given that the USDA Forest Service, Lake Tahoe Basin Management Unit (LTBMU), together with the Lahontan Regional Water Quality Control Board will prepare a joint Environmental Impact Statement (EIS/EIR) and Environmental Inpact Report (EIR) to disclose the impacts associated with the following proposed action: Reduction of hazardous fuels and restoration of healthy forest conditions on approximately 12,500 acres within the South Shore area of the LTBMU, extending from the southeast shore of Cascade Lake eastward to the border between the States of California and Nevada and extending from the southern shore of Lake Tahoe southward to include the California State Highway 89 corridor.

This project is proposed under authority of the Healthy Forest Restoration Act of 2003. The Forest Service is the lead Federal agency for the preparation of this EIS/EIR in compliance with the National Environmental Policy Act (NEPA) and all other applicable laws, executive orders, regulations, and direction. The Lahontan Regional Water Quality Control Board (LRWQCB) is the lead State of California agency for the preparation of the EIS/EIR in compliance with the California Environmental Quality Act (CEQA), and all other applicable laws and regulations. Both agencies have determined an EIS/EIR is needed to effectively analyze the proposal and evaluate impacts.

Reduction of hazardous fuels would be accomplished by thinning to remove ladder fuels and reduce over-crowding in forest stands, removal of excessive fuel loads on the ground, mastication, chipping, and prescribed burning. Resoration of Healthy forest conditions would be accomplished by removal of conifer encroachement from meadows and aspen stands, retention of Jeffrey and sugar pine species to restore a historic species mix more resistant to fire, and thinning to improve resistance to crown fire, drought, insects, and disease.

DATES: The comment period on the proposed action will extend 30 days from the date this Notice of Intent is published in the **Federal Register**. Because there have been no changes to the proposed action since it was initially scoped in July 2007, previously submitted comments on this project will be retained; those who previously submitted comments on this project need not repeat their comments.

Completion of the joint Draft Environmental Impact Statement/Draft Environmental Impact Report (DEIS/DEIR) is expected in April 2008 and the Final Environmental Impact Statement/Final Environmental Impact Report (FEIS/FEIR) is expected in August 2008.

ADDRESSES: Send written comments to South Shore Project, Lake Tahoe Management Unit, 35 College Drive, South Lake Tahoe, CA 96150. Electronic comments must be submitted in a format such as an email message, plain text (.txt), rich text format (.rtf), or Word (.doc) to *comments-pacificsouthwest-ltbmu@fs.fed.us*.

FOR FURTHER INFORMATION CONTACT: Requests for copies of the Proposed Action or further information may be addressed to South Shore Project, Lake Tahoe Basin Management Unit, 35 College Drive, South Lake Tahoe, CA 96150. Telephone or e-mail contacts for the project are the Interdisciplinary Team Co-leaders: Duncan Leao (phone 530–543–2660, e-mail *dleao@fs.fed.us*); or Sue Rodman, (phone 530–621–5298, e-mail *srodman@fs.fed.us*). The complete proposed action, including a map of proposed treatment areas, is available on the LTBMU Web site, at *http://www.fs.fed.us/r5/ltbmu/projects*, under South Shore Fuels Reduction and Healthy Forest Restoration Project Proposed Action—July 2007.

SUPPLEMENTARY INFORMATION: This proposal was developed through coordination and collaboration with the Washoe Tribe of Nevada and California, the City of South Lake Tahoe Fire Department, Lake Valley Fire Protection District, Tahoe Douglas Fire Protection District, Fallen Leaf Fire Department, Lahontan Regional Water Quality Control Board (LRWQCB), Tahoe Regional Planning Agency (TRPA), and the public during February and March of 2007. The Proposed action was mailed to interested and affected parties in July of 2007. Field trips to a series of 3 sites for an on-the-ground look at types of areas proposed to receive fuel treatments by the South Shore Fuel Reduction and Healthy Forest Restoration project were hosted by members of the Interdiciplinary Team on a Tuesday and a Saturday in August of 2007, along with an evening open house to provide the public an opportunity to ask questions and gather information about this project.

It is clear that existing conditions within the project area have the potential for fire to spread rapidly within the wildland urban intermix (WUI), communities, infrastructure, and other natural resources. Without treatment, hazardous fuels will increase annually, adding to an already high risk for catastrophic wildfire. This proposal will reduce fuel hazards and restore ecosystem health through vegetation treatments. All of the proposed treatment areas are within the WUI, in close proximity to homes, communities, and vital egress routes. Over 80 percent of the proposed treatments are within the WUI Defense Zone, defined as the zone within approximately a quarter mile of the places where people live and work. A primary objective of these fuel treatments would be reduction of hazardous fuels in order to change fire behavior, resulting in lower fire intensity and reduced rates of spread. While it is not possible to eliminate wildfire from the Sierra Nevada ecosystem, effective hazardous fuel reduction provides defensible space where fire suppression crews can work to reduce wildfire threat to communities. Streamside environment zones (SEZ) need thinning of live trees and removal of dead trees and hazardous ground fuels to reduce the potential for negative effects of a catastrophic wildfire in these environmentally sensitive areas. Wildlife habitat for sensitive species such as California spotted owl, Northern goshawk, osprey, and bald eagle are currently at risk for loss due to wildfire, and would benefit from thinning to change fire behavior while retaining forest habitat structure characteristics needed for wildlife. Providing healthy wildlife habitat and restoration of a forest structure with increased resistance to drought, disease, and insects are objectives that also reduce tree mortality and the rate of hazardous fuel build-up. Treatment prescriptions would modify fire behavior, provide defensible space for adjoining developed private lands, and where applicable, restore riparian vegetation communities (meadows, aspen stands, willow, etc.) through the removal of encroaching conifers. Urban lots owned by the National Forest System exhibit the same fuel loads and need for treatment as other areas in the Lake Tahoe Basin. Removal of hazardous fuels and thinning of dense stands is needed to reduce the potential for catastrophic wildfire and to provide defensible space for private land adjoining these urban lots. Urban lots with stream environment zones (SEZ) where conifer encroachment and fuels build up exists, and urban parcels in excess of 5 acres contiguous land base are included for treatment in the South Shore project area. No activities are

proposed within Wilderness, and treatments would not create any new roads in Inventoried Roadless Areas.

Purpose and Need for Action

The following needs have been identified for this proposal:

1. There is a need for defensible space adjacent to communities in the South Shore area where fire suppression operations can be safely and effectively conducted in order to protect homes and communities from wildfires. (Fire Planning Process for the Urban-Wildland Interface in the City of South Lake Tahoe (Citygate Associates 2004); Community Wildfire Protection Plan for Lake Valley Fire Protection District, 2004; Community Wildfire Protection Plan for Fallen Leaf Fire Department, 2004, Community Wildfire Protection Plan for Tahoe-Douglas Fire Protection District, 2004; Lake Tahoe Watershed Assessment, USDA Pacific Southwest Research Station General Technical Report 175, 2000; South Shore Watershed Assessment, USDA Forest Service, 2004; Fuel Reduction and Forest Restoration for the Lake Tahoe Basin Wildland Urban Interface, Tahoe Regional Planning Agency, 2007).

2. There is a need for restoration of forest health in the South Shore area where stands of trees have become overly dense and surface fuels have accumulated to such a degree that uncharacteristic wildfires with sustained crown fire and long range spotting could quickly develop causing severe resource damage and threatening human life and property. In addition, overly dense forest stands often suffer stress from drought and competition for nutrients, which subjects them to widespread forest dieback from insects and diseases.

3. There is a need for restoration of meadows and aspen stands in the South Shore area in order to reduce the potential for catastrophic wildfire to spread through these areas, promote maintenance of meadows and aspen stands consistent with the TRPA and Pacific Southwest Research Station ''Aspen Community Mapping and Condition Assessment Report'' (USDA Forest Service, PSW–GTR–185), and provide wildlife habitat for species that are dependent on meadows and/or aspen.

In meeting the aforementioned needs the proposed action must also achieve the following purposes:

1. Meet wildlife habitat condition requirements for sensitive species of native (and desired non-native, for example rainbow trout) plants and animals, consistent with the Forest Plan and TRPA goshawk disturbance zones.

2. Achieve management direction in the LTBMU Management Plan as amended by the Sierra Nevada Forest Plan Amendment where the ''desired condition'' is for forests that ''are fairly open and dominated primarily by larger, fire tolerant trees'' within the WUI.

3. Assure that treatments in streamside environment zones (SEZs) favor riparian species while providing for large woody debris recruitment and stream shading needs.

4. Meet Water Quality Standards in the Water Quality Control Plan for the Lahontan Region.

5. Meet scenic quality objectives and stabilize scenic resources over the long-term in concert with achieving the desired conditions of stands that ''are fairly open and dominated primarily by larger, fire tolerant trees.''

6. Meet air quality standards for the Lake Tahoe basin.

7. Prevent post-treatment establishment of user-created motorized or non-motorized routes or trails.

8. Address public safety during implementation of the project.

Proposed Action

The South Shore Fuels Reduction and Healthy Forest Restoration Project (South Shore project) would implement vegetative treatments to modify dense vegetation conditions on National Forest System lands within the project area, including Forest Service owned urban parcels containing Stream Environment Zones (SEZs) or parcels in excess of 5 contiguous acres in size. The South Shore project would use vegetative treatments to help restore a healthy, diverse, fire-resilient forest structure by reducing stand densities and fuel loads. The desired vegetative and fuels conditions would be stand densities that are within a range of 100–150 square feet basal area per acre. Treatments would retain tree species that are more drought-tolerant, and resistant to insects, diseases, and air pollution. Treatments would also retain tree species that have higher rates of survival after wildfire. Desired surface and ladder fuels would be less than 15 tons per acre so that the probability of crown fire ignition is reduced. The openness and discontinuity of crown fuels both horizontally and vertically would result in low probability of sustained crown fire. Within the 21 watersheds in the South Shore project area (90,000 acres), approximately 12,000 acres would be prioritized for treatment based on their proximity to places where people live and work (Defense and Threat Zones of the WUI). Existing fuel hazard levels, and other resource concerns such as watershed recovery, wildlife habitat requirements, and visual quality objectives will also factor into prioritization. Mechanical or hand fuels treatments are selected based on soil type, slope, and water quality concerns such as delivery of sediments to surface water. Treatment methods would include: Whole tree yarding, cut-to-length, biomass chipping, mastication, and prescribed burning, depending on the vegetation removal needs. Prescribed burning would be used to reduce fuels, remove slash created by treatment activities, and to re-introduce fire's ecological function. Scheduling of prescribed burn activities would comply with air quality standards and restrictions. Riparian conservation areas (RCAs), SEZs, meadows, and aspen stands needing fuels treatments would be evaluated for mechanical treatments, or would receive hand treatments. Treatment options would consider ground based mechanical treatments whenever slope, soils, and access allow (including SEZ areas).

Mechanical and hand thinning of both uplands and SEZs in National Forest urban lots would follow the same design features as described for vegetation and fuels objectives. Hand thinning of urban lots may remove trees up to 30'' diameter at breast height (DBH) where necessary to meet fuels objectives and fuelwood utilization is feasible. On urban lots where fuelwood access is limited or impossible, hand thinning would be limited to trees up to 14″ DBH. Due to the close proximity of homes, roads, utilities and other improvements associated with development adjacent to urban lots, dead, dying, and diseased trees of all sizes often present a hazard to life and property. All trees identified as a hazard to life and property on National Forest urban lots would be removed regardless of diameter, including trees greater than 30″ DBH.

Sensitive plant locations would be flagged for avoidance where they may be negatively affected by project activities, buffered from mechanized equipment, and treated by hand to reduce hazardous fuels. Burn piles would not be located within the flagged sensitive plant area. Treat or flag noxious weed locations for avoidance where feasible prior to project implementation. Noxious weed prevention practices, such as washing equipment if the previous location is either unknown or is infested with weeds, would be implemented in compliance with the state and SNFPA (2004) standards.

Hazardous fuel reduction treatments are designed for WUI wildlife habitat areas to meet fuel objectives to change fire behavior and retain needed habitat

charcteristics. Within northern goshawk Protected Activity Centers (PACs) and California spotted owl PACs fuel treatements are designed to result in at least: (1) Two tree canopy layers; (2) dominant and co-dominant trees with average diameters of 24 inches DBH; (3) 60 to 70 percent canopy cover; (4) an average of five to eight snags per acre larger than 20 inches DBH and of variable decay classes; and (5) 15 tons of coarse woody debris (CWD) per acre larger than 20 inches in diameter (at the large end) and of variable decay classes. Within California spotted owl Home Range Core Areas (HRCAs), and TRPA goshawk disturbance zones fuel reduction treaments are designed to result in at least: (1) Two tree canopy layers; (2) dominant and co-dominant trees with average diameters of 24 inches DBH; (3) 50 to 70 percent canopy cover; (4) an average of three to six snags per acre larger than 20 inches DBH and of variable decay classes; and (5) 10 tons of coarse woody debris per acre larger than 20 inches in diameter (at the large end) and of variable decay classes. Within TRPA bald eagle wintering habitat area located near Taylor Creek and Tallac Creek adjacent to wetland, wet meadow, and open water habitats, fuel reduction treatments are designed to result in: (1) Late successional forest type, with an emphasis on Jeffrey pine-dominated stands; (2) retention of trees that are larger in diameter and taller than the dominant tree canopy, with an emphasis on trees greater than 40 inches DBH and greater than 98 feet tall and on dead topped trees with robust, open branch structures; (3) an average of six snags per acre larger than 20 inches DBH and of variable decay classes. Within osprey habitats adjacent to Fallen Leaf Lake and Lower Echo Lake fuel reduction treatments are designed to result in: (1) Retention of all known standing osprey nest trees; and (2) retention of an average of three trees per acre that are larger in diameter and taller than the dominant tree canopy, with an emphasis on dead topped trees with robust, open branch structures.

Within streamside zones with an overload of standing and down fuels, such as stream reaches that exceed 75% stream shading from dead and down or ladder fuels, hazardous fuel reduction is designed to maintain sufficient shade to ensure that daily mean water temperatures do not increase. Shaded bank conditions on trout streams would be maintained by retaining at least 50% of the stream bank site potential for herbaceous and shrub cover and at least 25% of the site potential for tree cover. Where natural tree cover is less than 20%, 80% of the potential would be retained. Thirty-five to 70% of the stream would be shaded from 11 a.m. to 4 p.m. Large woody debris would remain in place unless stream channel stability needs dictate removal, and for streams lacking large woody debris for fish habitat, trees larger than 12″ DBH would be placed into the stream in locations prescribed by the LTBMU Fisheries Biologist.

Mechanical treatments in RCAs/SEZs are designed to occur at the time of year when soils are sufficiently dry and to avoid impacts to fish migration and/or spawning. Mechanical treatment techniques that are successful in the Heavenly Valley Creek SEZ Demonstration project, the Celio Ranch Project (private land), or other successful projects that occur in RCAs and SEZs would be used for South Shore SEZ areas. Use of equipment that is lighter on the land, rubber-tired equipment, equipment that operates on a bed of slash, and other innovative technologies would reduce impacts to soils. Best Management Practices would be implemented during project activities. Burn piles would be located outside of SEZs. Fuel reduction activities are scheduled to reduce the Risk Ratio by providing watershed recovery time between treatments within the same watersheds.

Within areas of greater than 30 percent slope or soils too wet to withstand mechanical equipment, hand treatments would be used in RCAs/SEZs needing fuels treatments. Mechanical equipment use would not be allowed in and adjacent to special aquatic features (springs, seeps, vernal pools, fens, and marshes); hand treatments would be used in these areas.

Chipping and/or mastication would be used to provide soil cover for bare areas such as temporary roads and landings. Heavy equipment operations would be limited to dry soils, and extensive areas of detrimentally compacted soils (temporary roads and large landings) would be treated to reduce compaction. Mechanical treatments would be used to reduce upland hazardous fuels on slopes generally less than 30% and less sensitive soils, while hand treatments would be used to reduce hazardous fuels on slopes generally greater than 30% and sensitive soils. Prescribed fire would be planned to avoid fire intensity and duration resulting in detrimentally burned soils.

No new permanent road construction would occur. Roads would be maintained and/or restored to Forest Service standards needed to support equipment and trucks needed for activities as well as to protect soil and water quality resources from the impacts of equipment use. Some temporary road construction would be needed. Road BMPs would be implemented during and at the conclusion of project activities. At the conclusion of the project, temporary roads, skid trails, and landings would be closed and stabilized to provide drainage and prevent water accumulation on the roadbed and sedimentation into stream channels.

Barriers along open areas adjacent to road or trail access (i.e. boulders, split rail fence) and signs would be strategically established to prevent post-treatment establishment of user-created routes within treatment areas. Schedule treatment timing to minimize user disturbance from fuel treatments on Forest Service lands within and surrounding special use permit properties, and avoid peak visitor use recreation times in developed recreation areas, when practical. For public safety, temporary area closures to recreation access would be implemented while fuel reduction activities are in progress. Environmental education and notification of area closures would be provided to the public for the project.

To protect historic and pre-historic heritage resources, discrete sites would be flagged for mechanical equipment avoidance. Heritage sites would receive hand treatments to reduce hazardous fuels. In order to preserve arborglyphs, conifer invasion in aspen stands would be reduced, and arborglyphs would be protected during prescribed fire.

Fuel treatments would be used to increase scenic viewing opportunities where existing fuels concentrations prevent attractive views, for example, views of meadows, views of Lake Tahoe, and views of aspen. Cover would be placed on landings, temporary roads, or other cleared areas to blend these areas visually into the surrounding landscape at completion of the project. Fuel reduction treatments would be scheduled to disperse visual impacts both over time and spatially in the landscape. Within foreground views from major travel routes, cut stump heights would be low and burn piles would be located to minimize their visibility. Fuel reduction would be designed to maintain visual variety in the landscape while meeting goals to change wildfire behavior.

Possible Alternatives

Implementation of the South Shore Project would occur entirely within the Wildland Urban Interface of at-risk communities as defined under the

Healthy Forest Restoration Act of 2003 (PL 108–148; 16 U.S.C. 6501 *et seq.*). The proposed action and no action alternatives are currently being considered, consistent with section 104(c).

Lead and Cooperating Agencies

The USDA Forest Service and the LWQCB will be joint lead agencies in accordance with 40 CFR 1501.5(b), and are responsible for the preparation of the EIS/EIR. The Forest Service will serve as the lead agency under NEPA. The LWQCB will serve as the lead agency under CEQA.

Responsible Official

The Forest Service responsible official for the preparation of the EIS/EIR is Terri Marceron, Forest Supervisor, Lake Tahoe Basin Management Unit, 35 College Drive, South Lake Tahoe, CA 96150.

Nature of Decision To Be Made

The Forest Supervisor for the LTBMU will decide whether to adopt and implement the proposed action, an alternative to the proposed action, or take no action to reduce hazardous fuels and restore healthy forest conditions on approximately 12,500 acres in the South Shore area of the LTBMU. Once the decision is made, the LTBMU will publish a record of decision to disclose the rationale for selection of an alternative for implementation.

Scoping Process

The Forest Service has been and will continue to seek information, comments, and assistance from federal, state, and local agencies and other individuals or organizations who may be interested in or affected by the proposed action. The proposed action was originally mailed to interested and affected parties in July of 2007. During this initial scoping phase, it was determined that this proposal could have significant effects on the human environment. Therefore the responsible official elected to prepare a joint environmental impact statement/ environmental impact report in accordance with the National Environmental Policy Act (NEPA), and the California Environmental Quality Act (CEQA). In accordance with 40 CFR 1501.7—Scoping, publication of this notice of intent precedes the scoping period for an EIS/EIR. However, since there have been no changes to the proposed action since it was initially scoped in July 2007, those who previously submitted comments on this project need not resubmit them. Scoping comments submitted previously on this project will be retained and treated the same as those received subsequent to this notice.

One joint Forest Service and Lahontan Water Quality Control Board scoping meeting is scheduled for January 23, 2008 from 10 a.m. to noon in the Board Room at Lake Tahoe Community College, 1 College Dr., South Lake Tahoe, CA.

The notice of intent is expected to be published in the **Federal Register** on January 18, 2008. The comment period on the proposed action will extend 30 days from the date the notice of intent is published in the **Federal Register**. The draft environmental impact statement/draft environmental impact report is expected to be filed with the Environmental Protection Agency (EPA) and to be available for public review by April 2008. EPA will publish a notice of availability of the draft EIS/EIR in the **Federal Register**. The comment period on the draft EIS/EIR will extend 45 days from the date the EPA notice appears in the **Federal Register**. At that time, copies of the draft EIS/EIR will be distributed to interested and affected agencies, organizations, and members of the public for their review and comment. It is very important that those interested in the management of the Lake Tahoe Basin Management Unit participate at that time. The final EIS/ EIR is scheduled to be completed in August 2008. In the final EIS/EIR, the Forest Service is required to respond to substantive comments received during the comment period that pertain to the environmental consequences discussed in the draft EIS/EIR and applicable laws, regulations, and policies considered in making the decision. Substantive comments are defined as ''comments within the scope of the proposed action, specific to the proposed action, and have a direct relationship to the proposed action, and include supporting reasons for the responsible official to consider'' (36 CFR 215.2). Submission of substantive comments is a prerequisite for eligibility to object under the Healthy Forest Restoration Act of 2003.

Permits or Licenses Required

Lahontan Water Quality Control Board—2007 Timber Waiver and/or Permit for Waste Discharge.

Comment Requested

This notice of intent initiates the scoping process which guides the development of the environmental impact statement. In accordance with the Healthy Forest Restoration Act (HFRA) of 2003 (Pub. L. 108–148; 16 U.S.C. 6501 *et seq.*), this project is subject to a special administrative review process whereby a person may seek relief for issues concerning this proposal before the responsible official makes her final decision. To be eligible to request an administrative review, a person must comment during scoping or the public comment period on the draft environmental impact statement by providing specific written comments that relate to the proposed action.

Early Notice of Importance of Public Participation in Subsequent Environmental Review

A draft environmental impact statement will be prepared for comment. The draft environmental impact statement is expected to be filed with the Environmental Protection Agency (EPA) and to be available for public review by April 2008. EPA will publish a notice of availability of the draft EIS/ EIR in the **Federal Register**. The comment period on the draft EIS/EIR will extend 45 days from the date the EPA notice appears in the **Federal Register**. At that time, copies of the draft EIS/EIR will be distributed to interested and affected agencies, organizations, and members of the public for their review and comment. It is very important that those interested in the management of the Lake Tahoe Basin Management Unit participate at that time.

The Forest Service believes, at this early stage, it is important to give reviewers notice of several court rulings related to public participation in the environmental review process. First, reviewers of draft environmental impact statements must structure their participation in the environmental review of the proposal so that it is meaningful and alerts an agency to the reviewer's position and contentions. *Vermont Yankee Nuclear Power Corp.* v. *NRDC,* 435 U.S. 519, 553 (1978). Also, environmental objections that could be raised at the draft environmental impact statement stage but that are not raised until after completion of the final environmental impact statement may be waived or dismissed by the courts. *City of Angoon* v. *Hodel,* 803 F.2d 1016, 1022 (9th Cir. 1986) and *Wisconsin Heritages, Inc.* v. *Harris,* 490 F. Supp. 1334, 1338 (E.D. Wis. 1980). Because of these court rulings, it is very important that those interested in this proposed action participate by the close of the 45 day comment period so that substantive comments and objections are made available to the Forest Service at a time when it can meaningfully consider them and respond to them in the final environmental impact statement.

To assist the Forest Service in identifying and considering issues and concerns on the proposed action, comments on the draft environmental impact statement should be as specific as possible. It is also helpful if comments refer to specific pages or chapters of the draft statement. Comments may also address the adequacy of the draft environmental impact statement or the merits of the alternatives formulated and discussed in the statement. Reviewers may wish to refer to the Council on Environmental Quality Regulations for implementing the procedural provisions of the National Environmental Policy Act at 40 CFR 1503.3 in addressing these points. Comments received, including the names and addresses of those who comment, will be considered part of the public record on this proposal and will be available for public inspection.

(Authority: 40 CFR 1501.7 and 1508.22; Forest Service Handbook 1909.15, Section 21)

Dated: January 8, 2008.

Terri Marceron,

LTBMU Forest Supervisor.

[FR Doc. E8–668 Filed 1–15–08; 8:45 am]

BILLING CODE 3410–11–P

AMERICAN BATTLE MONUMENTS COMMISSION

SES Performance Review Board

AGENCY: American Battle Monuments Commission.

ACTION: Notice.

SUMMARY: Notice is hereby given of the appointment of members of the ABMC Performance Review Board.

FOR FURTHER INFORMATION CONTACT: Theodore Gloukhoff, Director of Personnel and Administration, American Battle Monuments Commission, Courthouse Plaza II, Suite 500, 2300 Clarendon Boulevard, Arlington, Virginia, 22201–3367, Telephone Number: (703) 696–6908.

American Battle Monuments Commission SES Performance Review Board

Mr. Wilbert Berrios, Director, Corporate Information, U.S. Army Corps of Engineers

Mr. Michael Ensch, Chief, Operations and Regulatory CoP, U.S. Army Corps of Engineers

Mr. Mohan Singh, Chief, Interagency & International Services Division, U.S. Army Corps of Engineers

Ms. Kristine Allaman, Chief, Installation Support Division, U.S. Army Corps of Engineers

Theodore Gloukhoff,

Director, Personnel and Administration.

[FR Doc. E8–617 Filed 1–15–08; 8:45 am]

BILLING CODE 6120–01–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–427–801, A–428–801, A–475–801, A–588–804, A–412–801]

Ball Bearings and Parts Thereof From France, Germany, Italy, Japan, and the United Kingdom: Extension of Time Limit for Preliminary Results of Antidumping Duty Administrative Reviews

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

DATES: *Effective Date:* January 16, 2008.

FOR FURTHER INFORMATION CONTACT: Yang Jin Chun or Richard Rimlinger, AD/CVD Operations, Office 5, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482–5760 or (202) 482–4477, respectively.

SUPPLEMENTARY INFORMATION:

Background

At the request of interested parties, the Department of Commerce (the Department) initiated administrative reviews of the antidumping duty orders on ball bearings and parts thereof from France, Germany, Italy, Japan, and the United Kingdom for the period May 1, 2006, through April 30, 2007. See *Initiation of Antidumping and Countervailing Duty Administrative Reviews, Request for Revocation in Part and Deferral of Administrative Review,* 72 FR 35690 (June 29, 2007). On November 16, 2007, we rescinded in part the administrative reviews of the antidumping duty orders on ball bearings and parts thereof from France, Germany, Japan, and the United Kingdom. See *Ball Bearings and Parts Thereof from France, Germany, Italy, Japan, and the United Kingdom: Notice of Partial Rescission of Antidumping Duty Administrative Reviews,* 72 FR 64577 (November 16, 2007). The preliminary results of the reviews still underway are currently due no later than January 31, 2008.

Extension of Time Limit for Preliminary Results

Section 751(a)(3)(A) of the Tariff Act of 1930, as amended (the Act), requires the Department to make a preliminary determination within 245 days after the last day of the anniversary month of an order for which a review is requested and a final determination within 120 days after the date on which the preliminary determination is published. If it is not practicable to complete the review within these time periods, section 751(a)(3)(A) of the Act allows the Department to extend the time limit for the preliminary determination to a maximum of 365 days after the last day of the anniversary month.

We determine that it is not practicable to complete the preliminary results of these reviews within the original time limit because of the number of respondents covered by these reviews and complex issues involving, *inter alia,* several respondents' recent changes in corporate structure. Therefore, we are extending the time period for issuing the preliminary results of these reviews by 75 days until April 15, 2008.

This notice is published in accordance with section 751(a)(3)(A) of the Act and 19 CFR 351.213(h)(2).

Dated: January 10, 2008.

Stephen J. Claeys,

Deputy Assistant Secretary for Import Administration.

[FR Doc. E8–673 Filed 1–15–08; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–201–820]

Fresh Tomatoes From Mexico

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

ACTION: Notice of termination of suspension agreement, termination of five-year sunset review, and resumption of antidumping investigation: Fresh Tomatoes from Mexico.

EFFECTIVE DATE: January 18, 2008.

SUMMARY: On November 26, 2007, Mexican tomato growers/exporters accounting for a significant percentage of all fresh tomatoes imported into the United States from Mexico provided written notice to the Department of Commerce of their withdrawal from the agreement suspending the antidumping investigation on fresh tomatoes from Mexico. Because the suspension agreement will no longer cover

substantially all imports of fresh tomatoes from Mexico once this withdrawal becomes effective, the Department of Commerce is terminating the suspension agreement, terminating the sunset review of the suspended investigation, and resuming the antidumping investigation.

FOR FURTHER INFORMATION CONTACT: Judith Wey Rudman or Jay Carreiro at (202) 482–0192 or (202) 482–3674, respectively; Office of Policy, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street & Constitution Avenue, NW., Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

Applicable Statute and Regulations

Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act of 1930 (the Act) by the Uruguay Round Agreements Act. In addition, unless otherwise indicated, all citations to Department of Commerce (Department) regulations refer to the regulations codified at 19 CFR part 353 (1996).

Background

On April 18, 1996, the Department initiated an antidumping investigation to determine whether imports of fresh tomatoes from Mexico are being, or are likely to be, sold in the United States at less than fair value (LTFV) (61 FR 18377, April 25, 1996). On May 16, 1996, the United States International Trade Commission (ITC) notified the Department of its affirmative preliminary injury determination.

On October 10, 1996, the Department and Mexican tomato growers/exporters initialed a proposed agreement suspending the antidumping investigation. On October 28, 1996, the Department preliminarily determined that imports of fresh tomatoes from Mexico are being sold at LTFV in the United States. *See Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Fresh Tomatoes from Mexico,* 61 FR 56608 (November 1, 1996) (*Preliminary Determination*). On the same day the *Preliminary Determination* was signed, the Department and certain growers/exporters of fresh tomatoes from Mexico signed an agreement to suspend the investigation (1996 Suspension Agreement). *See Suspension of Antidumping Investigation: Fresh Tomatoes from Mexico,* 61 FR 56618 (November 1, 1996).

On May 31, 2002, Mexican tomato growers/exporters accounting for a significant percentage of all fresh tomatoes imported into the United States from Mexico provided written notice to the Department of their withdrawal from the 1996 Suspension Agreement, effective July 30, 2002. Because the 1996 Suspension Agreement would no longer cover substantially all imports of fresh tomatoes from Mexico, effective July 30, 2002, the Department terminated the 1996 Suspension Agreement, terminated the sunset review of the suspended investigation, and resumed the antidumping investigation. *See Notice of Termination of Suspension Agreement, Termination of Sunset Review, and Resumption of Antidumping Investigation: Fresh Tomatoes from Mexico,* 67 FR 50858 (August 6, 2002).

On November 8, 2002, the Department and Mexican tomato growers/exporters initialed a proposed agreement suspending the resumed antidumping investigation on imports of fresh tomatoes from Mexico. On December 4, 2002, the Department and certain growers/exporters of fresh tomatoes from Mexico signed a new suspension agreement (''2002 Suspension Agreement''). *See Suspension of Antidumping Investigation: Fresh Tomatoes From Mexico,* 67 FR 77044 (December 16, 2002). On November 3, 2003, the Department published the *Final Results of Analysis of Reference Prices and Clarifications and Corrections; Agreement Suspending the Antidumping Duty Investigation on Fresh Tomatoes From Mexico,* 68 FR 62281 (November 3, 2003).

On November 26, 2007, Mexican tomato growers/exporters accounting for a significant percentage of all fresh tomatoes imported into the United States from Mexico provided written notice to the Department of their withdrawal from the 2002 Suspension Agreement, effective 90 days from the date of their withdrawal letter (*i.e.*, February 24, 2008), or earlier, at the Department's discretion. Because, as of February 24, 2008, the 2002 Suspension Agreement would no longer cover substantially all imports of fresh tomatoes from Mexico, the Department published a notice of intent to terminate the 2002 Suspension Agreement, intent to terminate the five-year sunset review of the suspended investigation, and intent to resume the antidumping investigation. *See Fresh Tomatoes from Mexico: Notice of Intent to Terminate Suspension Agreement, Intent to Terminate the Five-Year Sunset Review, and Intent to Resume Antidumping Investigation,* 72 FR 70820 (December 13, 2007).

Scope of the Investigation

The merchandise subject to this investigation is all fresh or chilled tomatoes (fresh tomatoes) which have Mexico as their origin, except for those tomatoes which are for processing. For purposes of this investigation, processing is defined to include preserving by any commercial process, such as canning, dehydrating, drying, or the addition of chemical substances, or converting the tomato product into juices, sauces, or purees. Fresh tomatoes that are imported for cutting up, not further processing (*e.g.*, tomatoes used in the preparation of fresh salsa or salad bars), are covered by this Agreement.

Commercially grown tomatoes, both for the fresh market and for processing, are classified as Lycopersicon esculentum. Important commercial varieties of fresh tomatoes include common round, cherry, grape, plum, greenhouse, and pear tomatoes, all of which are covered by this investigation.

Tomatoes imported from Mexico covered by this investigation are classified under the following subheadings of the Harmonized Tariff Schedules of the United States (HTSUS), according to the season of importation: 0702 and 9906.07.01 through 9906.07.09. Although the HTSUS numbers are provided for convenience and customs purposes, the written description of the scope of this investigation is dispositive.

Period of Investigation

The period of investigation (POI) is March 1, 1995, through February 29, 1996.

Termination of Suspension Agreement

The 2002 Suspension Agreement is an agreement to eliminate injury under section 734(c) of the Act. Under this type of suspension agreement, the Department may suspend an investigation based upon an agreement with exporters accounting for substantially all of the imports of the subject merchandise. The regulations in turn define ''substantially all'' as exporters (growers and resellers) which have accounted for not less than 85 percent by value or volume of the merchandise during the period for which the Department is measuring dumping in the investigation or such other period that the Secretary considers representative. See 19 CFR 353.18(c).

On November 26, 2007, signatory growers/exporters accounting for a large percentage of all fresh tomatoes imported into the United States from Mexico provided written notice to the Department of their withdrawal from

the 2002 Suspension Agreement. Pursuant to the terms of the 2002 Suspension Agreement, signatory growers/exporters may withdraw from the agreement upon 90 days written notice to the Department. Therefore, these withdrawals from the 2002 Suspension Agreement become effective on February 24, 2008, or earlier at the Department's discretion. Virtually all imports of fresh tomatoes from Mexico into the United States are accounted for by those growers/exporters which have withdrawn from the 2002 Suspension Agreement; the few signatories remaining in the 2002 Suspension Agreement will not account for substantially all of the imports of subject merchandise once the withdrawal becomes effective.

Accordingly, because the 2002 Suspension Agreement will not cover substantially all imports of fresh tomatoes from Mexico without the participation of the growers/exporters which provided their notice of withdrawal on November 26, 2007, the Department is terminating the 2002 Suspension Agreement, effective January 18, 2008.

Termination of Five-Year Sunset Review

On November 1, 2007, the Department initiated a five-year sunset review of the suspended antidumping investigation on fresh tomatoes from Mexico pursuant to section 751(c) of the Act. See *Initiation of Five-Year (Sunset) Reviews,* 72 FR 61861 (November 1, 2007). Because the Department is terminating the 2002 Suspension Agreement, there is no longer a suspended investigation for which to perform a sunset review. Therefore, the Department is terminating the sunset review of the suspended LTFV investigation on fresh tomatoes from Mexico, effective January 18, 2008.

Resumption of Antidumping Investigation

With the termination of the 2002 Suspension Agreement, effective January 18, 2008, the Department is resuming the underlying antidumping investigation, in accordance with section 734(i)(1)(B) of the Act. Pursuant to section 734(i)(1)(B) of the Act, the Department resumes the investigation as if it had published the affirmative preliminary determination under section 733(b) of the Act on January 18, 2008.

As explained in the *Preliminary Determination,* 61 FR at 56609, the Department postponed the final determination in this investigation until the 135th day after the date of the preliminary determination. Accordingly, the Department intends to issue its final determination in the resumed investigation by June 2, 2008.

Verification

As provided in section 782(i) of the Act, the Department will verify all information determined to be acceptable for use in making the final determination.

Suspension of Liquidation

The Department will instruct U.S. Customs and Border Protection (CBP) to suspend liquidation of entries of fresh tomatoes from Mexico that are entered, or withdrawn from warehouse, for consumption on or after January 18, 2008, the effective date of the termination of the 2002 Suspension Agreement. CBP shall require antidumping duty cash deposits or bonds for entries of the subject merchandise based on the preliminary dumping margins, which are as follows:

Grower/Exporter	Weighted-average margin percentage
San Vincente Camalu	4.16
Ernesto Fernando Echavarria Salazar Grupo Solidario	11.89
Arturo Lomeli Villalobas S.A. de C.V.	26.97
Eco-Cultivos S.A. de C.V.	188.45
Ranchos Los Pinos S. de R.L. de C.V.	10.26
Administradora Horticola del Tamazula	28.30
Agricola Yory, S. de P.R. de R.I.	11.95
All Others	17.56

International Trade Commission

The Department will notify the ITC of its termination of the 2002 Suspension Agreement, termination of the sunset review of the suspended investigation, and resumption of the LTFV investigation. If the Department makes a final affirmative determination, the ITC is scheduled to make its final determination concerning injury within 45 days after publication of the Department's final determination. If both the Department's and the ITC's final determinations are affirmative, the Department will issue an antidumping duty order.

Administrative Protective Order Access

Administrative protective orders previously granted in the original investigation will remain in effect. Any necessary amendments for changes in staff must be submitted promptly. Parties must use the APO application form in effect at the time of the original investigation, Form ITA–367(3.89).

We are issuing and publishing this determination under section 733(f) of the Act and 19 CFR 353.15.

Dated: January 10, 2008.

David M. Spooner,

Assistant Secretary for Import Administration.

[FR Doc. E8–670 Filed 1–15–08; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–570–822]

Helical Spring Lock Washers From the People's Republic of China: Notice of Extension of Time Limit for the Final Results of the Antidumping Duty Administrative Review

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

EFFECTIVE DATE: January 16, 2008.

FOR FURTHER INFORMATION CONTACT: Marin Weaver or Charles Riggle, AD/CVD Operations, Office 8, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone (202) 482–2336 or (202) 482–0650, respectively.

SUPPLEMENTARY INFORMATION:

Background

On September 12, 2007, the Department of Commerce (''the Department'') published *Helical Spring Lock Washers From the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review,* 72 FR 52073 (*''Preliminary Results''*). This review covers the period October 1, 2005, through September 30, 2006. The final results are currently due by January 10, 2008.

Extension of Time Limit for Final Results of Review

Pursuant to section 751(a)(3)(A) of the Tariff Act of 1930, as amended (''the Act''), the Department shall make a final determination in an administrative review of an antidumping duty order within 120 days after the date on which the preliminary results are published. The Act further provides, however, that the Department may extend that 120-day period to 180 days after the preliminary results if it determines it is not practicable to complete the review within the foregoing time period.

The Department finds that it is not practicable to complete the final results of the administrative review of helical spring lock washers from the People's Republic of China within the 120-day period due to complex issues the parties have raised regarding which countries to exclude from certain surrogate values. In accordance with section 751(a)(3)(A) of the Act, the Department is extending the time period for completion of the final results of this review by 5 days to 125 days after the date on which the preliminary results were published. Therefore, the final results are now due no later than January 15, 2008.

This notice is published in accordance with sections 751(a)(3)(A) and 777(i) of the Act.

Dated: January 10, 2008.

Stephen J. Claeys,

Deputy Assistant Secretary for Import Administration.

[FR Doc. E8–687 Filed 1–15–08; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–570–863]

Honey From the People's Republic of China: Preliminary Results and Partial Rescission of Antidumping Duty Administrative Review

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (''Department'') is currently conducting the aligned semi-annual 2005–2006 new shipper review and 2005–2006 administrative review of the antidumping duty order on honey from the People's Republic of China (''PRC''). The period of review (''POR'') for both the new shipper review and administrative review is December 1, 2005, through November 30, 2006. Five respondents reported that they had no exports or sales of the subject merchandise during the POR; therefore, we are preliminarily rescinding our review of these companies. We preliminarily determine that Wuhu Qinshi Tangye Co., Ltd. (''Wuhu Qinshi''); Jiangsu Light Industry Products Imp & Exp (Group) Corp. (''Jiangsu Light''); Qinhuangdao Municipal Dafeng Industrial Co., Ltd. (''QMD''); and Inner Mongolia Altin Bee-Keeping (''IMA'') have failed to cooperate by not acting to the best of their ability to comply with our requests for information and, as a result, should be assigned a rate based on adverse facts available. Additionally, we have preliminarily determined that, because the Department has not calculated antidumping duty margins in this segment of the proceeding, the two separate rate companies in the administrative review will be assigned the separate rate margin from the most recent segment of this proceeding in which such a rate was calculated, which in this case is the less than fair value (''LTFV'') investigation. Finally, we have preliminarily determined that QHD Sanhai Honey Co., Ltd. (''QHD Sanhai''), the new shipper respondent, did not make sales of subject merchandise to the United States below normal value. If these preliminary results are adopted in our final results of this review, we will instruct U.S. Customs and Border Protection (''CBP'') to assess antidumping duties on all appropriate entries of subject merchandise during the POR.

Interested parties are invited to comment on these preliminary results. We will issue the final results no later than 120 days from the date of publication of this notice.

EFFECTIVE DATE: January 16, 2008.

FOR FURTHER INFORMATION CONTACT: Bobby Wong or Michael Quigley, AD/CVD Operations, Office 9, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482–0409 or (202) 482–4047, respectively.

SUPPLEMENTARY INFORMATION:

Background

On December 1, 2006, the Department published a notice of *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity To Request Administrative Review,* 71 FR 69543 (December 1, 2006). On December 27, 2007, in accordance with 19 CFR 351.213(b), the Department received timely requests from QMD, IMA, and Dongtai Peak Honey Industry Co, Ltd. (''Dongtai Peak''), for administrative reviews. On December 29, 2006, in accordance with 19 CFR 351.213(b), the Department received a timely request from Zhejiang Native Produce & Animal By-Products I/E Group Corporation (''Zhejiang Native''), for an administrative review. On December 28, 2006, the Department received a timely request from QHD Sanhai, in accordance with section 751(a)(2)(B) of the Tariff Act of 1930, as amended (''the Act''), and 19 CFR 351.214(c), for a new shipper review of the antidumping duty order on honey from the PRC. Also on December 29, 2006, the American Honey Producers Association and the Sioux Honey Association (collectively, ''petitioners''), requested, in accordance with section 351.213(b) of the Department's regulations, an administrative review of entries of subject merchandise made during the POR by 30 Chinese producers/exporters.[1]

On February 2, 2007, the Department published a notice of initiation of an administrative review of the antidumping duty order on honey from the PRC covering the period December 1, 2005, through November 30, 2006. *See Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part,* 72 FR 5005 (February 2, 2007) (''AR Initiation Notice''). On February 5, 2007, the Department published a notice of initiation of a new shipper review of the antidumping duty order on honey from the PRC covering the period December 1, 2005, through November 30, 2006. *See Honey from the People's Republic of China: Initiation of New Shipper Antidumping Duty Reviews,* 72 FR 5265 (February 5, 2007) (''NSR Initiation Notice''). On February 22, 2007, QHD Sanhai agreed to waive the new shipper review time limits, and on February 23, 2007, the Department aligned the new shipper review with the corresponding administrative review.

On February 12, 2007, the Department sent a request for quantity and value (''Q&V'') information to the 31 companies named in the *AR Initiation Notice.* On February 23, 2007, the Department received quantity and value questionnaire responses (''Q&V response'') from Dongtai Peak; QMD; IMA; and Chiangmai Healthy Product Co., Ltd. On February 26, 2007, the Department received a Q&V response and a separate rates certification from

[1] Petitioners' request included: Anhui Honghui Foodstuff (Group) Co., Ltd.; Apiarist Co.; Beijing World Trade Co., Ltd.; Cheng Du Wai Yuan Bee Products Co., Ltd.; Chiangmai Healthy Product Co., Ltd.; China Ocean Shipping Agency Beijing; Dongtai Peak Honey Industry Co., Ltd.; Eurasia Bee's Products Co., Ltd.; Hangzhou Golden Harvest Health Industry Co., Ltd.; Hangzhou Golden Dragon Group Corporation Ltd.; Hangzhou Xinsheng (or Xinyun) Shipping Agency Co., Ltd.; Inner Mongolia Altin Bee-Keeping; Inner Mongolia Youth Trade Development Co., Ltd.; Jiangsu Kanghong Natural Healthfoods Co., Ltd.; Jiangsu Light Industry Products Imp & Exp (Group) Corp.; Kunshan Xinrui Co., Ltd.; M&H Shipping (Shanghai) Corporation; Mgl Yung Sheng Honey Co., Ltd.; Qingdao Aolan Trade Co., Ltd.; Qinhuangdao Municipal Dafeng Industrial Co., Ltd.; Rich Shipping Company; Shanghai Bloom International Trading Co., Ltd.; Shanghai Taiside Trading Co., Ltd.; Shanghai Xinyun International Transportation Co., Ltd.; Sichuan-Dujiangyan Dubao Bee Industrial Co., Ltd.; Tianjin Eulia Honey Co., Ltd.; United Logistics Group Inc.; Wuhan Bee Healthy Co., Ltd.; Wuhan Shino-Food Trade Co., Ltd.; and Wuhu Qinshi Tangye Co., Ltd.

Zhejiang Native. On April 12, 2007, the Department received a separate rate application from Dongtai Peak, QMD, and IMA. On April 13, 2007, the Department received a separate rate application from Cheng Du Wai Yuan Bee Products Co., Ltd.

On March 21, 2007, the Department received and granted a deadline extension request to respond to the Department's Q&V questionnaire from Wuhu Qinshi Tangye Ltd., Co. (''Wuhu Qinshi''). *See* March 21, 2007, letter from Christopher Riker, Program Manager, to Wuhu Qinshi Tangye, regarding the 2005/2006 Administrative Review of the Antidumping Duty Order on Honey from the People's Republic of China. Subsequently, Wuhu Qinxhi did not submit its certified Q&V response.

On April 10, 2007, petitioners withdrew their request for review on 22 of the 30 Chinese companies in the administrative review: Anhui Honghui Foodstuff (Group) Co., Ltd.; Apiarist Co.; Beijing World Trade Co., Ltd.; Cheng Du Wai Yuan Bee Products Co., Ltd.; Chiangmai Healthy Product Co., Ltd.; China Ocean Shipping Agency Beijing; Eurasia Bee's Products Co., Ltd.; Hangzhou Golden Harvest Health Industry Co., Ltd.; Hangzhou Golden Dragon Group Corporation Ltd.; Hangzhou Xinsheng (or Xinyun) Shipping Agency Co., Ltd.; Jiangsu Kanghong Natural Health Foods Co., Ltd.; Kunshan Xinrui Co., Ltd.; M&H Shipping (Shanghai) Corporation; Qingdao Aolan Trade Co., Ltd.; Rich Shipping Company; Shanghai Taiside Trading Co., Ltd.; Shanghai Xinyun International Transportation Co., Ltd.; Sichuan Dujiangyan Dubao Bee Industrial Co., Ltd.; Tianjin Eulia Honey Co., Ltd.; United Logistics Group Inc.; Wuhan Bee Healthy Co., Ltd.; Wuhan Shino-Food Trade Co., Ltd. Of the nine remaining companies named in the *AR Initiation Notice,* IMA, QMD, Dongtai Peak, and Zhejiang Native provided Q&V data and claimed shipments. Given the Department's limited resources and pursuant to section 777A(c)(2)(B) of the Act, in order to cover the greatest possible export volume, the Department selected IMA and QMD as mandatory respondents in the administrative review, which are the two largest producer/exporters by export volume during the POR.[2] On April 17, 2007, the Department selected IMA and QMD as mandatory respondents and issued antidumping duty questionnaires to IMA and QMD (''AR original questionnaire''). *See* April 17, 2007, Memorandum to James Doyle, Office Director, from Anya Naschak, Senior International Compliance Analyst, Through Christopher Riker, Program Manager, regarding the Antidumping Duty Administrative Review of Honey from the People's Republic of China: Selection of Respondents. On April 23, 2007, Zhejiang Native requested that the Department reconsider Zhejiang Native as either a mandatory or voluntary respondent for the administrative review.[3]

On March 7, 2007, the Department sent ''second chance'' Q&V questionnaires to Wuhu Qinshi Tanye; Anhui Honghui Foodstuff (Group) Co., Ltd.; Wuhan Shino-Food Trade Co., Ltd.; Wuhan Bee Healthy Co., Ltd.; Shanghai Xinyun International Transportation Co.; Shanghai Taiside Trading Co., Ltd.; M&H Shipping (Shanghai) Corporation; Jiangsu Kanghong; Hangzhou Golden; Eurasia Bee's Products Co., Ltd.; Apiarist Co.; United Logistics Group; Rich Shipping Company; Mgl Yung Sheng Honey Co., Ltd.; Jiangsu Light Industry Products Imp & Exp (Group) Corp.; China Ocean Shipping Agency Beijing; and Tianjin Eulia Honey.

On May 3, 2007, the Department published a notice of partial rescission in the administrative review regarding the 22 companies for which petitioners withdrew their request for review in the administrative review. *See Honey from the People's Republic of China: Notice of Partial Rescission of Antidumping Duty Administrative Review,* 72 FR 24561 (May 3, 2007) *(''AR Partial Rescission Notice'').* On May 21, 2007, the Department invited interested parties to comment on the Department's surrogate country selection and/or significant production in the other potential surrogate countries and to submit publicly available information to value the factors of production in the new shipper and administrative reviews. *See* May 21, 2007, Letter to ''All Interested Parties'' from Christopher D. Riker, Program Manager, regarding *Antidumping Duty New Shipper Review of Honey from the People's Republic of China: Letter enclosing the Office of Policy list of economically comparable countries and schedule for comments on surrogate country,* and *see also* May 21, 2007, Letter to ''All Interested Parties'' from Christopher D. Riker, Program Manager, regarding *Antidumping Duty Administrative Review of Honey from the People's Republic of China: Letter enclosing the Office of Policy list of economically comparable countries and schedule for comments on surrogate country* (collectively, *''Surrogate Country Letters'').*

On July 31, 2007, the Department also published an extension of the time limits to complete the preliminary results. *See Honey From the People's Republic of China: Extension of Preliminary Results of Antidumping Duty Administrative Review and Antidumping Duty New Shipper Review,* 72 FR 41710 (July 31, 2007).

On August 15, 2007, the Department received notification from IMA that it intended to withdraw its request for a review in the administrative review. *See* August 15, 2007, letter to the U.S. Department of Commerce, from IMA, regarding Honey from the People's Republic of China. On October 18, 2007, the Department received notification from QMD, stating that it would not participate in the Department's scheduled verification of its questionnaire responses in Qinhuangdao, Hebei China. *See* October 18, 2007, letter to the U.S. Department of Commerce, from Qinghuangdao Municipal Dafeng Industrial Co., Ltd., regarding: Honey from the People's Republic of China. *See infra* for further discussion.

Questionnaires

On February 5, 2007, the Department issued an antidumping duty questionnaire to QHD Sanhai in the new shipper review (''NSR original questionnaire''). On March 19, 2007, the Department received QHD Sanhai's section A response to the Department's NSR original questionnaire. On March 30, 2007, the Department issued a supplemental section A questionnaire. On April 11, 2007, the Department received QHD Sanhai's section C and D response to the Department's NSR original questionnaire. On April 13, 2007, the Department received QHD Sanhai's section A response to the Department's supplemental questionnaire. On May 18, 2007, the Department issued a second supplemental questionnaire to QHD Sanhai. On June 15, 2007, the Department received QHD Sanhai's response to section A, C, and D of the Department's second supplemental questionnaire. On July 26, 2007, the Department issued an additional supplemental questionnaire to QHD Sanhai. On August 20, 2007, the Department received QHD Sanhai's supplemental questionnaire responses.

[2] Zhejiang Native and Dongtai Peak remained separate rate respondents in the administrative review.

[3] *See* June 7, 2007, Memorandum to the File, From James Doyle, Director, Office 9, Regarding: Fifth Antidumping Duty Administrative Review of Honey from the People's Republic of China: Phone call with Counsel Regarding April 23, 2007, Submission.

On April 17, 2007, the Department issued an antidumping duty questionnaire to IMA and QMD in the administrative review. On May 7, 2007, the Department received IMA and QMD's responses to section A of the Department's original questionnaire. On June 7, 2007, the Department received IMA and QMD's timely responses to section C and D of the Department's original questionnaire. On July 19, 2007, the Department issued a supplemental questionnaire to QMD. On July 31, 2007, the Department issued a supplemental questionnaire to IMA. However, IMA did not respond to the Department's supplemental questionnaire. On August 21, 2007, the Department issued a letter to IMA, requesting that it respond to the Department's outstanding supplemental questionnaire; furthermore, the Department extended the deadline for IMA to reply to the supplemental questionnaire. *See* August 21, 2007, letter to IMA, from Catherine Bertrand, Acting Program Manager, regarding the 2005/2006 Administrative Review of Honey from the People's Republic of China. Subsequently, the Department received no further correspondence from IMA. On August 14, 2007, the Department received a timely submission of QMD's response to the Department's supplemental questionnaire.

Non-Market Economy Country

In every case conducted by the Department involving the PRC, the PRC has been treated as a non-market economy (''NME'') country. *See, e.g., Honey from the People's Republic of China: Final Results and Final Rescission, in Part, of Antidumping Duty Administrative Review,* 71 FR 34893 (June 16, 2006), and the *Fourth Honey AR Final Results,* 72 FR 37715 (July 11, 2007). Pursuant to section 771(18)(C)(i) of the Act, any determination that a foreign country is a NME country shall remain in effect until revoked by the administering authority. *See, e.g., Freshwater Crawfish Tail Meat from the People's Republic of China: Notice of Final Results of Antidumping Duty Administrative Review,* 71 FR 7013 (February 10, 2006); and *Carbazole Violet Pigment 23 from the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review and Rescission in Part,* 71 FR 65073, 65074 (November 7, 2006) unchanged in *Carbazole Violet Pigment 23 from the People's Republic of China: Final Results of Antidumping Duty Administrative Review,* 72 FR 26589 (May 10, 2007). None of the parties to this proceeding have contested such treatment. Accordingly, we calculated NV in accordance with section 773(c) of the Act, which applies to NME countries.

Surrogate Country and Factors

Section 773(c)(4) of the Act requires the Department to value an NME producer's factors of production, to the extent possible, in one or more market-economy countries that (1) are at a level of economic development comparable to that of the NME country, and (2) are significant producers of comparable merchandise. India is among the countries comparable to the PRC in terms of overall economic development. *See* Memorandum to Christopher D. Riker, Program Manager, AC/CVD Operations, Office 9, from Ron Lorentzen, Director, Office of Policy, regarding the Antidumping Duty Administrative Review of Honey from the People's Republic of China (PRC): Request for a List of Surrogate Countries (April 2, 2007); and Memorandum to Christopher D. Riker, Program Manager, from Ron Lorentzen, Director, Office of Policy, regarding the New Shipper Review of Honey from the People's Republic of China (PRC): Request for a List of Surrogate Countries (April 2, 2007) (''Surrogate Country Letters''). In addition, based on publicly available information placed on the record (*e.g.*, production data), India is a significant producer of the subject merchandise. *See* Memorandum to The File, through James C. Doyle, Director, AD/CVD Operations, Office 9, Import Administration, and Scot T. Fullerton, Program Manager, AD/CVD Operations, Office 9, from Michael J. Quigley, Case Analyst, AD/CVD Operations, Office 9, regarding Antidumping Duty Administrative and New Shipper Reviews of Honey from the People's Republic of China: Selection of a Surrogate Country (December 17, 2007). Accordingly, we have selected India as the primary surrogate country for purposes of valuing the factors of production because it meets the Department's criteria for surrogate-country selection. *See id.*

On May 21, 2007, the Department provided parties with an opportunity to submit publicly available information on surrogate countries and values for consideration in these preliminary results in the administrative and new shipper reviews. *See* Antidumping Duty New Shipper Review of Honey from the People's Republic of China: Letter enclosing the Office of Policy list of economically comparable countries and schedule for comments on surrogate country, dated May 21, 2007.

On October 17, 2007, QHD Sanhai submitted comments on surrogate information for the record of the new shipper review (*see* letter to the U.S. Department of Commerce, Regarding: QHD Sanhai Regarding the First Surrogate Value Submission in the New Shipper Review of Honey from the People's Republic of China (October 17, 2007)). On October 19, 2007, petitioners submitted their comments on surrogate information for the record of the new shipper and administrative review (*see* letter to the U.S. Department of Commerce, Regarding: 5th Administrative Review and 10th New Shipper Review of Honey from the People's Republic of China, dated October 17, 2007). On October 29, 2007, the Department received rebuttal comments on surrogate information from QHD Sanhai and Zhejiang Native (*see* October 29, 2007, letters to the U.S. Department of Commerce, from: Zhejiang Native, Regarding: Rebuttal to Petitioners' Surrogate Value Submission for the Fifth Antidumping Review of Honey from the People's Republic of China (A–570–863); and QHD Sanhai, Regarding: Rebuttal to Petitioners' Surrogate Value Submission for the New Shipper Review of Honey from the People's Republic of China). On November 6, 2007, QHD Sanhai and Zhejiang Native submitted additional comments on surrogate information to value factors of production in both the administrative and new shipper reviews.

Preliminary Partial Rescission of 2005/2006 Administrative Review

Mgl Yun Sheng Honey Co., Ltd.[4]; Inner Mongolia Youth Trade Development Co., Ltd.; and Shanghai Bloom International Trading Co., Ltd., certified that they did not export honey from China to the United States during the POR. To corroborate these certifications, the Department reviewed PRC honey shipment data maintained by CBP, and found no discrepancies with the statements made by these companies. Moreover, the Department also requested that CBP forward any information regarding entries of honey from these companies during the POR and received no reply.

[4] *See* August 13, 2007, Memorandum to the File, from Catherine Bertrand, Senior International Trade Analyst, regarding: Administrative Review on Honey from the People's Republic of China for the period December 1, 2005 through November 30, 2006; and August 15, 2007, Memorandum to the File, from Catherine Bertrand, Senior International Trade Analyst, regarding: Administrative Review on Honey from the People's Republic of China for the period December 1, 2005 through November 30, 2006.

Therefore, for the reasons noted above, we are preliminarily rescinding the administrative review with respect to Inner Mongolia Youth Trade Development Co., Ltd.; Mgl Yung Sheng Honey Co., Ltd.; and Shanghai Bloom International Trading Co., Ltd., because the Department was unable to reach the companies, or the company reported that it did not make shipments of subject merchandise during the POR, and the Department found no information to indicate otherwise.[5]

Separate Rates

Administrative Review

Based on timely requests from individual exporters and petitioners, the Department originally initiated this review with respect to 31 companies in the administrative review. Subsequently, petitioners withdrew their review request for certain of these companies and thus the Department rescinded the review with respect to 22 companies. Of the nine companies remaining in the review, only four companies provided Q&V data and claimed shipments. Those four companies (Dongtai Peak Honey Industry Co., Ltd., Inner Mongolia Altin Bee-Keeping, Qinhuangdao Municipal Dafeng Industrial Co., Ltd., and Zhejiang Native Produce & Animal By-Products I/E Group Corporation) comprised the pool of companies considered in the selection of respondents for this review. However, due to its limited resources, the Department was unable to examine all companies for which a review request was made. Therefore, as previously stated, the Department selected two producers/exporters as mandatory respondents: QMD and IMA. Two additional companies, Zhejiang Native and Dongtai Peak, submitted timely information as requested by the Department and remain subject to review as cooperative separate rate respondents.

Ultimately, both QMD and IMA ceased participating in the administrative review, and both Wuhu Qinshi and Jiangsu Light did not respond to the Department's multiple requests for information. Therefore, for these preliminary results, the Department finds that these four entities are not entitled to a separate rate and thus are considered part of the PRC-wide entity, which is preliminarily assigned an adverse facts available (''AFA'') rate of 221.02 percent, as further discussed below.

The Department must also assign a rate to the remaining two cooperative separate rate respondents not selected for individual examination. We note that the statute and the Department's regulations do not directly address the establishment of a rate to be applied to individual companies not selected for examination where the Department limited its examination in an administrative review pursuant to section 777(A)(c)(2) of the Act. The Department's practice in this regard, in cases involving limited selection based on exporters accounting for the largest volumes of trade, has been to weight-average the rates for the selected companies excluding zero and *de minimis* rates and rates based entirely on adverse facts available. In the instant administrative review, however, the rate for the mandatory respondents is the rate for the PRC-wide entity based on total AFA.

While the statute does not specifically address this particular set of circumstances, section 735(c)(5)(B) of the Act does specify the methodology to be followed when a similar fact pattern arises in the context of the all-others rate established in an investigation. While not entirely analogous to the determination of a rate to be applied to responsive separate rate respondents in the context of a NME review, we find it to be instructive in these circumstances.

Section 735(c)(5)(B) of the Act states that in situations where the estimated weighted-average dumping margins established for all exporters and producers individually investigated are zero or *de minimis*, or are determined entirely under section 776 (facts available section), ''the administering authority may use any reasonable method to establish the estimated all-others rate for exporters and producers not individually investigated, including averaging the weighted-average dumping margins determined for the exporters and producers individually investigated.''

The SAA states that in using any reasonable method to calculate the all-others rate, ''the expected method in such cases will be to weight-average the zero and *de minimis* margins and margins determined pursuant to the facts available, provided that volume data is available.'' *See* SAA at 203. However, the SAA also provides that: [If] this method is not feasible, or if it results in an average that would not be reasonably reflective of potential dumping margins for non-investigated exporters or producers, Commerce may use other reasonable means.'' *Id.*

In the instant administrative review, the Department preliminarily concludes that it cannot accurately determine a margin based on information provided by the separate rate entities. Furthermore, we preliminarily find that we cannot employ alternative methods such as applying AFA, *de minimis* and zero rates, or partial use of the information on the record. Specifically, while the separate rates entities have given us total volume and value information with respect to subject merchandise, we note that processed honey prices vary dramatically depending on the quality and packaging of the honey. Margins calculated on the basis of average prices without regard to quality and other factors do not reflect a meaningful, accurate comparison, and therefore we find we must look to other reasonable means to determine an appropriate margin for the separate rate entities subject to this review. In the case of Zhejiang Native and Dongtai Peak, we received voluntary questionnaire responses, but we have not examined these submissions because of the Department's resource constraints and its decision to review only two exporters.

The Department has therefore preliminarily determined to assign Zhejiang Native and Dongtai Peak the separate rate margin calculated in the most recent segment of Honey from the People's Republic of China in which a separate margin was calculated. *See Notice of Amended Final Determination of Sales at Less than Fair Value and Antidumping Duty Order; Honey from the People's Republic of China*, 66 FR 63670 (December 10, 2001) (''Honey Investigation''). The rate of 45.46 percent calculated in the LTFV investigation was based on the Department's thorough examination of cooperative companies during the period of investigation. Therefore, we find it a reasonable means by which to determine a rate for non-examined cooperative separate entities and have employed this methodology for purposes of these preliminary results. Given that the most recent rate calculated in the antidumping duty order on honey from the PRC for unexamined separate rate companies is from the LTFV investigation, we invite comments on the selection of this rate for purposes of the final results.

[5] The Department requested shipment information for Shanghai Bloom International Trading Co., Ltd. solely for the period July 1, 2006, through November 30, 2006. The Department had previously reviewed Shanghai Bloom International Trading Co., Ltd. as a new shipper for the period December 1, 2005, through June 30, 2006. *See Honey from the People's Republic of China: Final Results of Antidumping Duty New Shipper Review,* 72 FR 67702, November 30, 2007.

Separate Rates

New Shipper Review

With respect to the new shipper review for QHD Sanhai, QHD Sanhai has asserted the following: (1) It is a privately owned company; (2) there is no government participation in its setting of export prices; (3) its executive director has the authority to sign binding sales contracts; (4) the company's executive director appoints the company's management and it does not have to notify government authorities of its management selection; (5) there are no restrictions on the use of its export revenue; and (6) its executive director decides how profits will be used.

In support of its claim that QHD Sanhai independently set its sales prices, QHD Sanhai stated that sales negotiations were conducted primarily through e-mails; QHD Sanhai placed copies on the record of its e-mail correspondence and price negotiation between itself and its U.S. customer during the POR.[6] Furthermore, QHD Sanhai company officials stated that the sales price and quantity are finalized when the sales invoice is issued.

At the verification of QHD Sanhai, prior to presenting the documentation to Chinese Customs, the Department found that the company's sales invoices required a ''pre-review stamp'' from the Chinese Chamber of Commerce for Commerce for Import and Export of Foodstuffs, Native Produce and Animal By-Products (''the Chamber''). *See* QHD Sanhai Verification Report at Exhibit 8. Additionally, company officials provided documentation of all products that require the ''pre-review stamp'' from various sub-chambers of the Chinese Chamber of Commerce. QHD Sanhai explained that obtaining a ''pre-review stamp'' from the Chamber is an administrative formality, and it has no authority over QHD Sanhai's ability to negotiate or set prices. *See* QHD Sanhai Verification Report at Section III(A)(5) and Exhibit 8.

The Department successfully verified that QHD Sanhai is a privately owned company; independently negotiated and set prices; independently selected management; and that QHD Sanhai had authority to determine the use of sales revenue (see QHD Sanhai Verification Report at Section III(A) and (B) and at exhibit 8 & 12). Moreover, the Department found no indications of restrictions on the use of export revenue *(id.)*. QHD Sanhai supplied sales negotiation documentation including a purchase order, sales contract, and sales invoices between it and unaffiliated third party customers, demonstrating its independent setting of export prices. See QHD Sanhai Verification Report at exhibit 12.

As the evidence on the record indicates an absence of government control, both in law and in fact, over QHD Sanhai's export activities, we preliminarily determine that it has met the criteria for the application of a separate rate. However, we will continue to carefully examine these issues for the purposes of the final results.

PRC-Wide Rate and Facts Otherwise Available

The PRC-wide rate applies to all entries of subject merchandise except for entries from PRC producers/exporters that have their own calculated rate. *See* ''Separate Rates'' section above.

Wuhu Qinshi, Jiangsu Light, IMA, and QMD are appropriately considered to be part of the PRC-wide entity because they failed to establish their eligibility for a separate rate. Because the PRC-wide entity did not provide requested information necessary to the instant proceeding, it is necessary that we review the PRC-wide entity. In doing so, we note that section 776(a)(1) of the Act mandates that the Department use the facts available if necessary information is not available on the record of an antidumping proceeding. In addition, section 776(a)(2) of the Act provides that if an interested party or any other person: (A) Withholds information that has been requested by the administering authority; (B) fails to provide such information by the deadlines for the submission of the information or in the form and manner requested, subject to subsections (c)(1) and (e) of section 782 of the Act; (C) significantly impedes a proceeding under this title; or (D) provides such information but the information cannot be verified as provided in section 782(i) of the Act, the Department shall, subject to section 782(d) of the Act, use the facts otherwise available in reaching the applicable determination under this title. Where the Department determines that a response to a request for information does not comply with the request, section 782(d) of the Act provides that the Department shall promptly inform the party submitting the response of the nature of the deficiency and shall, to the extent practicable, provide that party with an opportunity to remedy or explain the deficiency. Section 782(d) of the Act additionally states that if the party submits further information that is unsatisfactory or untimely, the administering authority may, subject to subsection (e), disregard all or part of the original and subsequent responses. Section 782(e) of the Act provides that the Department shall not decline to consider information that is submitted by an interested party and is necessary to the determination but does not meet all the applicable requirements established by the administering authority if: (1) The information is submitted by the deadline established for its submission; (2) the information can be verified; (3) the information is not so incomplete that it cannot serve as a reliable basis for reaching the applicable determination; (4) the interested party has demonstrated that it acted to the best of its ability in providing the information and meeting the requirements established by the administering authority with respect to the information; and (5) the information can be used without undue difficulties.

As addressed below separately for each non-responsive company, we find that the PRC-wide entity, which includes Wuhu Qinshi, Jiangsu Light, IMA, and QMD, did not respond to our request for information and that necessary information either was not provided, or the information provided could not be verified and is not sufficiently complete to enable the Department to use it for these preliminary results. Therefore, we find it necessary, under section 776(a)(2) of the Act, to use facts otherwise available as the basis for the preliminary results of this review for the PRC-wide entity.

1. Wuhu Qinshi

On March 7, 2007, the Department sent a Q&V questionnaire to Wuhu Qinshi. On March 21, 2007, the Department received an e-mail correspondence from Mr. William E. Kentor, president of Great Foods, Inc., requesting an extension of the deadline to respond to the Department's Q&V questionnaire. Mr. Kentor stated in the extension request that Mr. Qin Yi Cai, president of Wuhu Qinshi Tangye Co., Ltd., would confirm that Wuhu Qinshi never exported honey to the United States. On March 21, 2007, the Department granted a partial extension of the deadline until March 26, 2007, to respond. However, Wuhu Qinshi did not file a certified Q&V response with the Department nor provide any further correspondence.

We note that, although Great Foods, Inc.'s extension request indicated that Wuhu Qinshi would confirm that it did not export subject merchandise to the

[6] *See, e.g.*, QHD Sanhai's Section A response at Exhibit A–5; and the QHD Verification Report at Exhibit 8 & 12.

United States during the POR, the Department did not receive any correspondence from Wuhu Qinshi during this POR, and therefore find that Wuhu Qinshi is non-responsive in the administrative review. Consequently, because Wuhu Qinshi withheld requested information, failed to provide information in a timely manner, and thus significantly impeded the Department's proceeding, the Department preliminarily finds that it did not cooperate to the best of its ability. Therefore, pursuant to sections 776(a)(2)(A) and 776(a)(2)(B) of the Act, and because Wuhu Qinshi did not respond to the Department's Q&V questionnaire, sections 782(d) and (e) of the Act are not applicable.

2. Jiangsu Light

On February 12, 2007, the Department sent a Q&V questionnaire to Jiangsu Light; however, the Department did not receive a response from Jiangsu Light by the noted deadline. According to the delivery tracking information, the delivery of the package was ''refused'' by Jiangsu Light. *See* April 17, 2007, Memorandum to the file, through Christopher D. Riker, Program Manager, from Anya Naschak, Senior International Trade Analyst, regarding: 2005/2006 Administrative Review of Honey from the People's Republic of China: Results of Tracking Information for Quantity and Value Questionnaire. On March 6, 2007, petitioners provided an alternative address for Jiangsu Light, thus on March 7, 2007, the Department resent the Q&V questionnaire to the alternative address; however, the Department again did not receive a response. According to the delivery tracking information, the alternate address was undeliverable. On March 21, 2007, the Department again sent the Q&V questionnaire to the original address.[7] Again, the Department did not receive a response from Jiangsu Light by the noted deadline. According to the delivery tracking information, Jiangsu Light again refused the attempted delivery of the Q&V questionnaire. *See id.*

Therefore, because the Department twice attempted to deliver, and Jiangsu Light twice refused to receive and respond to the Department's Q&V questionnaire, the Department preliminarily finds that Jiangsu Light withheld requested information, failed to provide information in a timely manner, and thus significantly impeded the Department's proceeding, and did not cooperate to the best of its ability. Therefore, pursuant to sections 776(a)(2)(A), (B), and (C) of the Act, and because Jiangsu Light did not respond to the Department's Q&V questionnaire, sections 782(d) and (e) of the Act are not applicable.

3. IMA:

On July 31, 2007, the Department identified deficiencies in IMA's questionnaire response and issued a supplemental questionnaire, due by August 14, 2007. On August 15, 2007, the Department received notification from IMA that it intended to withdraw its request for a review in the administrative review. However, as petitioners did file a timely request for a review of IMA,[8] the Department issued a letter to IMA on August 21, 2007, notifying it that, irrespective of its withdrawal request, the Department would continue to consider IMA a mandatory respondent and that it was required to respond to the Department's questionnaires; and that if IMA did not participate, the Department may be required to base its findings on total AFA for the preliminary results.[9] Furthermore, the Department, of its own volition, extended the deadline for IMA to respond to the Department's July 31, 2007, supplemental questionnaire until August 28, 2007. Subsequently, the Department received no response or further correspondence from IMA.

Consequently, because IMA did not respond to the Department's questionnaire, request an extension of the deadline to respond, or otherwise correspond with the Department, the Department preliminarily finds that IMA withheld requested information, failed to provide information in a timely manner, and thus significantly impeded the Department's proceeding, and did not cooperate to the best of its ability.

Because the Department finds that IMA did not cooperate, pursuant to sections 776(a)(2)(A), (B), and (C) of the Act, and because IMA did not respond to the Department's Q&V questionnaire, sections 782(d) and (e) of the Act are not applicable.

4. QMD

On October 18, 2007, having finalized verification dates, the Department received a notification from QMD stating that QMD would not participate in the scheduled verification, and QMD provided no alternative verification dates. *See* October 18, 2007, letter to the U.S. Department of Commerce, from Qinghuangdao Municipal Dafeng Industrial Co., Ltd., regarding: Honey from the People's Republic of China.

Because QMD did not allow verification of its questionnaire response, the company denied the Department an opportunity to verify the completeness and accuracy of any of its sales and production records. Because QMD denied the Department the opportunity to verify its questionnaire responses, the Department has preliminarily determined that QMD significantly impeded the Department's proceeding by providing information that could not be verified, and thus QMD has not cooperated to the best of its ability. Therefore, pursuant to sections 776(a)(2)(A), (B), and (C) of the Act, the Department preliminarily finds that the application of facts available is appropriate for these preliminary results.

Pursuant to section 776(b) of the Act, we find that the PRC-wide entity, which includes Wuhu Qinshi, Jiangsu Light, IMA, and QMD, failed to cooperate by not acting to the best of its ability. As noted above, the PRC-wide entity informed the Department that it would not participate in this review, or otherwise did not provide the requested information, despite repeated requests that it do so. This information was in the sole possession of the respondents, and could not be obtained otherwise. Thus, because the PRC-wide entity refused to participate fully in this proceeding, we find it appropriate to use an inference that is adverse to the interests of the PRC-wide entity in selecting from among the facts otherwise available. By doing so, we ensure that the companies that are part of the PRC-wide entity will not obtain a more favorable result by failing to cooperate than had they cooperated fully in this review.

Selection of AFA Rate

In deciding which facts to use as AFA, section 776(b) of the Act and 19 CFR 351.308(c)(1) authorize the Department to rely on information derived from (1) the petition, (2) a final determination in the investigation, (3) any previous review or determination, or (4) any information placed on the record. In reviews, the Department normally selects, as AFA, the highest rate on the record of any segment of the proceeding. *See, e.g., Freshwater Crawfish Tail Meat from the People's Republic of China: Notice of Final Results of Antidumping Duty*

[7] *See* March 21, 2007, letter to Jiangsu Light Industry Products Imp & Exp (Group) Corp., from Christopher D. Riker, Program Manager, regarding 2005/2006 Administrative Review of the Antidumping Duty Order on Honey from the People's Republic of China.

[8] *See AR Initiation Notice.*

[9] *See* Letter from August 21, 2007, from Catherine E. Bertrand, Acting Program Manager, to Inner Mongolia Altin Bee Keeping Co., Ltd.; Regarding the 2005/2006 Administrative Review of Honey From the People's Republic of China.

Administrative Review, 68 FR 19504, 19506 (April 21, 2003). The Court of International Trade (''CIT'') and the Federal Circuit have consistently upheld the Department's practice in this regard. *See Rhone Poulenc, Inc.* v. *United States,* 899 F.2d 1185, 1190 (Fed. Circ. 1990) (''*Rhone Poulenc*''); *NSK Ltd.* v. *United States,* 346 F. Supp. 2d 1312, 1335 (CIT 2004) (upholding a 73.55 percent total AFA rate, the highest available dumping margin from a different respondent in a LTFV investigation); *see also Kompass Food Trading Int'l* v. *United States,* 24 CIT 678, 689 (2000) (upholding a 51.16 percent total AFA rate, the highest available dumping margin from a different, fully cooperative respondent); and *Shanghai Taoen International Trading Co., Ltd.* v. *United States,* 360 F. Supp 2d 1339, 1348 (CIT 2005) (upholding a 223.01 percent total AFA rate, the highest available dumping margin from a different respondent in a previous administrative review).

The Department's practice when selecting an adverse rate from among the possible sources of information is to ensure that the margin is sufficiently adverse ''as to effectuate the purpose of the facts available role to induce respondents to provide the Department with complete and accurate information in a timely manner.'' *See Static Random Access Memory Semiconductors from Taiwan; Final Determination of Sales at Less than Fair Value,* 63 FR 8909, 8932 (February 23, 1998). The Department's practice also ensures ''that the party does not obtain a more favorable result by failing to cooperate than if it had cooperated fully.'' *See* SAA at 870; *see also Final Determination of Sales at Less than Fair Value: Certain Frozen and Canned Warmwater Shrimp from Brazil,* 69 FR 76910, 76912 (December 23, 2004); *D&L Supply Co.* v. *United States,* 113 F.3d 1220, 1223 (Fed. Cir. 1997). In choosing the appropriate balance between providing respondents with an incentive to respond accurately and imposing a rate that is reasonably related to the respondent's prior commercial activity, selecting the highest prior margin ''reflects a common sense inference that the highest prior margin is the most probative evidence of current margins, because, if it were not so, the importer, knowing of the rule, would have produced current information showing the margin to be less.'' *Rhone Poulenc,* 899 F.2d at 1190. Consistent with the statute, court precedent, and its normal practice, the Department has assigned the rate of 221.02 percent, the highest rate on the record of any segment of the proceeding, to the PRC-wide entity, which includes Wuhu Qinshi, Jiangsu Light, QMD, and IMA as AFA. *See, e.g., Honey from the People's Republic of China: Final Results and Final Rescission, In Part, of Antidumping Duty Administrative Review,* 72 FR 37715, 37717 (July 11, 2007) (''Fourth Honey AR Final Results''). As discussed further below, this rate has been corroborated.

Corroboration of Secondary Information Used as AFA

Section 776(c) of the Act provides that, where the Department selects from among the facts otherwise available and relies on ''secondary information,'' the Department shall, to the extent practicable, corroborate that information from independent sources reasonably at the Department's disposal. Secondary information is described in the SAA as ''[i]nformation derived from the petition that gave rise to the investigation or review, the final determination concerning the subject merchandise, or any previous review under section 751 concerning the subject merchandise.'' See SAA at 870. The SAA states that ''corroborate'' means to determine that the information used has probative value. The Department has determined that to have probative value information must be reliable and relevant. *See Tapered Roller Bearings and Parts Thereof, Finished and Unfinished from Japan, and Tapered Roller Bearings Four Inches or Less in Outside Diameter, and Components Thereof, from Japan: Preliminary Results of Antidumping Duty Administrative Reviews and Partial Termination of Administrative Reviews*, 61 FR 57391, 57392 (November 6, 1996), unchanged in *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, From Japan, and Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, From Japan; Final Results of Antidumping Duty Administrative Reviews and Termination in Part*, 62 FR 11825 (March 13, 1997). The SAA also states that independent sources used to corroborate such evidence may include, for example, published price lists, official import statistics and customs data, and information obtained from interested parties during the particular investigation. *See Preliminary Determination of Sales at Less Than Fair Value: High and Ultra-High Voltage Ceramic Station Post Insulators from Japan*, 68 FR 35627 (June 16, 2003) unchanged in *Notice of Final Determination of Sales at Less Than Fair Value: High and Ultra-High Voltage Ceramic Station Post Insulators from Japan*, 68 FR 62560 (November 5, 2003); and, *Final Determination of Sales at Less Than Fair Value: Live Swine From Canada*, 70 FR 12181, 12183 (March 11, 2005).

To be considered corroborated, information must be found to be both reliable and relevant. Unlike other types of information, such as input costs or selling expenses, there are no independent sources for calculated dumping margins. The only sources for calculated margins are administrative determinations. The AFA rate we are applying for the current review was calculated during the immediately preceding, fourth administrative review of honey from the PRC. *See Fourth Honey AR Final Results.* Furthermore, no information has been presented in the current review that calls into question the reliability of this information. Thus, the Department finds that the information is reliable.

With respect to the relevance aspect of corroboration, the Department will consider information reasonably at its disposal to determine whether a margin continues to have relevance. Where circumstances indicate that the selected margin is not appropriate as adverse facts available, the Department will disregard the margin and determine an appropriate margin. *See, e.g., Fresh Cut Flowers from Mexico: Final Results of Antidumping Administrative Review*, 61 FR 6812, 6814 (February 22, 1996). Similarly, the Department does not apply a margin that has been discredited. *See D & L Supply Co.* v. *United States*, 113 F.3d 1220, 1221 (Fed. Cir. 1997) (the Department will not use a margin that has been judicially invalidated). The AFA rate we are applying for the current review was corroborated in the proceeding that immediately precedes the current POR, the fourth administrative review of honey from the PRC. *See Fourth Honey AR Final Results*. Moreover, as there is no information on the record of this review that demonstrates that this rate is not appropriately used as adverse facts available, we determine that this rate has relevance.

As the *Fourth Honey AR Final Results* margin is both reliable and relevant, we find that it has probative value. As a result, the Department determines that the *Fourth Honey AR Final Results* margin is corroborated for the purposes of this administrative review and may reasonably be applied to the PRC wide entity, which includes Wuhu Qinshi, Jiangsu Light, QMD, and IMA. Because these are the preliminary results of the review, the Department will consider all margins on the record at the time of the final results of review for the purpose of determining the most appropriate final

margin for Wuhu Qinshi, Jiangsu Light, QMD, and IMA. *See Preliminary Determination of Sales at Less Than Fair Value: Solid Fertilizer Grade Ammonium Nitrate From the Russian Federation*, 65 FR 1139 (January 7, 2000) unchanged in *Notice of Final Determination of Sales at Less Than Fair Value; Solid Fertilizer Grade Ammonium Nitrate from the Russian Federation*, 65 FR 42669 (July 11, 2000).

Bona Fide Sale Analysis—QHD Sanhai

For the reasons stated below, we preliminarily find that QHD Sanhai's reported U.S. sale during the POR to be *bona fide* based on the totality of the facts on the record. Specifically, we find that: (1) The price and quantity of QHD Sanhai's sale are indicative of its normal business practices, as the U.S. sales price and quantity was within the range of its sales price and quantity to POR and post-POR customers; (2) QHD Sanhai's sale was made to an unaffiliated party at arm's length; and (3) there is no record evidence that indicates that QHD Sanhai's sale was not based on commercial principles. While the quantity of QHD Sanhai's sale was small compared to other entries of subject merchandise from the PRC into the United States during the POR, absent other factors, single sales of small quantities are not inherently commercially unreasonable. See Memorandum to James C. Doyle, Director, AD/CVD Operations, Office 9, Import Administration, through Scot T. Fullerton, Program Manager, AD/CVD Operations, Office 9, from Michael Quigley, Senior International Trade Analyst, AD/CVD Operations, Office 9, regarding 2004/2005 Antidumping Duty New Shipper Review of the Antidumping Duty Order on Honey from the People's Republic of China: Bona Fide Analysis of the Sale Reported by QHD Sanhai Co., Ltd. (December 17, 2007).

Verification

As provided in section 782(i)(3) of the Act and 19 CFR 351.307(b)(iv), from November 5, through November 7, 2007, the Department verified the questionnaire responses of QHD Sanhai for the new shipper review. For QHD Sanhai, the Department used standard verification procedures, including on-site inspection of the manufacturer's and exporter's facilities, and examination of relevant sales and financial records. Our verification results are outlined in the verification report for each company. For a further discussion, see Memorandum to the File, through Scot T. Fullerton, Program Manager, AD/CVD Operations, Office 9, from Bobby Wong, International Trade Compliance Analyst, and Erin Begnal, Senior International Trade Compliance Analyst, regarding Verification of the Questionnaire Responses of QHD Sanhai Co., Ltd., in the Antidumping New Shipper Review of Honey from the People's Republic of China (''QHD Verification Report'').

Scope of Order

The products covered by this order are natural honey, artificial honey containing more than 50 percent natural honey by weight, preparations of natural honey containing more than 50 percent natural honey by weight, and flavored honey. The subject merchandise includes all grades and colors of honey whether in liquid, creamed, comb, cut comb, or chunk form, and whether packaged for retail or in bulk form.

The merchandise subject to this order is currently classifiable under subheadings 0409.00.00, 1702.90.90, and 2106.90.99 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheadings are provided for convenience and customs purposes, the Department's written description of the merchandise under order is dispositive.

Fair Value Comparisons

In the new shipper review, to determine whether QHD Sanhai's sale to the United States was made at less than fair value, we compared the export price (''EP'') to normal value (''NV''), as described in the ''U.S. Price,'' and ''Normal Value'' sections of this notice. We compared NV to weighted-average EPs in accordance with section 777A(d)(1) of the Act.

U.S. Price-Export Price

For QHD Sanhai, we based U.S. price on EP in accordance with section 772(a) of the Act, because the first sale to an unaffiliated purchaser was made prior to importation, and constructed export price (''CEP'') was not otherwise warranted by the facts on the record. We calculated EP based on the packed price from the exporter to the first unaffiliated customer in the United States. Where applicable, we deducted foreign movement expenses, foreign brokerage and handling expenses, and international freight expenses from the starting price (gross unit price), in accordance with section 772(c) of the Act.

Where foreign movement was provided by PRC service providers or paid for in Renminbi (''RMB''), we valued these services using surrogate values (see ''Factors of Production'' section below for further discussion).

For a complete discussion of the calculation of the U.S. price for QHD Sanhai, see Memorandum to the File, through Scot T. Fullerton, Program Manager, AD/CVD Operations, Office 9, from Bobby Wong, International Trade Compliance Analyst, AD/CVD Operations, Office 9, regarding ''Honey From the People's Republic of China—Analysis Memorandum for the Preliminary Results of New Shipper Review of QHD Sanhai Food Co., Ltd.,'' dated December 17, 2007 (''QHD Sanhai Analysis Memorandum'').

Normal Value

Section 773(c)(1) of the Act provides that the Department shall determine the NV using a factors-of-production (''FOP'') methodology if the merchandise is exported from an NME and the information does not permit the calculation of NV using home-market prices, third-country prices, or constructed value under section 773(a) of the Act. The Department bases NV on the FOP because the presence of government controls on various aspects of non-market economies renders price comparisons and the calculation of production costs invalid under the Department's normal methodologies.

Factor Valuation Methodology

In accordance with section 773(c) of the Act, we calculated NV based on FOP data reported by QHD Sanhai for the POR. To calculate NV, we multiplied the reported per-unit factor-consumption rates by publicly available surrogate values (except as discussed below).

In selecting the surrogate values, we considered the quality, specificity, and contemporaneity of the data. As appropriate, we adjusted input prices by including freight costs to make them delivered prices. Specifically, we added to each Indian import surrogate value, a surrogate freight cost calculated from the shorter of the reported distance from the domestic supplier to the factory or the distance from the nearest seaport to the factory, where appropriate. This adjustment is in accordance with the Court of Appeals for the Federal Circuit's decision in *Sigma Corp.* v. *United States*, 117 F. 3d 1401, 1407–1408 (Fed. Cir. 1997). A detailed description of all surrogate values used for respondents can be found in the Memorandum to the File, Through Scot T. Fullerton, Program Manager, From Michael Quigley, Senior International Trade Analyst, regarding, ''Antidumping Duty Administrative and New Shipper Review of Honey from the People's Republic of China: Selection of Factor Values,'' dated December 17,

2007 (''Factor Value Memorandum''), and the QHD Sanhai Analysis Memorandum.

For this preliminary determination, in accordance with the Department's practice, we used data from the Indian Import Statistics in order to calculate surrogate values for QHD Sanhai's material inputs. In selecting the best available information for valuing FOP in accordance with section 773(c)(1) of the Act, the Department's practice is to select, to the extent practicable, surrogate values which are non-export average values, most contemporaneous with the POI, product-specific, and tax-exclusive. *See, e.g., Notice of Preliminary Determination of Sales at Less Than Fair Value, Negative Preliminary Determination of Critical Circumstances and Postponement of Final Determination: Certain Frozen and Canned Warmwater Shrimp From the Socialist Republic of Vietnam*, 69 FR 42672, 42682 (July 16, 2004), unchanged in *Final Determination of Sales at Less Than Fair Value: Certain Frozen and Canned Warmwater Shrimp from the Socialist Republic of Vietnam*, 69 FR 71005 (December 8, 2004). The record shows that the Indian import statistics represent import data that is contemporaneous with the POR, product-specific, and tax-exclusive. Where we could not obtain publicly available information contemporaneous to the POR with which to value factors, we adjusted the surrogate values, where appropriate, using the Indian Wholesale Price Index (''WPI'') as published in the International Financial Statistics of the International Monetary Fund.

Furthermore, with regard to the Indian import-based surrogate values, we have disregarded import prices that we have reason to believe or suspect may be subsidized. We have found in other proceedings that Indonesia, South Korea, and Thailand may maintain broadly available, non-industry-specific export subsidies and, therefore, it is reasonable to infer that all exports to all markets from these countries may be subsidized. *See, e.g., Amended Final Determination of Sales at Less than Fair Value: Automotive Replacement Glass Windshields from the People's Republic of China*, 67 FR 11670 (March 15, 2002) and accompanying Issues and Decision Memorandum at Comment 4; *see also Notice of Final Determination of Sales at Less Than Fair Value and Negative Final Determination of Critical Circumstances: Certain Color Television Receivers From the People's Republic of China*, 69 FR 20594 (April 16, 2004) and accompanying Issues and Decision Memorandum at Comment 7 (''CTVs from the PRC''). We are also guided by the legislative history not to conduct a formal investigation to ensure that such prices are not subsidized. See H.R. Rep. 100–576 (1988) at 590. Rather, Congress indicated that the Department base its decision on information that is available to it at the time it makes its determination. Therefore, we have not used prices from these countries either in calculating the Indian import-based surrogate values or in calculating market-economy input values. In instances where a market-economy input was obtained solely from suppliers located in these countries, we used Indian import-based surrogate values to value the input. *See Final Determination of Sales at Less Than Fair Value: Certain Automotive Replacement Glass Windshields From The People's Republic of China*, 67 FR 6482 (February 12, 2002), and accompanying Issues and Decision Memorandum at Comment 1.

For QHD Sanhai, the company reported that it purchased all of its inputs consumed in the production of the subject merchandise under review from non-market economy suppliers and paid for such inputs in RMB. Therefore, the Department used the Indian Import Statistics to value all raw material and packing material inputs consumed by QHD Sanhai in the production of the subject merchandise during the POR.

To value unfiltered/unprocessed honey (''raw honey''), the Department used the raw honey price [10] published by the Regional Centre for Development Cooperation (''RCDC'') (on its Web site: *www.banajata.org*) for these preliminary results. The Department finds that the RCDC raw honey price is reliable, as the organization collects its own raw and processed honey price information directly from various Indian honey markets. On December 6, 2007, the Department contacted RCDC representatives via e-mail and requested information regarding how the unprocessed honey price information was collected. Mr. Manoranjan Mohanty, an RCDC official in Orissa, India, explained that RCDC's field officers collect honey prices from the local markets. See December 17, 2007, Memorandum to the file, from Michael Quigley, Senior International Trade Analyst, regarding RCDC telephone conversation. Furthermore, the Department recognizes that RCDC is a non-governmental organization, which works to strengthen the community-based management of natural resources in Orissa and surrounding states, and maintains updated market prices of various non-timber forest products for various major markets in India. Additionally, the Department finds that RCDC-published unprocessed honey prices are more contemporaneous to the instant POR than the EDA Rural System Pvt. Ltd., data that the Department used in previous segments of the review. However, because the unprocessed honey price data published by RCDC are not contemporaneous to the POR, we deflated the price to be contemporaneous with the instant POR using WPI.

To value electricity, the Department used rates from Key World Energy Statistics 2003, published by the International Energy Agency. Because these data were not contemporaneous to the POR, we adjusted for inflation using WPI.

Consistent with 19 CFR 351.408(c)(3), we valued direct, indirect, and packing labor, using the most recently calculated regression-based wage rate, which relies on 2004 data. This wage rate can currently be found on the Department's Web site on Import Administration's home page, Import Library, Expected Wages of Selected NME Countries, revised in January 2007, *http://ia.ita.doc.gov/wages/index.html.* The source of these wage-rate data on the Import Administration's Web site is the Yearbook of Labour Statistics 2002, ILO (Geneva: 2002), Chapter 5B: Wages in Manufacturing. Because this regression-based wage rate does not separate the labor rates into different skill levels or types of labor, we have applied the same wage rate to all skill levels and types of labor reported by QHD Sanhai.

To value water, the Department used data from the Maharashtra Industrial Development Corporation (*http://www.midindia.orgwww.midcindia.org*) since it includes a wide range of industrial water tariffs. This source provides 386 industrial water rates within the Maharashtra province from June 2003: 193 of the water rates were for the ''inside industrial areas'' usage category and 193 of the water rates were for the ''outside industrial areas'' usage category. Because the value was not contemporaneous with the POR, we adjusted the rate for inflation.

To value coal, the Department calculated a POR contemporaneous value of steam coal by deriving a weighted-average per unit price based on the Indian import volume and value as published by Indian Import Statistics.

We used Indian transport information to value the foreign freight-in costs of the raw materials. The Department determined the best available information for valuing truck freight to

[10] The honey price published by RCDC can be found at *http://www.banajata.org/m/a1.htm.*

be from *www.infreight.com.* This source provides daily rates from six major points of origin to five destinations in India during the POR. The Department obtained a price quote on the first day of each month of the POR from each point of origin to each destination and averaged the data accordingly. *See Factor Value Memorandum*. Consistent with the calculation of inland truck freight, the Department used the same freight distances used in the calculation of inland truck freight, as reported by *www.infreight.com* to derive a value in Rupees per kilogram per kilometer.

To value the cost of brokerage and handling expenses, the Department calculated a simple average based on the public version responses of two companies, (1) Kejriwal Paper Ltd.'s January 9, 2006, submission in the antidumping duty investigation of Lined Paper from India (*See Notice of Final Determination of Sales at Less Than Fair Value, and Negative Determination of Critical Circumstances: Certain Lined Paper Products from India*, 71 FR 45012 (August 8, 2006) (''Kejriwal'')); and (2) Agro Dutch Industries Limited (''Agro Dutch''), submitted in the course of 2004/2005 *Antidumping Duty Investigation of Lined Paper from India* and the *2004/2005* {*Sixth*} *Administrative Review of Certain Preserved Mushrooms from India*, respectively. The Department derived the average per-unit amount from each source and adjusted each average rate for inflation. Finally, the Department averaged the average per-unit amounts to derive an overall average rate for the POR.

To value factory overhead; sales, general, and administrative expenses (''SG&A''); and profit; we relied upon publicly available information in the 2004–2005 annual report of MHPC, a producer of the subject merchandise in India. *See Factor Value Memorandum*.

Currency Conversion

We made currency conversions into U.S. dollars, in accordance with section 773A(a) of the Act, based on the exchange rates in effect on the dates of the U.S. sales as certified by the Federal Reserve Bank.

Preliminary Results of Review

We preliminarily determine that the following margin exists during the period December 1, 2005, through November 30, 2006:

HONEY FROM THE PRC

	Percent
New Shipper Review Respondent:	
• QHD Sanhai	0.0
Administrative Review Separate Rate Respondents:	
• Zhejiang Native	45.46
• Dongtai Peak	45.46

We will disclose our analysis to parties to these proceedings within five days of the date of publication of this notice. See 19 CFR 351.224(b) (2007). Any interested party may request a hearing within 30 days of publication of this notice.

Interested parties who wish to request a hearing or to participate if one is requested, must submit a written request to the Assistant Secretary for Import Administration within 30 days of the date of publication of this notice. Requests should contain: (1) The party's name, address, and telephone number; (2) the number of participants; and (3) a list of issues to be discussed. *See* 19 CFR 351.310(c).

Issues raised in the hearing will be limited to those raised in case and rebuttal briefs. Case briefs from interested parties may be submitted not later than 30 days of the date of publication of this notice, pursuant to 19 CFR 351.309(c). Rebuttal briefs, limited to issues raised in the case briefs, will be due five days later, pursuant to 19 CFR 351.309(d). Parties who submit case or rebuttal briefs in this proceeding are requested to submit with each argument (1) a statement of the issue and (2) a brief summary of the argument. Parties are also encouraged to provide a summary of the arguments not to exceed five pages and a table of statutes, regulations, and cases cited.

The Department will issue the final results of this review, including the results of its analysis of issues raised in any such written briefs or at the hearing, if held, not later than 120 days after the date of publication of this notice.

Assessment Rates

Pursuant to 19 CFR 351.212(b), the Department will determine, and CBP shall assess, antidumping duties on all appropriate entries. The Department will issue appropriate assessment instructions directly to CBP 15 days after publication of the final results of this review. We will instruct CBP to assess antidumping duties on all appropriate entries covered by this review if any assessment rate calculated in the final results of this review is above *de minimis*. The final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by the final results of this review and for future deposits of estimated duties, where applicable.

Cash Deposit Requirements

Administrative Review

The following cash deposit requirements will be effective upon publication of the final results of this administrative review for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided for by section 751(a)(2)(C) of the Act: (1) The cash deposit rate will be established in the final results of this review (except, if the rate is zero or *de minimis, i.e.,* less than 0.5 percent, no cash deposit will be required for that company); (2) for previously investigated or reviewed PRC and non-PRC exporters not listed above that have separate rates, the cash deposit rate will continue to be the exporter-specific rate published for the most recent period; (3) for all PRC exporters of subject merchandise which have not been found to be entitled to a separate rate, the cash deposit rate will be the PRC-wide rate of 221.02 percent; and (4) for all non-PRC exporters of subject merchandise which have not received their own rate, the cash deposit rate will be the rate applicable to the PRC exporters that supplied that non-PRC exporter. These deposit requirements, when imposed, shall remain in effect until publication of the final results of the next administrative review.

New Shipper Review

The following cash-deposit requirements will be effective upon publication of the final results of this new shipper review for all shipments of subject merchandise from QHD Sanhai entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided by section 751(a)(2)(C) of the Act: (1) For subject merchandise produced and exported by QHD Sanhai, the cash-deposit rate will be *de minimis*; (2) for subject merchandise exported by QHD Sanhai but not manufactured by QHD Sanhai, the cash deposit rate will continue to be the PRC-wide rate (*i.e.*, 221.02 percent); and (3) for subject merchandise exported by QHD Sanhai, but manufactured by any other party, the cash deposit rate will be the PRC-wide rate (*i.e.*, 221.02 percent).

Notification to Importers

This notice serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

This administrative and new shipper review and notice are in accordance with sections 751(a)(1), 751(a)(2)(B), and 777(i) of the Act and 19 CFR 351.213 and 351.214.

Dated: December 17, 2007.

David M. Spooner,

Deputy Assistant Secretary for Import Administration.

[FR Doc. E8–671 Filed 1–15–08; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–570–847]

Persulfates From the People's Republic of China: Notice of Rescission of Antidumping Duty Administrative Review

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

EFFECTIVE DATE: January 16, 2008.

FOR FURTHER INFORMATION CONTACT: Marin Weaver or Blanche Ziv, AD/CVD Operations, Office 8, Import Administration, Room 1870, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482–2336 and (202) 482–4207, respectively.

Background

On July 3, 2007, the Department of Commerce (''the Department'') published a notice of opportunity to request an administrative review of the antidumping duty order on persulfates from the People's Republic of China (''PRC''). *See Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation: Opportunity to Request Administrative Review,* 72 FR 36420 (July 3, 2007). On July 31, 2007, FMC Corporation (''FMC'') requested that the Department conduct an administrative review of Shanghai AJ Import and Export Corporation (''Shanghai AJ''). No other parties requested a review. The Department published a notice of the initiation of the antidumping duty administrative review of persulfates from the PRC for the period July 1, 2006, through June 30, 2007. *See Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part,* 72 FR 48613 (August 24, 2007). On November 21, 2007 the Department issued a memorandum to the file extending the deadline for FMC to withdraw its request for a review of Shanghai AJ until December 17, 2007. On December 17, 2007, FMC submitted a letter withdrawing its request for review of Shanghai AJ.

Rescission of Review

Because FMC, the sole party which had requested a review, submitted a timely letter withdrawing its request for review of Shanghai AJ., pursuant to 19 CFR 351.213(d)(1) we are rescinding this administrative review of persulfates from the PRC.

Assessment

The Department will instruct U.S.Customs and Border Protection (''CBP'') to assess antidumping duties on all appropriate entries. Antidumping duties shall be assessed at rates equal to the cash deposit of estimated antidumping duties required at the time of entry, or withdrawal from warehouse, for consumption, in accordance with 19 CFR 351.212(c)(1)(i). The Department will issue assessment instructions directly to CBP 15 days after publication of this notice.

Notification Regarding APOs

This notice also serves as a reminder to parties subject to administrative protective orders (''APO'') of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305, which continues to govern business proprietary information in this segment of the proceeding. Timely written notification of the return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

This notice is issued and published in accordance with section 777(i)(1) of the Tariff Act of 1930, as amended, and 19 CFR 351.213(d)(4).

Dated: January 10, 2008.

Stephen J. Claeys,

Deputy Assistant Secretary for Import Administration.

[FR Doc. E8–661 Filed 1–15–08; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

The Manufacturing Council: Fact-Finding Meeting

AGENCY: International Trade Administration, U.S. Department of Commerce.

ACTION: Notice of a Fact-Finding Meeting.

SUMMARY: The Manufacturing Council will hold a fact-finding meeting to collect information on the problems manufacturers face in using or adopting renewable energies. The Council is gathering this information for later use for deliberation by the Council in preparing a report for the Secretary of Commerce.

DATES: February 5, 2008.
Time: 1:45 p.m. (EDT).

FOR FURTHER INFORMATION CONTACT: The Manufacturing Council Executive Secretariat, Room 4043, Washington, DC 20230 (Phone: 202–482–1124), or visit the Council's Web site at *http://www.manufacturing.gov/council.*

Dated: January 10, 2008

Kate Worthington,

Executive Secretary, The Manufacturing Council.

[FR Doc. 08–139 Filed 1–11–08; 4:27 pm]

BILLING CODE 3510–DR–P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

RIN 0648–XF01

Endangered and Threatened Species; Take of Anadromous Fish

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

ACTION: Receipt of an application for a scientific research permit; request for comments.

SUMMARY: Notice is hereby given that NMFS has received two applications for scientific research permits from the California Department of Fish and Game (CDFG), one from CDFG Region 1 and one from CDFG Region 3. The permits

would affect federally threatened Southern Oregon/Northern California Coast coho salmon, endangered Central California Coast coho, threatened California Coastal Chinook salmon, threatened Northern California steelhead, threatened Central California Coast steelhead, threatened South-Central California Coast steelhead, and endangered Southern California steelhead. This document serves to notify the public of the availability of the permit application for review and comment.

DATES: Written comments on the permit application must be received no later than 5 p.m. Pacific Standard Time on February 15, 2008.

ADDRESSES: Comments submitted by e-mail must be sent to the following address: *FRNpermits.SR@noaa.gov*. The application and related documents are available for review by appointment, for Permit 10093: Protected Resources Division, NMFS, 777 Sonoma Avenue, Room 315, Santa Rosa, CA 95404 (ph: 707–575–6097, fax: 707–578–3435).

FOR FURTHER INFORMATION CONTACT: Jeffrey Jahn at phone number 707–575–6097, or e-mail: *Jeffrey.Jahn@noaa.gov*.

SUPPLEMENTARY INFORMATION:

Authority

Issuance of permits, as required by the Endangered Species Act of 1973 (16 U.S.C. 1531–1543) (ESA), is based on a finding that such permits: (1) are applied for in good faith; (2) would not operate to the disadvantage of the listed species which are the subject of the permits; and (3) are consistent with the purposes and policies set forth in section 2 of the ESA. Authority to take listed species is subject to conditions set forth in the permits. Permits are issued in accordance with and are subject to the ESA and NMFS regulations governing listed fish and wildlife permits (50 CFR parts 222–226).

Those individuals requesting a hearing on an application listed in this notice should set out the specific reasons why a hearing on that application would be appropriate (see **ADDRESSES**). The holding of such a hearing is at the discretion of the Assistant Administrator for Fisheries, NOAA. All statements and opinions contained in the permit action summaries are those of the applicant and do not necessarily reflect the views of NMFS.

Species Covered in This Notice

This notice is relevant to federally threatened Southern Oregon/Northern California Coast coho salmon (*Oncorhynchus kisutch*), endangered Central California Coast coho salmon (*O. kisutch*), threatened California Coastal Chinook salmon (*O. tshawytscha*), threatened Northern California steelhead (*O. mykiss*), threatened Central California Coast steelhead (*O. mykiss*), threatened South-Central California Coast steelhead (*O. mykiss*), and endangered Southern California steelhead (*O. mykiss*).

Applications Received

CDFG Region 1 requests a 5–year permit (10093) for take of juvenile Southern Oregon/Northern California Coast coho salmon, Central California Coast coho salmon, California Coastal Chinook salmon, Northern California steelhead, Central California Coast steelhead, South-Central California Coast steelhead, and Southern California steelhead; and adult Central California Coast coho salmon, California Coastal Chinook salmon, and Northern California steelhead associated with 7 scientific research projects located throughout the California Coast.

Project 1 is a salmonid occurrence and distribution study associated with stream habitat inventories and assessments in streams within California. Surveys will primarily be conducted in Mendocino County, California; however, surveys may also extend throughout the entire length of the California Coast. Surveys may also occur in the San Luis Rey River located in San Diego County, California. CDFG Region 1 requests authorization for an estimated annual non-lethal take of: 400 juvenile Southern Oregon/Northern California Coast coho salmon, 400 juvenile Central California Coast coho salmon, 80 juvenile California Coastal Chinook salmon, 800 juvenile Northern California Steelhead, 400 juvenile Central California Coast steelhead, 50 juvenile South-Central California Coast steelhead, 40 juvenile Southern California steelhead, with no more than 1 percent unintentional mortality resulting from capture (by backpack electrofishing), handling and release of fish. CDFG Region 1 also requests authorization for an estimated annual non-lethal take of: 100 juvenile Southern Oregon/Northern California Coast coho salmon, 100 juvenile Central California Coast coho salmon, 20 juvenile California Coastal Chinook salmon, 200 juvenile Northern California Steelhead, 100 juvenile Central California Coast steelhead, 10 juvenile South-Central California Coast steelhead, and 10 juvenile Southern California steelhead, with no more than 1 percent unintentional mortality resulting from capture (by backpack electrofishing), handling, anesthetizing, tissue sampling (by fin-clipping), scale sampling, and release of fish.

Project 2 is a salmonid study to determine the occurrence and distribution of juvenile salmonids associated with stream inventories to identify restoration actions needed to remediate factors limiting salmonid health and production. Surveys will primarily be conducted in: Del Norte, Humboldt and Mendocino counties, California; however, surveys may also extend throughout the entire length of the California Coast. CDFG Region 1 requests the authorization for an estimated non-lethal take of: 1000 juvenile Southern Oregon/Northern California Coast coho salmon, 2000 juvenile Central California Coast coho salmon, 5000 juvenile Northern California steelhead, 5000 juvenile Central California Coast steelhead, 5000 juvenile South-Central California Coast steelhead, 5000 juvenile Southern California steelhead, with no more than 2 percent unintentional mortality resulting from capture (by backpack electrofishing), handling, and release of fish. CDFG Region 1 also requests authorization for an estimated annual non-lethal take of: 1000 juvenile Southern Oregon/Northern California Coast coho salmon, 2000 juvenile Central California Coast coho salmon, 5000 juvenile Northern California steelhead, 5000 juvenile Central California Coast steelhead, 5000 juvenile South-Central California Coast steelhead, 5000 juvenile Southern California steelhead, with no more than 2 percent unintentional mortality resulting from capture (by backpack electrofishing), tissue sampling (by fin-clipping), scale sampling, handling, and release of fish.

Project 3 is a salmonid study to monitor salmonid response at the reach and/or stream level to watershed restoration activities and evaluate their effectiveness in remediation factors limiting salmonid health and production. Surveys will primarily be conducted in Humboldt and Mendocino counties, California; however, surveys may also extend throughout the entire length of the California Coast. CDFG Region 1 requests the authorization of an estimated annual non-lethal take of: 300 juvenile Southern Oregon/Northern California Coast coho salmon, 600 juvenile Central California Coast coho salmon, 600 juvenile California Coastal Chinook salmon, 360 juvenile South-Central California Coast steelhead, and 360 juvenile Southern California steelhead, with no more than 2 percent unintentional mortality resulting from capture (by backpack electrofishing), anesthetizing, handling, tissue sampling

(by fin-clipping), scale sampling, and release of fish. CDFG Region 1 also requests authorization for an estimated annual non-lethal take of: 1440 juvenile Northern California steelhead, and 1440 juvenile Southern California steelhead, with no more than 0.5 percent unintentional mortality resulting from capture (by backpack electrofishing), handling, anesthetizing, tissue sampling, scale sampling and release of fish; and 1440 juvenile South-Central California Coast steelhead, with no more than 0.5 percent unintentional mortality resulting from capture (by backpack electrofishing) handling and release of fish. CDFG Region 1 also requests authorization of an estimated annual non-lethal take of: 460 Central California Coast coho salmon carcasses, and 360 California Coastal Chinook salmon carcasses, with no permanent removal from streams resulting from spawning surveys, handling, tissue sampling (by fin-clipping), scale sampling, and release of fish carcasses.

Project 4 is salmonid spawning survey study to determine if adults are returning to, and spawning within indexed reaches or basin areas. The study consists of multiple spawning surveys primarily located in: Del Norte, Humboldt, and Mendocino counties, California; and surveys may also extend throughout the entire length of the California Coast. CDFG Region 1 requests authorization for an estimated annual non-lethal take of: 2000 Southern Oregon/Northern California Coast coho salmon carcasses, 4000 Central California Coast coho salmon carcasses, and 13000 California Coastal Chinook salmon carcasses, with no permanent removal from the streams resulting from spawning survey, handling, marking (using hog rings), and release of fish carcasses.

Project 5 is a salmonid population abundance, life history, marine and fresh water survival, spawning survey, and restoration effectiveness study located within the following Mendocino County, California watersheds: Pudding Creek, Noyo River, and Casper Creek. CDFG Region 1 also requests that other watersheds in Mendocino County may be included during the life of the permit. CDFG Region 1 requests authorization for an estimated annual non-lethal take of: 20000 juvenile Central California Coast coho salmon and 10000 juvenile Northern California steelhead, with no more than 2.5 percent unintentional mortality resulting from trapping (by fyke-net trap or rotary screw trap), handling, and release of fish; and 15000 juvenile Central California Coast coho salmon with no more than 1 percent unintentional mortality resulting from trapping (by fyke-net trap or rotary screw trap), anesthetizing, fin-clipping, tagging (using passive integrated transponder (PIT) tags), and release of fish; and 500 juvenile California Coastal Chinook salmon with less than 0.3 percent unintentional mortality resulting from trapping (by fyke-net trap or rotary screw trap), anesthetizing, handling, tagging (using PIT tags), and release of fish; and 5000 juvenile Northern California steelhead with no more than 1.5 percent unintentional mortality resulting from trapping (by fyke-net trap or rotary screw trap), anesthetizing, fin-clipping, tagging (using PIT tags), and release of fish. CDFG Region 1 also requests authorization for an estimated annual non-lethal take of: 2000 adult Central California Coast coho salmon, 400 adult Northern California steelhead, with less than 1 percent unintentional mortality resulting from trapping (by fish ladder trap or weir trap), handling, tagging (using Floy tags), and release of fish; and 10 adult California Coastal Chinook salmon with less than 1 percent unintentional mortality resulting from trapping (by fish ladder trap or weir trap), handling, tissue sampling, tagging (using Floy tags), and release of fish. CDFG Region 1 also requests authorization for an estimated annual non-lethal take of 1000 Central California Coast coho salmon carcasses, and 50 Northern California steelhead carcasses, with no permanent removal from streams resulting from spawning surveys, handling, tagging, and releasing of fish carcasses; and 300 Central California Coast coho salmon carcases, 10 California Coastal Chinook salmon carcasses, and 50 Northern California steelhead carcasses, with no permanent removal from streams resulting from spawning surveys, handling, tagging, tissue sampling, and releasing of fish.

Project 6 is a salmonid study to investigate possible straying of potential spawning adults and to collect adult census data. The proposed surveys will be conducted within the Noyo River watershed, in Mendocino County, California. CDFG Region 1 requests the authorization for estimated annual non-lethal take of: 700 adult Central California Coast coho salmon and 10 adult California Coastal Chinook salmon, with no more than 1 percent mortality resulting from capture (by flume type raceway trap or finger weir trap), counting, handling, tissue sampling, tagging (using Floy tags), and release of fish; and 50 adult Northen California steelhead, with no more than 0.5 percent mortality resulting from capture (by flume type raceway trap or finger weir trap), counting, handling, tissue sampling, tagging (using Floy tags), and release of fish.

Project 7 is a salmonid life history and population study in the following coastal water bodies, all located within Northern or Central California: Casper Creek, Little River, Pudding Creek, Hollow Tree Creek, South Fork Noyo River, Ryan Creek in Mendocino County, and Middle Fork Eel River in Humboldt County. CDFG Region 1 requests the authorization for an estimated annual non-lethal take of: 12000 juvenile Southern Oregon/Northern California Coast coho salmon, 11000 juvenile Central California Coast coho salmon, 13000 juvenile Northern California steelhead, and 1000 juvenile Central California Coast steelhead, with no more than 1 percent unintentional mortality resulting from capture (by funnel/fyke trap, backpack electrofishing, or rotary screw trap), anesthetizing, handling, and releasing of fish. CDFG Region 1 also requests authorization for an estimated annual non-lethal take of: 5000 juvenile Southern Oregon/Northern California Coast coho salmon, 5000 juvenile Central California Coast coho salmon, 5000 juvenile California Coastal Chinook salmon, and 3000 juvenile Northern California steelhead, with no more than 1 percent intentional mortality resulting from capture (by funnel/fyke trap, backpack electrofishing, or rotary screw trap), handling, anesthetizing, marking (by fin-clipping) and release of fish; and 200 juvenile Southern Oregon/Northern California Coast coho salmon; 2100 juvenile Central California Coast coho salmon; 100 juvenile California Coastal Chinook salmon; 1500 juvenile Northern California steelhead, and 500 juvenile Central California Coast steelhead, with no more than 1 percent mortality resulting from capture (by funnel/fyke trap, backpack electrofishing, or rotary screw trap), handling, anesthetizing, tissue sampling, and release of fish. CDFG Region 1 also requests authorization for an estimated annual non-lethal take of: 200 Southern Oregon/Northern California Coast coho salmon carcasses, and 1000 Central California Coast coho salmon carcasses, with no permanent removal from streams resulting from spawning surveys, handling, tagging (using hog rings), and release of fish; and 200 Southern Oregon/Northern California Coast coho salmon carcasses, and 500 Central California Coast coho salmon carcasses with no permanent removal from streams resulting from

handling, tissue sampling (by fin-clipping) and release of fish.

CDFG Region 3 requests a 5–year permit (10094) for take of juvenile and adult Central California Coast coho salmon, California Coastal Chinook salmon, Northern California steelhead, Central California Coast steelhead, and South-Central California Coast steelhead associated with 3 scientific research projects located throughout the California Coast.

Project 1 is a North Bay watershed restoration and resource assessment study including investigations of salmonid occurrence and distribution, abundance, life history, and adult escapement. Surveys will be supervised out of Yountville, California and conducted throughout the rivers, streams, and reservoirs in Mendocino, Sonoma, Napa and Marin Counties, California. CDFG Region 3 requests authorization for an estimated annual non-lethal take of: 2300 juvenile Central California Coast coho salmon, with no more than 1 percent unintentional mortality resulting from capture (by backpack electrofishing or funnel/fyke traps), handling, anesthetizing, and release of fish; and 800 juvenile California Coastal Chinook salmon, 800 juvenile Northern California steelhead, and 7100 juvenile Central California Coast steelhead with no more than 2 percent unintentional mortality resulting from capture (by backpack electrofishing or funnel/fyke traps), handling, anesthetizing, and release of fish. CDFG Region 3 also requests authorization of an estimated annual non-lethal take of: 340 adult Central California Coast coho salmon, 140 adult California Coastal Chinook salmon, 130 adult Northern California steelhead, and 1050 adult Central California Coast steelhead, with no more than 1 percent unintentional mortality resulting from capture (by Resistance Board weir or fish ladder trap), handling, tissue sampling (by fin-clipping or opercular-hole-punching), scale sampling, tagging (using Floy tags), and release of fish. CDFG Region 1 also requests authorization for an estimated annual non-lethal take of: 100 Central California Coast coho salmon carcasses, 100 California Coastal Chinook salmon carcasses, 100 Northern California steelhead carcasses, and 100 Central California Coast steelhead carcasses, with no permanent removal from streams resulting from spawning surveys, handling, tissue sampling (by fin-clipping), scale sampling, and release of fish carcasses.

Project 2 is a South Bay watershed restoration and resource assessment study including investigations of salmonid occurrence and distribution, abundance, life history, and adult escapement. Surveys will be supervised out of Yountville, California and conducted throughout the rivers, streams, and reservoirs in Monterey, San Luis Obispo, San Benito, San Mateo, San Francisco, Santa Cruz, Santa Clara, Alameda, and Contra Costa counties, California. CDFG Region 3 requests authorization for an estimated annual non-lethal take of: 2000 juvenile Central California Coast coho salmon, 100 juvenile California Coastal Chinook salmon, 16400 juvenile Central California Coast steelhead, and 6200 juvenile South-Central California Coast steelhead, with no more than 1 percent unintentional mortality resulting from capture (by backpack electrofishing, funnel/fyke traps or beach seining), handling, anesthetizing, and release of fish. CDFG Region 3 also requests authorization of an estimated annual non-lethal take of: 310 adult Central California Coast coho salmon, 10 adult California Coastal Chinook salmon, 1060 adult Central California Coast steelhead, and 120 adult South-Central California Coast steelhead, with no more than 1 percent unintentional mortality resulting from capture (by Resistance Board weir or fish ladder trap), handling, tissue sampling (by fin-clipping or opercular-hole-punching), scale sampling, tagging (using Floy tags), and release of fish. CDFG Region 1 also requests authorization for an estimated annual non-lethal take of: 100 Central California Coast coho salmon carcasses, 100 California Coastal Chinook salmon carcasses, 100 Central California Coast steelhead carcasses, and 100 South-Central California Coast steelhead carcasses, with no permanent removal from streams resulting from spawning surveys, handling, tissue sampling (by fin-clipping or opercular-hole-punching), scale sampling, and release of fish carcasses.

Project 3 is a Bay Delta Region wild trout assessment study including investigations of salmonid abundance, life history, occurrence and distribution. Surveys will be supervised out of Yountville, California and conducted throughout the rivers, streams, and reservoirs in Mendocino, Sonoma, Napa, Marin, San Mateo, San Francisco, Santa Cruz, Santa Clara, Alameda, Yolo, Solano, Sacramento, San Joaquin, and Contra Coast counties, California. CDFG Region 3 requests authorization for an estimated annual non-lethal take of: 100 juvenile Central California Coast coho salmon, 100 juvenile California Coastal Chinook salmon, 1000 juvenile Northern California steelhead, 1000 juvenile Central California Coast steelhead, and 1000 juvenile South-Central California Coast steelhead, with no more than 2 percent unintentional mortality resulting from capture (by backpack electrofishing or hook & line), handling, anesthetizing, and release of fish. CDFG Region 3 also requests authorization of an estimated annual non-lethal take of: 1 adult Central California Coast coho salmon, 1 adult California Coastal Chinook salmon, 10 adult Northern California steelhead, 10 adult Central California Coast steelhead, and 10 adult South-Central California Coast steelhead, with no more than 1 percent unintentional mortality resulting from capture (by backpack electrofishing or hook & line), handling, tissue sampling (by fin-clipping), scale sampling, and release of fish.

Dated: January 11, 2008.

Angela Somma,

Chief, Endangered Species Division, Office of Protected Resources, National Marine Fisheries Service.

[FR Doc. E8–688 Filed 1–15–08; 8:45 am]

BILLING CODE 3510–22–S

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

[RIN 0648–XE79]

Notice of Public Hearings on the Cook Inlet Beluga Whale Subsistence Harvest Draft Supplemental Environmental Impact Statement

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

ACTION: Notice of public hearings.

SUMMARY: NMFS will hold a two public hearings regarding the Cook Inlet beluga whale subsistence harvest Draft Supplemental Environmental Impact Statement (DSEIS).

DATES: See **SUPPLEMENTARY INFORMATION** for specific dates, times, and location of public hearings for this issue.

FOR FURTHER INFORMATION CONTACT: Barbara Mahoney, NMFS, 222 West 7th Avenue, Anchorage, AK 99513, telephone (907) 271 3448.

SUPPLEMENTARY INFORMATION: On December 28, 2007, notice was published in the **Federal Register** (72 FR 73798) of availability of the DSEIS for review and comments. Written comments on the DSEIS must be received by March 4, 2008. NMFS will hold two public hearings to inform

interested parties of the alternatives analyzed and accept comments.

Public Hearings Agenda

Public hearings will be held at the following dates, times, and locations in Alaska:

1. January 29, 2008, from 4 to 7 p.m.; Loussac Public Library, Wilda Marston Room, 3600 Denali Street, Anchorage, AK.

2. January 30, 2008, from 4 to 7 p.m.; Kenai Peninsula Borough Assembly chambers, 144 North Binkley Street, Soldotna, AK.

Written comments will be accepted at these hearings as well as during the comment period.

Special Accommodations

These meetings are accessible to people with disabilities. Requests for sign language interpretation or other auxiliary aids should be directed to Barbara Mahoney (see **FOR FURTHER INFORMATION CONTACT**) at least 5 business days before the scheduled meeting date.

References

The DSEIS and other materials related to Cook Inlet belugas can be found on the NMFS Alaska Region Web site: *http://www/fakr/noaa/gov*.

Dated: January 10, 2008.

James H. Lecky,

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

[FR Doc. 08–121 Filed 1–11–08; 2:19 pm]

BILLING CODE 3510–22–S

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

[Docket Number: 080108032–8033–01]

Science Advisory Board; The Preliminary Report of the NOAA Science Advisory Board, Extension, Outreach and Education Working Group

AGENCY: Office of Oceanic and Atmospheric Research (OAR), National Oceanic and Atmospheric Administration (NOAA), Department of Commerce (DOC).

ACTION: Notice of availability and request for public comment.

SUMMARY: NOAA Research (OAR) publishes this notice on behalf of the NOAA Science Advisory Board (SAB) to announce the availability of the preliminary report of the SAB Extension, Outreach, and Education Working Group's (here called the EOEWG) external review of NOAA's activities in extension, outreach and education activities for public comment. The preliminary report of the EOEWG has been prepared pursuant to the request initiated by the NOAA Science Advisory Board, and approved by the Under Secretary of Commerce for Oceans and Atmosphere, for an external panel of experts to conduct a review of NOAA's extension, outreach and education programs and provide advice to NOAA on ways to strengthen, coordinate, organize and improve its extension, outreach and education activities to fully engage its constituents.

DATES: Comments on this preliminary report must be received by 5 p.m. EDT on February 15, 2008.

ADDRESSES: The Preliminary Report of the EOEWG will be available on the NOAA Science Advisory Board Web site at *http://www.sab.noaa.gov/Reports/EOEWG.*

The public is encouraged to submit comments electronically to *noaa.sab.comments@noaa.gov.* For individuals who do not have access to the Internet, comments may be submitted in writing to: NOAA Science Advisory Board (SAB) c/o Dr. Cynthia Decker, 1315 East-West Highway-R/SAB, Silver Spring, Maryland 20910.

FOR FURTHER INFORMATION CONTACT: Dr. Cynthia Decker, Executive Director, Science Advisory Board, NOAA, 1315 East-West Highway-R/SAB, Silver Spring, Maryland 20910. (Phone: 301–734–1156, Fax: 301–734–1459, E-mail: *Cynthia.Decker@noaa.gov*) during normal business hours of 9 a.m. to 5 p.m. Eastern Time, Monday through Friday, or visit the NOAA SAB Web site at *http://www.sab.noaa.gov.*

SUPPLEMENTARY INFORMATION: The preliminary report of the EOEWG has been drafted pursuant to the request initiated by the NOAA Science Advisory Board and approved by the Under Secretary of Commerce for Oceans and Atmosphere to conduct an external review of NOAA's extension, outreach and education activities. This report was prepared in response to the charge to the working group to explore opportunities to enhance the impact of NOAA's extension, outreach and education activities with its constituents, including, but not limited to, the following:

1. Define NOAA's purpose and unique role in extension, outreach, and education.

2. Identify opportunities at different levels of geographic granularity (e.g., local, state, regional, national, and international).

3. Identify opportunities for NOAA's research enterprise to better connect with constituencies through extension, outreach, and education.

4. Review the legislative authorities of NOAA in extension, outreach, and education and the opportunities to expand these authorities.

5. Explore the communication paths between NOAA and its constituents with the goal to improve channels and enhance processes.

6. Cite best management practices and examples that could be broadly utilized within NOAA.

7. Review training opportunities and funding support for NOAA programs and staff involved in extension, outreach, and education.

The SAB is chartered under the Federal Advisory Committee Act and is the only Federal Advisory Committee with the responsibility to advise the Under Secretary on long- and short-term strategies for research, education, and application of science to resource management and environmental assessment and prediction.

NOAA welcomes all comments on the content of the preliminary report. We also request comments on any inconsistencies perceived within the report, and possible omissions of important topics or issues. This preliminary report is being issued for comment only and is not intended for interim use. For any shortcoming noted within the preliminary report, please propose specific remedies. Suggested changes will be incorporated where appropriate, and a final report will be posted on the SAB Web site.

Please follow these instructions for preparing and submitting comments. Using the format guidance described below will facilitate the processing of comments and assure that all comments are appropriately considered. Overview comments should be provided first and should be numbered. Comments that are specific to particular pages, paragraphs or lines of the section should follow any overview comments and should identify the page and line numbers to which they apply. Please number each page of your comments.

Dated: January 10, 2008.

Mark E. Brown,

Chief Financial Officer, Office of Oceanic and Atmospheric Research, National Oceanic and Atmospheric Administration.

[FR Doc. E8–704 Filed 1–15–08; 8:45 am]

BILLING CODE 3510–KD–P

DEPARTMENT OF EDUCATION

Submission for OMB Review; Comment Request

AGENCY: Department of Education.

ACTION: Correction Notice.

SUMMARY: On January 9, 2008, the Department of Education published a comment period notice in the **Federal Register** (Page 1609, Column 3) for the information collection, ''Common Core of Data Survey System.'' The abstract is hereby corrected to read, ''The Common Core of Data fiscal data collection gathers universe information from states about public school districts and schools. Information is collected annually from school districts about the districts and their members schools.''

The IC Clearance Official, Regulatory Information Management Services, Office of Management, hereby issues a correction notice as required by the Paperwork Reduction Act of 1995.

Dated: January 10, 2008.

Angela C. Arrington,

IC Clearance Official, Regulatory Information Management Services, Office of Management.

[FR Doc. E8–689 Filed 1–15–08; 8:45 am]

BILLING CODE 4000–01–P

DEPARTMENT OF ENERGY

Agency Information Collection Extension

AGENCY: U.S. Department of Energy.

ACTION: Notice and request for comments.

SUMMARY: The Department of Energy (DOE), pursuant to the Paperwork Reduction Act of 1995, intends to extend for three years, an information collection request with the Office of Management and Budget (OMB) concerning the Department-wide Printing and Publishing Activities. Comments are invited on: (a) Whether the extended collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology.

DATES: Comments regarding this proposed information collection must be received on or before March 17, 2008. If you anticipate difficulty in submitting comments within that period, contact the person listed below as soon as possible.

ADDRESSES: Written comments may be sent to: Dallas Woodruff, U.S. Department of Energy, Lead Printing Specialist, MA–421, 1000 Independence Ave, SW., Washington, DC 20585, or by fax at 202–586–0753 or by e-mail at *dallas.woodruff@hq.doe.gov.*

FOR FURTHER INFORMATION CONTACT: Requests for additional information or copies of the information collection instrument and instructions should be directed to Dallas Woodruff at the address listed above.

SUPPLEMENTARY INFORMATION: This package contains: (1) *OMB No.* 1910–0100; (2) *Information Collection Request Title:* ''Printing and Publishing Activities; (3) *Type of Review:* Renewal; (4) *Purpose:* The collection of data is a Joint Committee on Printing (JCP) requirement. The Department reports on information gathered and compiled from its facilities nation-wide on the usage of in-house printing and duplicating activities as well as all printing production from external Government Printing Office vendors; (5) *Respondents:* 163; (6) *Estimated Number of Burden Hours:* 1,607. *Number of Collections:* The package contains 4 information and/or recordkeeping requirements.

Statutory Authority: This information is reported to the Joint Committee on Printing. See U.S. Code Title 44, section 103, 501, 504 and the Government Printing and Binding Regulations, Title IV; Joint Committee on Printing Report Forms.

Issued in Washington, DC on *January 10, 2008.*

Mary R. Anderson,

Director, Office of Administrative Management and Support.

[FR Doc. E8–644 Filed 1–15–08; 8:45 am]

BILLING CODE 6450–01–P

DEPARTMENT OF ENERGY

Additional Public Hearing on the Draft PEIS; Designation of Energy Corridors on Federal Land in the 11 Western States

AGENCY: Office of Electricity Delivery and Energy Reliability, DOE.

ACTION: Notice of additional public hearing.

SUMMARY: On November 16, 2007, DOE and the Department of the Interior's Bureau of Land Management (BLM; the ''agencies'') published a notice in the **Federal Register** (72 FR 64591) announcing the availability of the Draft Programmatic Environmental Impact Statement (Draft PEIS) titled, *Designation of Energy Corridors on Federal Land in the 11 Western States* (DOE/EIS–0386). That notice also announced that the agencies had scheduled 15 public hearings to receive comments on the Draft PEIS. The agencies now announce that they will hold an additional public hearing in Elko, Nevada.

DATES: February 5, 2008, from 6 to 8 p.m.

ADDRESSES: BLM Field Office, 3900 East Idaho Street, Elko, Nevada.

FOR FURTHER INFORMATION CONTACT: Ms. LaVerne Kyriss, Office of Electricity Delivery and Energy Reliability (OE–20), U.S. Department of Energy, 1000 Independence Avenue, SW., Washington, DC 20585, phone: 202–586–1056, facsimile: 202–586–8008, or electronic mail: *laverne.kyriss@hq.doe.gov*.

Issued at Washington, DC, on January 10, 2007.

Kevin M. Kolevar,

Assistant Secretary, Office of Electricity Delivery and Energy Reliability.

[FR Doc. E8–643 Filed 1–15–08; 8:45 am]

BILLING CODE 6450–01–P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

Combined Notice of Filings # 1

January 10, 2008.

Take notice that the Commission received the following electric corporate filings:

Docket Numbers: EC08–33–000.

Applicants: Startrans IO, L.L.C.

Description: Startrans IO, LLC's request for approvals necessary for purchase of certain transmission interests currently held by the City of Vernon, CA in the Mead-Adelanto Project.

Filed Date: 01/04/2008.

Accession Number: 20080107–0162.

Comment Date: 5 p.m. Eastern Time on Friday, January 25, 2008.

Docket Numbers: EC08–34–000.

Applicants: FPLE, Forney, L.P., Cobisa-Forney Power Company, Inc, FPL Energy Tyler Texas LP, LLC.

Description: FPLE Forney LP et al. submits an application requesting

authorization for the purchase of Cobisa-Forney Power Co, Inc's five percent limited partnership interest.

Filed Date: 01/04/2008.

Accession Number: 20080107–0191.

Comment Date: 5 p.m. Eastern Time on Friday, January 25, 2008.

Take notice that the Commission received the following electric rate filings:

Docket Numbers: ER97–3561–004; ER98–3771–001; ER00–1737–010; ER00–2839–005; ER04–834–004; ER96–2869–012; ER02–1342–003; ER97–30–005; ER99–1432–009; ER99–1695–009; ER01–2763–001; ER00–3621–008; ER01–468–007; ER05–34–004; ER05–35–004; ER05–36–004; ER05–37–004; ER04–318–003; ER04–249–004; ER02–23–010; ER07–1306–003.

Applicants: Virginia Electric & Power Company; State Line Energy, L.L.C.; Kincaid Generation, L.L.C.; Elwood Energy, LLC; Dominion Nuclear Connecticut, Inc.; Dominion Energy Marketing, Inc.; Dominion Energy New England, Inc.; Dominion Energy Salem Harbor, LLC; Dominion Energy Brayton Point, LLC; Dominion Energy Manchester Street, Inc.; Dominion Energy Kewaunee, Inc.; Dominion Retail, Inc.; Fairless Energy, LLC; NedPower Mount Storm, LLC.

Description: Virginia Electric and Power Company submits its Fourth Revised Volume 4 of the Amended and Restated Market-Based Sales Tariff.

Filed Date: 01/08/2008.

Accession Number: 20080109–0064.

Comment Date: 5 p.m. Eastern Time on Tuesday, January 29, 2008.

Docket Numbers: ER02–2458–011.

Applicants: Wolverine Power Supply Cooperative, Inc.; Midwest Independent Transmission System Operator, Inc.

Description: Refund Report in Midwest Independent Transmission System Operator, Inc.

Filed Date: 01/08/2008.

Accession Number: 20080108–5171.

Comment Date: 5 p.m. Eastern Time on Tuesday, January 29, 2008.

Docket Numbers: ER03–736–007; ER04–1153–003.

Applicants: CAM Energy Products, LP; Cam Energy Trading, LLC.

Description: CAM Energy Trading LLC and CAM Energy Products LP submits a notice of a non-material change in status.

Filed Date: 01/04/2008.

Accession Number: 20080108–0036.

Comment Date: 5 p.m. Eastern Time on Friday, January 25, 2008.

Docket Numbers: ER06–1455–002.

Applicants: Westar Energy, Inc.

Description: Westar Energy Inc submits its First Revised Sheet 31 and 32 of its FERC Electric Tariff, Original Volume 8, Participation Power Agreement with Mid-Kansas Electric Company LLC.

Filed Date: 01/07/2008.

Accession Number: 20080108–0039.

Comment Date: 5 p.m. Eastern Time on Monday, January 28, 2008.

Docket Numbers: ER08–233–001.

Applicants: CAM Energy Products, LP.

Description: CAM Energy Products, LP submits a Notice of Cancellation of its Market-Based Rate Tariff, to be effective 11/20/07.

Filed Date: 01/04/2008.

Accession Number: 20080108–0045.

Comment Date: 5 p.m. Eastern Time on Friday, January 25, 2008.

Docket Numbers: ER08–274–002.

Applicants: Citadel Energy Strategies, LLC.

Description: Citadel Energy Strategies, LLC submits its compliance filing, which consist of amendments to its Rate Schedule FERC 1 required by Order 697.

Filed Date: 01/07/2008.

Accession Number: 20080108–0040.

Comment Date: 5 p.m. Eastern Time on Monday, January 28, 2008.

Docket Numbers: ER08–391–000.

Applicants: Nevada Power Company.

Description: Nevada Power Co submits a Notice of Cancellation of an Agreement for Long-Term Firm Point-to-Point Transmission Service with Calpine Corporation.

Filed Date: 12/28/2007.

Accession Number: 20080107–0066.

Comment Date: 5 p.m. Eastern Time on Friday, January 18, 2008.

Docket Numbers: ER08–392–000.

Applicants: PJM Interconnection, L.L.C.

Description: PJM Interconnection LLC submits an executed interconnection service agreement among PJM, Grand Ridge Energy LLC et al.

Filed Date: 12/28/2007.

Accession Number: 20080107–0065.

Comment Date: 5 p.m. Eastern Time on Friday, January 18, 2008.

Docket Numbers: ER08–395–000.

Applicants: Electric Energy, Inc.

Description: Electric Energy, Inc submits Modification 20 to a Power Contract dated 9/12/87 with the U.S. Department of Energy designated as contract DEAC05–760R01312.

Filed Date: 12/28/2007.

Accession Number: 20080107–0063.

Comment Date: 5 p.m. Eastern Time on Friday, January 18, 2008.

Docket Numbers: ER08–411–000.

Applicants: Tiger Natural Gas, Inc.

Description: Tiger Natural Gas Inc submits its Petition for Acceptance of Initial Tariff, Waivers and Blanket Authority designated as FERC Electric Tariff, Original Volume 1.

Filed Date: 01/04/2008.

Accession Number: 20080107–0043.

Comment Date: 5 p.m. Eastern Time on Friday, January 25, 2008.

Docket Numbers: ER08–412–000.

Applicants: Commonwealth Edison Company.

Description: Application of Commonwealth Edison Co and Exelon Generation Co, LLC under Section 205 of the Federal Power Act.

Filed Date: 01/04/2008.

Accession Number: 20080108–0093.

Comment Date: 5 p.m. Eastern Time on Friday, January 25, 2008.

Docket Numbers: ER08–413–000.

Applicants: Startrans IO, L.L.C.

Description: Startrans IO, LLC submits supporting materials and tariff provisions to establish its transmission revenue requirement and Transmission Owner Tariff as a Participating Transmission Owner etc.

Filed Date: 01/04/2008.

Accession Number: 20080108–0046.

Comment Date: 5 p.m. Eastern Time on Friday, January 25, 2008.

Docket Numbers: ER08–414–000.

Applicants: New York State Reliability Council.

Description: New York State Reliability Council LLC advises FERC that NYSRC has revised the Installed Capacity Requirement for the New York Control Area for the period on 5/1/08 and ending 4/30/09.

Filed Date: 01/04/2008.

Accession Number: 20080108–0032.

Comment Date: 5 p.m. Eastern Time on Friday, January 25, 2008.

Docket Numbers: ER08–415–000.

Applicants: Potomac Electric Power Company.

Description: Potomac Electric Power Company submits an executed Construction Agreement with Mid-Atlantic LLC, effective 2/4/08.

Filed Date: 01/04/2008.

Accession Number: 20080108–0033.

Comment Date: 5 p.m. Eastern Time on Friday, January 25, 2008.

Docket Numbers: ER08–416–000.

Applicants: Midwest Independent Transmission System.

Description: Midwest Independent Transmission System Operator Inc submits its proposed revisions to its Open Access Transmission and Energy Markets Tariff etc.

Filed Date: 01/04/2008.

Accession Number: 20080108–0034.

Comment Date: 5 p.m. Eastern Time on Friday, January 25, 2008.

Docket Numbers: ER08–417–000.

Applicants: Wisconsin Public Service Corporation.

Description: Wisconsin Public Service Corporation submits an executed Spinning Reserve Services Agreement with Ameren Services Company, to become effective 1/5/08.

Filed Date: 01/04/2008.

Accession Number: 20080108–0035.

Comment Date: 5 p.m. Eastern Time on Friday, January 25, 2008.

Docket Numbers: ER08–418–000.

Applicants: Midwest Independent Transmission System.

Description: Midwest Independent Transmission System Operator, Inc submits an executed Amended Interconnection and Operating Agreement with Northern Iowa Windpower II, LLC *et al.*.

Filed Date: 01/07/2008.

Accession Number: 20080108–0047.

Comment Date: 5 p.m. Eastern Time on Monday, January 28, 2008.

Docket Numbers: ER08–419–000.

Applicants: American Electric Power System Corp.

Description: American Electric Power Service Corp on behalf of Indiana Michigan Power submits an Interconnection Agreement with Commonwealth Edison Co.

Filed Date: 01/07/2008.

Accession Number: 20080108–0041.

Comment Date: 5 p.m. Eastern Time on Monday, January 28, 2008.

Docket Numbers: ER08–420–000.

Applicants: Xcel Energy Services Inc.

Description: Xcel Energy on behalf of Northern States Power Co submits a Revised and Restated Emergency-Type Service Agreement with East River Electric Power Cooperative.

Filed Date: 01/07/2008.

Accession Number: 20080108–0042.

Comment Date: 5 p.m. Eastern Time on Monday, January 28, 2008.

Docket Numbers: ER08–421–000.

Applicants: Xcel Energy Services Inc.

Description: Xcel Energy on behalf of Public Service Company of Colorado submits the First Revision to the Amended and Restated Agreement with Rocky Mountain Energy Center, LLC.

Filed Date: 01/07/2008.

Accession Number: 20080108–0043.

Comment Date: 5 p.m. Eastern Time on Monday, January 28, 2008.

Docket Numbers: ER08–422–000; ER08–423–000; ER08–424–000.

Applicants: Puget Sound Energy, Inc.

Description: Puget Sound Energy, Inc submits a Network Integration Transmission Service Agreement with Bonneville Power Administration etc.

Filed Date: 01/07/2008.

Accession Number: 20080108–0044.

Comment Date: 5 p.m. Eastern Time on Monday, January 28, 2008.

Docket Numbers: ER08–425–000.

Applicants: Energy Exchange Direct, LLC.

Description: Energy Exchange Direct LLC submits its Petition for Acceptance of Initial Tariff, Waivers and Blanket Authority designated to FERC's Electric Tariff, Original Volume 1.

Filed Date: 01/07/2008.

Accession Number: 20080108–0303.

Comment Date: 5 p.m. Eastern Time on Monday, January 28, 2008.

Docket Numbers: ER08–426–000.

Applicants: WSPP Inc.

Description: WSPP Inc submits its proposed revisions of its WSPP Agreement.

Filed Date: 01/07/2008.

Accession Number: 20080108–0304.

Comment Date: 5 p.m. Eastern Time on Monday, January 28, 2008.

Docket Numbers: ER08–427–000.

Applicants: New York Independent System Operator, Inc.

Description: New York Independent System Operator Inc et al. submits an unexecuted Small Generator Interconnection Agreement among NYISO, National Grid et al.

Filed Date: 01/07/2008.

Accession Number: 20080108–0305.

Comment Date: 5 p.m. Eastern Time on Monday, January 28, 2008.

Any person desiring to intervene or to protest in any of the above proceedings must file in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure (18 CFR 385.211 and 385.214) on or before 5 p.m. Eastern time on the specified comment date. It is not necessary to separately intervene again in a subdocket related to a compliance filing if you have previously intervened in the same docket. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Anyone filing a motion to intervene or protest must serve a copy of that document on the Applicant. In reference to filings initiating a new proceeding, interventions or protests submitted on or before the comment deadline need not be served on persons other than the Applicant.

The Commission encourages electronic submission of protests and interventions in lieu of paper, using the FERC Online links at *http://www.ferc.gov.* To facilitate electronic service, persons with Internet access who will eFile a document and/or be listed as a contact for an intervenor must create and validate an eRegistration account using the eRegistration link. Select the eFiling link to log on and submit the intervention or protests.

Persons unable to file electronically should submit an original and 14 copies of the intervention or protest to the Federal Energy Regulatory Commission, 888 First St., NE., Washington, DC 20426.

The filings in the above proceedings are accessible in the Commission's eLibrary system by clicking on the appropriate link in the above list. They are also available for review in the Commission's Public Reference Room in Washington, DC. There is an eSubscription link on the Web site that enables subscribers to receive e-mail notification when a document is added to a subscribed dockets(s). For assistance with any FERC Online service, please e-mail *FERCOnlineSupport@ferc.gov* or call (866) 208–3676 (toll free). For TTY, call (202) 502–8659.

Nathaniel J. Davis, Sr.,

Deputy Secretary.

[FR Doc. E8–634 Filed 1–15–08; 8:45 am]

BILLING CODE 6717–01–P

ENVIRONMENTAL PROTECTION AGENCY

[EPA–HQ–OPP–2007–0923; FRL–8152–5]

Agency Information Collection Activities; Proposed Renewal and Consolidation of Several Currently Approved Collections; Comment Request; Pesticide Data Call-In Program; EPA ICR No. 2288.01, OMB Control No. 2070–new

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice.

SUMMARY: In compliance with the Paperwork Reduction Act (PRA) (44 U.S.C. 3501 *et seq.*), this document announces that EPA is planning to submit a request to renew and consolidate several existing approved Information Collection Requests (ICRs) to the Office of Management and Budget (OMB). Before submitting the consolidated ICR to OMB for review and approval, EPA is soliciting comments on specific aspects of this information collection. The consolidated ICR, entitled: ''Pesticide Data Call-In Program'' (identified by EPA ICR No. 2288.01 and OMB Control No. 2070–new), will consolidate the following currently approved ICRs: ''Data Call-Ins for the Special Review and Registration Review Programs'' (identified by EPA ICR No. 0922.07 and OMB Control No. 2070–0057); ''Data Generation for Pesticide Reregistration'' (identified by EPA ICR No. 1504.05 and OMB Control

No. 2070–0107); and ''Data Acquisition for Anticipated Residue and Percent of Crop Treated'' (identified by EPA ICR No. 1911.02 and OMB Control No. 2070–0164).

DATES: Comments must be received on or before March 17, 2008.

ADDRESSES: Submit your comments, identified by docket identification (ID) number EPA–HQ–OPP–2007–0923, by one of the following methods:

- *Federal eRulemaking Portal: http://www.regulations.gov*. Follow the on-line instructions for submitting comments.
- *Mail*: Office of Pesticide Programs (OPP) Regulatory Public Docket (7502P), Environmental Protection Agency, 1200 Pennsylvania Ave., NW., Washington, DC 20460–0001.
- *Delivery*: OPP Regulatory Public Docket (7502P), Environmental Protection Agency, Rm. S–4400, One Potomac Yard (South Bldg.), 2777 S. Crystal Dr., Arlington, VA. Deliveries are only accepted during the Docket's normal hours of operation (8:30 a.m. to 4 p.m., Monday through Friday, excluding legal holidays). Special arrangements should be made for deliveries of boxed information. The Docket Facility telephone number is (703) 305–5805.

Instructions: Direct your comments to docket ID number EPA–HQ–OPP–2007–0923. EPA's policy is that all comments received will be included in the docket without change and may be made available on-line at *http://www.regulations.gov*, including any personal information provided, unless the comment includes information claimed to be Confidential Business Information (CBI) or other information whose disclosure is restricted by statute. Do not submit information that you consider to be CBI or otherwise protected through regulations.gov or e-mail. The regulations.gov website is an ''anonymous access'' system, which means EPA will not know your identity or contact information unless you provide it in the body of your comment. If you send an e-mail comment directly to EPA without going through regulations.gov, your e-mail address will be automatically captured and included as part of the comment that is placed in the docket and made available on the Internet. If you submit an electronic comment, EPA recommends that you include your name and other contact information in the body of your comment and with any disk or CD-ROM you submit. If EPA cannot read your comment due to technical difficulties and cannot contact you for clarification, EPA may not be able to consider your comment. Electronic files should avoid the use of special characters, any form of encryption, and be free of any defects or viruses.

Docket: All documents in the docket are listed in the docket index available at *http://www.regulations.gov*. Although listed in the index, some information is not publicly available, e.g., CBI or other information whose disclosure is restricted by statute. Certain other material, such as copyrighted material, is not placed on the Internet and will be publicly available only in hard copy form. Publicly available docket materials are available either in the electronic docket at *http://www.regulations.gov*, or, if only available in hard copy, at the OPP Regulatory Public Docket in Rm. S–4400, One Potomac Yard (South Bldg.), 2777 S. Crystal Dr., Arlington, VA. The hours of operation of this Docket Facility are from 8:30 a.m. to 4 p.m., Monday through Friday, excluding legal holidays. The Docket Facility telephone number is (703) 305–5805.

FOR FURTHER INFORMATION CONTACT: Cameo Smoot, Field and External Affairs Division (7506P), Office of Pesticide Programs, Environmental Protection Agency, 1200 Pennsylvania Ave., NW., Washington, DC 20460–0001; telephone number: (703) 305–5454; fax number: (703) 305–5884; e-mail address: *smoot.cameo@epa.gov*.

SUPPLEMENTARY INFORMATION:

I. What Information is EPA Particularly Interested in?

Pursuant to section 3506(c)(2)(A) of PRA, EPA specifically solicits comments and information to enable it to:

1. Evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the Agency, including whether the information will have practical utility.
2. Evaluate the accuracy of the Agency's estimates of the burden of the proposed collection of information, including the validity of the methodology and assumptions used.
3. Enhance the quality, utility, and clarity of the information to be collected.
4. Minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses. In particular, EPA is requesting comments from very small businesses (those that employ less than 25) on examples of specific additional efforts that EPA could make to reduce the paperwork burden for very small businesses affected by this collection.

II. What Should I Consider when I Prepare My Comments for EPA?

You may find the following suggestions helpful for preparing your comments:

1. Explain your views as clearly as possible and provide specific examples.
2. Describe any assumptions that you used.
3. Provide copies of any technical information and/or data you used that support your views.
4. If you estimate potential burden or costs, explain how you arrived at the estimate that you provide.
5. Provide specific examples to illustrate your concerns.
6. Offer alternative ways to improve the collection activity.
7. Make sure to submit your comments by the deadline identified under **DATES**.
8. To ensure proper receipt by EPA, be sure to identify the docket ID number assigned to this action in the subject line on the first page of your response. You may also provide the name, date, and **Federal Register** citation.

III. What Do I Need to Know About the PRA?

Under the PRA, an Agency may not conduct or sponsor, and a person is not required to respond to, a collection of information subject to PRA approval unless it displays a currently valid OMB control number. The OMB control numbers for EPA's regulations in title 40 of the CFR, after appearing in the preamble of the final rule, are further displayed either by publication in the **Federal Register** or by other appropriate means, such as on the related collection instruments or form, if applicable. The display of OMB control numbers in certain EPA regulations is consolidated in a list at 40 CFR part 9.1.

The PRA defines *burden* to mean the total time, effort, or financial resources expended by persons to generate, maintain, retain, or disclose or provide information to or for a Federal Agency. This includes the time needed to review instructions; develop, acquire, install, and utilize technology and systems for the purposes of collecting, validating, and verifying information, processing and maintaining information, and disclosing and providing information; adjust the existing ways to comply with any previously applicable instructions and requirements which have subsequently changed; train personnel to be able to respond to a collection of

information; search data sources; complete and review the collection of information; and transmit or otherwise disclose the information.

IV. What ICR Does this Request Apply to?

Title: Pesticide Data Call-In Program.

ICR numbers: EPA ICR No. 2288.01, OMB Control No. 2070–new.

ICR status: This ICR reflects the consolidation of the following currently approved ICRs: ''Data Call-Ins for the Special Review and Registration Review Programs'' (identified by EPA ICR No. 0922.07 and OMB Control No. 2070–0057); ''Data Generation for Pesticide Reregistration'' (identified by EPA ICR No. 1504.05 and OMB Control No. 2070–0107); and ''Data Acquisition for Anticipated Residue and Percent of Crop Treated'' (identified by EPA ICR No. 1911.02 and OMB Control No. 2070–0164). These ICRs are all scheduled to expire on June 30, 2008.

Affected entities: Entities potentially affected by this ICR include pesticide registrants, which may be identified by the North American Industrial Classification System (NAICS) code 32532, pesticide and other agricultural chemical manufacturing.

Abstract: Under the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA), every pesticide product must be registered with EPA. An applicant for registration must supply data to demonstrate that the pesticide product will not cause ''unreasonable adverse effects'' on humans or to the environment. Under the Federal Food, Drug, and Cosmetic Act (FFDCA), EPA must determine, from data supplied by the applicant or registrant, that the level of pesticide residues in food and feed will be safe for human consumption, defined as ''a reasonable certainty that no harm'' will result from exposures to pesticide residues. Although data is provided with the initial applications, the Agency issues Data Call-Ins (DCIs) when it has determined that more information is necessary to make the necessary decision pursuant to the mandates in FIFRA and FFDCA.

The programs represented in this proposed ICR renewal and consolidation share a common statutory authority, section 3(c)(2)(B) of FIFRA, which authorizes EPA to require pesticide registrants to generate and submit data to the Agency, when such data are needed to maintain an existing registration of a pesticide. EPA's determination that additional data are needed can occur for various reasons, with the following four reasons being the most common:

The reregistration program: Section 4 of FIFRA requires EPA to re-assess the health and safety data for all pesticide active ingredients registered before November 1, 1984, to determine whether these ''older'' pesticides meet the criteria for registration that would be expected of a pesticide being registered today for the first time. FIFRA section 4 directs EPA to use FIFRA section 3(c)(2)(B) authority to obtain the required data. While, Reregistration Eligibility Decisions are expected to be completed by 2006 for food-use pesticide ingredients and 2008 for non-food use pesticide ingredients, the Agency may still need to issue DCIs after FY 2008 to close out the program

The registration review program: Section 3(g) of FIFRA contains provisions to help achieve the goal of reviewing each pesticide every 15 years to assure that the pesticide continues to pose no risk of unreasonable adverse effects on human health or the environment. FIFRA section 3(g) instructs EPA to use the FIFRA section 3(c)(2)(B) authority to obtain the required data.

The special review program: Though rare, EPA may conduct a Special Review if EPA believes that a pesticide poses risks of unreasonable adverse effects on human health or the environment. Section 3(c)(2)(B) of FIFRA provides a means of obtaining any needed data.

Anticipated residue/percent crop treated information: Under section 408 of FFDCA, before a pesticide may be used on food or feed crops, the Agency must establish a tolerance for the pesticide residues on that crop or established an exemption from the requirement to have a tolerance. Section 408(b)(2)(E) and (F) of FFDCA authorize the use of anticipated or actual residue (ARs) data and percent crop treated (PCT) data to establish, modify, maintain, or revoke a tolerance for a pesticide. The FFDCA requires that if AR data are used, data must be reviewed five years after a tolerance is initially established. If PCT data are used, the FFDCA affords EPA the discretion to obtain additional data if any or all of several conditions are met.

The Agency issues DCIs when it has determined that more information is necessary to make decision about pesticides pursuant to the mandates in FIFRA and FFDCA. Agency decisions requiring additional data are based on the data requirements set forth in 40 CFR parts 150 through 180, with the majority of the data requirements captured in 40 CFR part 158.

In addition, EPA is seeking public review and comment on a draft document that describes the methodology it uses to estimate the paperwork burden hours and costs for entities responding to DCIs. EPA's methodology for estimating paperwork burden hours and costs for DCI recipients uses the average cost of the specific test that generates the data requested as the basis for estimating the paperwork burden activities. Once the estimated test costs are established, the Agency estimates the paperwork burden hours and costs as a percentage of the test cost. The document describing the methodology, and a spreadsheet with available test cost estimates listed by name and guideline number, is available in the docket.

Burden statement: The average annual public reporting and recordkeeping burden for this consolidated ICR varies depending on the review program and the specific data being sought through the DCI. The consolidated ICR, a copy of which is available in the docket, provides a detailed explanation of the Agency's estimated burden for issuing DCIs under these review programs, which is only briefly summarized here:

Estimated total number of potential respondents: 1,643.

Frequency of response: On occasion.

Estimated total average number of responses for each respondent: Ranges from 1 to 16.

Estimated total annual burden hours: 240,490 hours.

Estimated total annual costs: $10,974,873. This ICR does not involve any capital investment or maintenance and operational costs.

V. Are There Changes in the Estimates from the Last Approvals?

The consolidation of the currently approved ICRs is expected to result in an overall decrease of 134,274 hours in the total estimated combined respondent burden that is currently approved by OMB. This decrease reflects an anticipated reduction in the number of DCIs EPA plans to issue relating to the reregistration review program, which is expected to come to a close during the approval period for the next ICR. This reduction may be offset to some extent by an anticipated increase in DCIs related to the registration review program. This change is considered to be an adjustment.

VI. What is the Next Step in the Process for this ICR?

EPA will consider the comments received and amend the consolidated ICR as appropriate. The final ICR package will then be submitted to OMB for review and approval pursuant to 5 CFR 1320.12. EPA will issue another

Federal Register notice pursuant to 5 CFR 1320.5(a)(1)(iv) to announce the submission of the ICR to OMB and the opportunity to submit additional comments to OMB.

If you have any questions about this ICR or the approval process, please contact the person listed under **FOR FURTHER INFORMATION CONTACT**.

List of Subjects

Environmental protection, Reporting and recordkeeping requirements.

Dated: December 20, 2007.

James B. Gulliford,

Assistant Administrator, Office of Prevention, Pesticides and Toxic Substances.

[FR Doc. E8–602 Filed 1–15–08; 8:45 am]

BILLING CODE 6560–50–S

ENVIRONMENTAL PROTECTION AGENCY

[FRL–8516–3; EPA–HQ–OEI–2007–0977]

Deletion of Risk Management Plan SORN

AGENCY: Environmental Protection Agency.

ACTION: Notice of a Deletion of System of Records Notice for the Risk Management Plan Review Access List.

SUMMARY: Pursuant to the provisions of the Privacy Act of 1974 (5 U.S.C. 552a), the Environmental Protection Agency's Office of Solid Waste and Emergency Response, Office of Emergency Management, is giving notice that it is deleting the system of records for the Risk Management Plan Review Access List. The information in this system of record is neither indexed nor retrieved by a personal identifier.

EFFECTIVE DATES: This notice is effective upon publication.

FOR FURTHER INFORMATION CONTACT: Dorothy McManus, (202) 564–8606.

SUPPLEMENTARY INFORMATION:

I. General Information

The Risk Management Plan Review Access List system of records does not duplicate any existing system of records. The system contains the names, title, position, telephone number, fax number, e-mail address, user ID and password of local, state and federal government officials, qualified researchers and others who are ''covered persons'' under the Chemical Safety, Site Security and Fuels Regulatory Relief Act (CSISSFRRA) of 1999, and who have requested Risk Management Plan information under CSISSFRRA. CSISSFRRA, an amendment to the Clean Air Act, imposes access restrictions to some portions of risk management plans submitted under the Clean Air Act. Access to the system is restricted to authorized users and is maintained in a secure, password-protected computer system, in secure areas and buildings with physical access controls and environmental controls. The system is maintained by the Office of Emergency Management in the Office of Solid Waste and Emergency Response.

Dated: December 21, 2007.

Molly O'Neill,

Assistant Administrator and Chief Information Officer.

[FR Doc. E8–659 Filed 1–15–08; 8:45 am]

BILLING CODE 6560–50–P

ENVIRONMENTAL PROTECTION AGENCY

[EPA–HQ–OPP–2007–1163; FRL–8347–5]

Guidance for Conducting Prospective Ground-Water Studies

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice.

SUMMARY: The Environmental Protection Agency (EPA) is issuing for public comment guidance for conducting prospective ground-water (PGW) studies. This study, which is required by EPA on a case-by-case basis, is conducted in a controlled setting and provides EPA with data for evaluating the impact of legal pesticide use on ground water quality. The PGW guidance document describes how to conduct a PGW monitoring study, milestones for consulting with EPA, and how to report results to EPA. Data generated from these field studies have proven valuable to EPA scientists and risk managers as they are specifically designed to relate pesticide use indicated on the label to measurements of the pesticide and its degradates in ground water used as a source of drinking water.

DATES: Comments must be received on or before March 17, 2008.

ADDRESSES: Submit your comments, identified by docket identification (ID) number EPA–HQ–OPP–2007–1163, by one of the following methods:

• *Federal eRulemaking Portal*: *http://www.regulations.gov*. Follow the on-line instructions for submitting comments.

• *Mail*: Office of Pesticide Programs (OPP) Regulatory Public Docket (7502P), Environmental Protection Agency, 1200 Pennsylvania Ave., NW., Washington, DC 20460–0001.

• *Delivery*: OPP Regulatory Public Docket (7502P), Environmental Protection Agency, Rm. S–4400, One Potomac Yard (South Bldg.), 2777 S. Crystal Dr., Arlington, VA. Deliveries are only accepted during the Docket's normal hours of operation (8:30 a.m. to 4 p.m., Monday through Friday, excluding legal holidays). Special arrangements should be made for deliveries of boxed information. The Docket Facility telephone number is (703) 305–5805.

Instructions: Direct your comments to docket ID number EPA–HQ–OPP–2007–1163. EPA's policy is that all comments received will be included in the docket without change and may be made available on-line at *http://www.regulations.gov*, including any personal information provided, unless the comment includes information claimed to be Confidential Business Information (CBI) or other information whose disclosure is restricted by statute. Do not submit information that you consider to be CBI or otherwise protected through regulations.gov or e-mail. The regulations.gov website is an ''anonymous access'' system, which means EPA will not know your identity or contact information unless you provide it in the body of your comment. If you send an e-mail comment directly to EPA without going through regulations.gov, your e-mail address will be automatically captured and included as part of the comment that is placed in the docket and made available on the Internet. If you submit an electronic comment, EPA recommends that you include your name and other contact information in the body of your comment and with any disk or CD-ROM you submit. If EPA cannot read your comment due to technical difficulties and cannot contact you for clarification, EPA may not be able to consider your comment. Electronic files should avoid the use of special characters, any form of encryption, and be free of any defects or viruses.

Docket: All documents in the docket are listed in the docket index available in regulations.gov. To access the electronic docket, go to *http://www.regulations.gov*, select ''Advanced Search,'' then ''Docket Search.'' Insert the docket ID number where indicated and select the ''Submit'' button. Follow the instructions on the regulations.gov website to view the docket index or access available documents. Although listed in the index, some information is not publicly available, e.g., CBI or other information whose disclosure is restricted by statute. Certain other material, such as copyrighted material, is not placed on the Internet and will be

publicly available only in hard copy form. Publicly available docket materials are available either in the electronic docket at *http://www.regulations.gov*, or, if only available in hard copy, at the OPP Regulatory Public Docket in Rm. S–4400, One Potomac Yard (South Bldg.), 2777 S. Crystal Dr., Arlington, VA. The hours of operation of this Docket Facility are from 8:30 a.m. to 4 p.m., Monday through Friday, excluding legal holidays. The Docket Facility telephone number is (703) 305–5805.

FOR FURTHER INFORMATION CONTACT:

Betsy Behl, Environmental Fate and Effects Division, Office of Pesticide Programs, Environmental Protection Agency, 1200 Pennsylvania Ave., NW., Washington, DC 20460–0001; telephone number: (703) 305–6128; fax number: (703) 305–6309; e-mail address: *behl.betsy@epa.gov*.

SUPPLEMENTARY INFORMATION:

I. General Information

A. Does this Action Apply to Me?

You may be potentially affected by this action if you are an agricultural producer, food manufacturer, or pesticide manufacturer Potentially affected entities may include, but are not limited to:

- Crop production (NAICS code 111).
- Animal production (NAICS code 112).
- Food manufacturing (NAICS code 311).
- Pesticide manufacturing (NAICS code 32532).

This listing is not intended to be exhaustive, but rather provides a guide for readers regarding entities likely to be affected by this action. Other types of entities not listed in this unit could also be affected. The North American Industrial Classification System (NAICS) codes have been provided to assist you and others in determining whether this action might apply to certain entities. To determine whether you or your business may be affected by this action, you should carefully examine the applicability provisions in FIFRA, section 2(y). If you have any questions regarding the applicability of this action to a particular entity, consult the person listed under **FOR FURTHER INFORMATION CONTACT**.

B. What Should I Consider as I Prepare My Comments for EPA?

1. *Submitting CBI.* Do not submit this information to EPA through regulations.gov or e-mail. Clearly mark the part or all of the information that you claim to be CBI. For CBI information in a disk or CD-ROM that you mail to EPA, mark the outside of the disk or CD-ROM as CBI and then identify electronically within the disk or CD-ROM the specific information that is claimed as CBI. In addition to one complete version of the comment that includes information claimed as CBI, a copy of the comment that does not contain the information claimed as CBI must be submitted for inclusion in the public docket. Information so marked will not be disclosed except in accordance with procedures set forth in 40 CFR part 2.

2. *Tips for preparing your comments.* When submitting comments, remember to:

i. Identify the document by docket ID number and other identifying information (subject heading, **Federal Register** date and page number).

ii. Follow directions. The Agency may ask you to respond to specific questions or organize comments by referencing a Code of Federal Regulations (CFR) part or section number.

iii. Explain why you agree or disagree; suggest alternatives and substitute language for your requested changes.

iv. Describe any assumptions and provide any technical information and/or data that you used.

v. If you estimate potential costs or burdens, explain how you arrived at your estimate in sufficient detail to allow for it to be reproduced.

vi. Provide specific examples to illustrate your concerns and suggest alternatives.

vii. Explain your views as clearly as possible, avoiding the use of profanity or personal threats.

viii. Make sure to submit your comments by the comment period deadline identified.

II. Background

A. What Action is the Agency Taking?

The PGW study, which is required on a case-by-case basis (40 CFR 158.1300(d) OPPTS Harmonized Guideline 835.7100), is conducted in a controlled setting and provides the Agency with data for evaluating the impact of legal pesticide use on ground water quality. After assessing the overall environmental fate of a pesticide, the Agency may require the pesticide manufacturer (registrant) to conduct a PGW study, with input from EPA on key aspects of the study design. The Agency's assessment is based on a review of laboratory data on mobility and persistence of the compound, estimates of potential exposure, available monitoring and modeling information, and a consideration of the potential for risk from drinking water exposure. Data generated from these field studies have proven valuable to EPA scientists and risk managers as they are specifically designed to relate pesticide use indicated on the label to measurements of the pesticide and its degradates in ground water used as a source of drinking water. The document provides guidance on how to conduct a PGW monitoring study, describes milestones for consulting with EPA, and describes how results should be reported to EPA.

EPA uses the results of PGW monitoring studies to help answer questions such as:

1. Will the pesticide leach in portions of the pesticide use area that are similar to the study area?
2. How do pesticide residues change over time?
3. What measures might be effective in mitigating the pesticide leaching?

Monitoring data generated in these studies provide a time-series of concentrations that can be used in exposure and risk assessments as a reasonable surrogate for pesticide concentrations in drinking water drawn from shallow private wells in agricultural areas. PGW studies have been used to test alternative mitigation strategies for pesticides that have adversely affected ground water quality to determine, for example, if a reduction in application rate or specific irrigation technology will reduce or eliminate the impact. Data from these studies have also been used to develop the EPA regression screening model SCI-GROW, (*http://www.epa.gove/oppefed1/models/water/models4.htm#scigrow*), which is used to estimate screening-level pesticide concentrations in ground water used as a source of drinking water. Currently, the results of these studies are being used to evaluate models of subsurface pesticide transport, and as a basis for model scenarios for estimating pesticide concentrations in shallow ground water.

The original draft guidance for PGW monitoring studies was developed primarily in the early 1990s and has been subjected to substantial public review and comment, including a public workshop sponsored by EPA in 1995 and a Scientific Advisory Panel (SAP) review in 1998. The comments received during the workshop and SAP meeting provided valuable suggestions from both a technical and practical perspective and were used to revise this guidance document and to address other issues identified in the Agency's review of studies conducted for the registration of over 50 pesticides. EPA incorporated comments solicited from industry, academia, and consultants into the

revised guidance document. The recommendations in the guidance document also represent the Agency's substantial experience, over the last decade, in developing and articulating effective procedures for collecting high quality data on pesticide movement into ground water.

B. What is the Agency's Authority for Taking this Action?

The Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA), section 3.

List of Subjects

Environmental protection, prospective ground-water monitoring studies.

Dated: January 10, 2008.

Donald J. Brady,

Acting Director, Environmental Fate and Effects Division, Office of Pesticide Programs.

[FR Doc. E8–653 Filed 1–15–08; 8:45 am]

BILLING CODE 6560–50–S

ENVIRONMENTAL PROTECTION AGENCY

[EPA–HQ–OPP–2007–1166; FRL–8343–3]

Organic Esters of Phosphoric Acid Risk Assessments Risk Reduction Options; Notice of Availability

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice.

SUMMARY: This notice announces the availability of EPA's risk assessments, and related documents for the pesticide organic esters of phosphoric acid, and opens a public comment period on these documents. The public is encouraged to suggest risk management ideas or proposals to address the risks identified. EPA is developing a Reregistration Eligibility Decision (RED) for organic esters of phosphoric acid through a modified, 4–Phase public participation process that the Agency uses to involve the public in developing pesticide reregistration decisions. This is Phase 3 of the 4– Process. Through this program, EPA is ensuring that all pesticides meet current health and safety standards.

DATES: Comments must be received on or before March 17, 2008.

ADDRESSES: Submit your comments, identified by docket identification (ID) number EPA–HQ–OPP–2007–1166, by one of the following methods:

• *Federal eRulemaking Portal*: *http://www.regulations.gov*. Follow the on-line instructions for submitting comments.

• *Mail*: Office of Pesticide Programs (OPP) Regulatory Public Docket (7502P), Environmental Protection Agency, 1200 Pennsylvania Ave., NW., Washington, DC 20460–0001.

• *Delivery*: OPP Regulatory Public Docket (7502P), Environmental Protection Agency, Rm. S–4400, One Potomac Yard (South Bldg.), 2777 S. Crystal Dr., Arlington, VA. Deliveries are only accepted during the Docket's normal hours of operation 8:30 a.m. to 4 p.m., Monday through Friday, excluding legal holidays. Special arrangements should be made for deliveries of boxed information. The Docket Facility telephone number is (703) 305–5805.

Instructions: Direct your comments to docket ID number EPA–HQ–OPP–2007–1166. EPA's policy is that all comments received will be included in the docket without change and may be made available on-line at *http://www.regulations.gov*, including any personal information provided, unless the comment includes information claimed to be Confidential Business Information (CBI) or other information whose disclosure is restricted by statute. Do not submit information that you consider to be CBI or otherwise protected through regulations.gov or e-mail. The regulations.gov website is an ''anonymous access'' system, which means EPA will not know your identity or contact information unless you provide it in the body of your comment. If you send an e-mail comment directly to EPA without going through regulations.gov, your e-mail address will be automatically captured and included as part of the comment that is placed in the docket and made available on the Internet. If you submit an electronic comment, EPA recommends that you include your name and other contact information in the body of your comment and with any disk or CD-ROM you submit. If EPA cannot read your comment due to technical difficulties and cannot contact you for clarification, EPA may not be able to consider your comment. Electronic files should avoid the use of special characters, any form of encryption, and be free of any defects or viruses.

Docket: All documents in the docket are listed in the docket index available in regulations.gov. To access the electronic docket, go to *http://www.regulations.gov*, select ''Advanced Search,'' then ''Docket Search.'' Insert the docket ID number where indicated and select the ''Submit'' button. Follow the instructions on the regulations.gov website to view the docket index or access available documents. Although listed in the index, some information is not publicly available, e.g., CBI or other information whose disclosure is restricted by statute. Certain other material, such as copyrighted material, is not placed on the Internet and will be publicly available only in hard copy form. Publicly available docket materials are available either in the electronic docket at *http://www.regulations.gov*, or, if only available in hard copy, at the OPP Regulatory Public Docket in Rm. S–4400, One Potomac Yard (South Bldg.), 2777 S. Crystal Dr., Arlington, VA. The hours of operation of this Docket Facility are from 8:30 a.m. to 4 p.m., Monday through Friday, excluding legal holidays. The Docket Facility telephone number is (703) 305–5805.

FOR FURTHER INFORMATION CONTACT: Heather Garvie, Antimicrobials Division (7510P), Office of Pesticide Programs, Environmental Protection Agency, 1200 Pennsylvania Ave., NW., Washington, DC 20460–0001; telephone number: (703) 308–0034; fax number: (703) 305–5620; e-mail address: *garvie.heather@epa.gov*.

SUPPLEMENTARY INFORMATION:

I. General Information

A. Does this Action Apply to Me?

This action is directed to the public in general, and may be of interest to a wide range of stakeholders including environmental, human health, and agricultural advocates; the chemical industry; pesticide users; and members of the public interested in the sale, distribution, or use of pesticides. Since others also may be interested, the Agency has not attempted to describe all the specific entities that may be affected by this action. If you have any questions regarding the applicability of this action to a particular entity, consult the person listed under **FOR FURTHER INFORMATION CONTACT**.

B. What Should I Consider as I Prepare My Comments for EPA?

1. *Submitting CBI*. Do not submit this information to EPA through regulations.gov or e-mail. Clearly mark the part or all of the information that you claim to be CBI. For CBI information in a disk or CD-ROM that you mail to EPA, mark the outside of the disk or CD-ROM as CBI and then identify electronically within the disk or CD-ROM the specific information that is claimed as CBI. In addition to one complete version of the comment that includes information claimed as CBI, a copy of the comment that does not contain the information claimed as CBI must be submitted for inclusion in the public docket. Information so marked will not be disclosed except in

accordance with procedures set forth in 40 CFR part 2.

2. *Tips for preparing your comments.* When submitting comments, remember to:

i. Identify the document by docket ID number and other identifying information (subject heading, **Federal Register** date and page number).

ii. Follow directions. The Agency may ask you to respond to specific questions or organize comments by referencing a Code of Federal Regulations (CFR) part or section number.

iii. Explain why you agree or disagree; suggest alternatives and substitute language for your requested changes.

iv. Describe any assumptions and provide any technical information and/or data that you used.

v. If you estimate potential costs or burdens, explain how you arrived at your estimate in sufficient detail to allow for it to be reproduced.

vi. Provide specific examples to illustrate your concerns and suggest alternatives.

vii. Explain your views as clearly as possible, avoiding the use of profanity or personal threats.

viii. Make sure to submit your comments by the comment period deadline identified.

II. Background

A. What Action is the Agency Taking?

EPA is releasing for public comment its human health and environmental fate and effects risk assessments and related documents for organic esters of phosphoric acid, and soliciting public comment on risk management ideas or proposals. Organic esters of phosphoric acid are used as a fungistat and bacteristat largely on carpet backing. Other uses include incorporation into vinyl products, plastics, polymers, coatings, synthetics/nonwoven textiles, sealants, adhesives, caulks, and filters. No direct or indirect food contact uses are approved on registered end-use product labels. EPA developed the risk assessments and risk characterization for organic esters of phosphoric acid through a modified version of its public process for making pesticide reregistration eligibility and tolerance reassessment decisions. Through these programs, EPA is ensuring that pesticides meet current standards under the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) and the Federal Food, Drug, and Cosmetic Act (FFDCA), as amended by the Food Quality Protection Act of 1996 (FQPA).

Organic esters of phosphoric acid are registered for use as a material preservative (added during manufacture of product) in such household, industrial, and institutional materials as: carpet backing; epoxy flooring, coating, tile and grout products; vinyl products (wall coverings, car tops, awnings, tarpaulins, tents, sails, drapes, shower curtains, flooring products, and films not for food contact); plastic furniture (not for food service or storage); acrylic, urethane, wax and varnish floor sealers, finishes, and maintainers (carpets shampoos, dry extraction compounds and cleaners, spot removers); polyvinyl acetate indoor and outdoor paints; polymeric laminates (not for food preparation surfaces); polymer concrete; synthetic and non-woven textiles (wall coverings, car tops, awnings, tarpaulins, tents, sails, drapes, shower curtains); polymeric packaging film (not for food contact); water, oil and solvent based paints, stains, and other coating systems for use on interior and exterior surfaces, substrates, machinery and equipment, including heating, ventilating and air conditioning systems; molded polymeric and polymer concrete bath tubs, showers, bathroom sinks, bathroom countertops and bathroom accessories; natural and synthetic polymeric sealants, adhesives and caulking compounds; textile upholstery, mattresses, mattress ticking and mattress covers; vinyl upholstery, mattresses, mattress ticking and covers; topical treatment of textile products including apparel, outerwear and undergarmets; air filters for furnaces, air conditioners, air purification devices, automobiles, and recirculating air handling systems.

EPA is providing an opportunity, through this notice, for interested parties to provide comments and input on the Agency's risk assessments for organic esters of phosphoric acid. Such comments and input could address, for example, the availability of additional data to further refine the risk assessments, such as information regarding the paint/coatings uses, an inhalation toxicity study, or a dermal absorption study and leaching/extraction data to verify the transfer factor for clothing and mattress covers could address the Agency's risk assessment methodologies and assumptions as applied to this specific pesticide.

Through this notice, EPA also is providing an opportunity for interested parties to provide risk management proposals or otherwise comment on risk management for organic esters of phosphoric acid. Risks of concern associated with the use of organic esters of phosphoric acid are: Residential dermal exposure resulting from the application of paint; residential post-application dermal exposure of children and adults to treated mattresses; residential post-application incidental ingestion exposure of children to carpet cleaners; residential post-application dermal exposure of children and adults to treated textiles; and residential post-application incidental ingestion exposure of children to treated textiles; occupational dermal exposure resulting from the application of paint; and occupational inhalation exposure resulting from the application of paint using an airless sprayer. In targeting these risks of concern, the Agency solicits information on effective and practical risk reduction measures.

EPA seeks to achieve environmental justice, the fair treatment and meaningful involvement of all people, regardless of race, color, national origin, or income, in the development, implementation, and enforcement of environmental laws, regulations, and policies. To help address potential environmental justice issues, the Agency seeks information on any groups or segments of the population who, as a result of their location, cultural practices, or other factors, may have atypical, unusually high exposure to organic esters of phosphoric acid, compared to the general population.

EPA is applying the principles of public participation to all pesticides undergoing reregistration and tolerance reassessment. The Agency's Pesticide Tolerance Reassessment and Reregistration; Public Participation Process, published in the **Federal Register** on May 14, 2004 (69 FR 26819) (FRL–7357–9), explains that in conducting these programs, the Agency is tailoring its public participation process to be commensurate with the level of risk, extent of use, complexity of the issues, and degree of public concern associated with each pesticide. For organic esters of phosphoric acid, a modified, 4–Phase process with one comment period and ample opportunity for public consultation seems appropriate in view of its refined risk assessments, and/or other factors. However, if as a result of comments received during this comment period EPA finds that additional issues warranting further discussion are raised, the Agency may lengthen the process and include a second comment period, as needed.

All comments should be submitted using the methods in **ADDRESSES**, and must be received by EPA on or before the closing date. Comments will become part of the Agency Docket for organic esters of phosphoric acid. Comments received after the close of the comment period will be marked ''late.'' EPA is not

required to consider these late comments.

B. What is the Agency's Authority for Taking this Action?

Section 4(g)(2) of FIFRA, as amended, directs that, after submission of all data concerning a pesticide active ingredient, ''the Administrator shall determine whether pesticides containing such active ingredient are eligible for reregistration,'' before calling in product-specific data on individual end-use products and either reregistering products or taking other ''appropriate regulatory action.''

List of Subjects

Environmental protection, Antimicrobials, Organic esters of phosphoric acid, and Pesticides pests.

Dated: January 8, 2008.

Frank Sanders,

Director, Antimicrobials Division, Office of Pesticide Programs.

[FR Doc. E8–540 Filed 1–15–08; 8:45 am]

BILLING CODE 6560–50–S

ENVIRONMENTAL PROTECTION AGENCY

[EPA–HQ–OPP–2007–1164; FRL–8344–2]

Pesticide Product Registration Approval

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice.

SUMMARY: This notice announces Agency approval of applications to register the pesticide products R-Octenol, Technical Indole-3-Acetic Acid, Quillaja Extract, and Shake-Away Critter Repellent Granules containing active ingredients not included in any previously registered products pursuant to the provisions of section 3(c)(5) of the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA), as amended.

FOR FURTHER INFORMATION CONTACT: See the table for the name of the contact persons: Biopesticides and Pollution Prevention Division (7511P), Office of Pesticide Programs, Environmental Protection Agency, 1200 Pennsylvania Ave., NW., Washington, DC 20460–0001:

Contact Person	EPA Registration No.
Todd Peterson *peterson.todd@epa.gov* (703) 308–7224	52991–19 80917–4
Driss Benmhend *benmhend.driss@epa.gov* (703) 308–9525	82572–1
M. Duggard *duggard.mari@epa.gov* (703) 308–0028	57538–28

SUPPLEMENTARY INFORMATION:

I. General Information

A. Does this Action Apply to Me?

You may be potentially affected by this action if you are an agricultural producer, food manufacturer, or pesticide manufacturer. Potentially affected entities may include, but are not limited to:

- Crop production (NAICS code 111).
- Animal production (NAICS code 112).
- Food manufacturing (NAICS code 311).
- Pesticide manufacturing (NAICS code 32532).

This listing is not intended to be exhaustive, but rather provides a guide for readers regarding entities likely to be affected by this action. Other types of entities not listed in this unit could also be affected. The North American Industrial Classification System (NAICS) codes have been provided to assist you and others in determining whether this action might apply to certain entities. If you have any questions regarding the applicability of this action to a particular entity, consult the person listed under **FOR FURTHER INFORMATION CONTACT**.

B. How Can I Get Copies of this Document and Other Related Information?

1. *Docket*. EPA has established a docket for this action under docket identification (ID) number EPA–HQ–OPP–2007–1164. Publicly available docket materials are available either in the electronic docket at *http://www.regulations.gov*, or, if only available in hard copy, at the Office of Pesticide Programs (OPP) Regulatory Public Docket in Rm. S–4400, One Potomac Yard (South Bldg.), 2777 S. Crystal Dr., Arlington, VA. The hours of operation of this Docket Facility are from 8:30 a.m. to 4 p.m., Monday through Friday, excluding legal holidays. The Docket Facility telephone number is (703) 305–5805.

In accordance with section 3(c)(2) of FIFRA, a copy of the approved label, the list of data references, the data and other scientific information used to support registration, except for material specifically protected by section 10 of FIFRA, are also available for public inspection. Requests for data must be made in accordance with the provisions of the Freedom of Information Act and must be addressed to the Freedom of Information Office (A–101), 1200 Pennsylvania Ave., NW., Washington, DC 20460–0001. Such requests should: Identify the product name and registration number and specify the data or information desired.

A paper copy of the fact sheet, which provides more detail on this registration, may be obtained from the National Technical Information Service (NTIS), 5285 Port Royal Rd., Springfield, VA 22161.

2. *Electronic access*. You may access this **Federal Register** document electronically through the EPA Internet under the ''**Federal Register**'' listings at *http://www.epa.gov/fedrgstr*.

II. Did EPA Approve the Applications?

The Agency approved the applications after considering all required data on risks associated with the proposed use of R-(-)-1-octen-3-ol, Indole-3-acetic acid, Saponins of *Quillaja saponaria*, fox urine, and information on social, economic, and environmental benefits to be derived from use. Specifically, the Agency has considered the nature of the chemical and its pattern of use, application methods and rates, and level and extent of potential exposure. Based on these reviews, the Agency was able to make basic health and safety determinations which show that use of R-(-)-1-octen-3-ol, Indole-3-acetic acid, Saponins of *Quillaja saponaria*, and fox urine when used in accordance with widespread and commonly recognized practice, will not generally cause unreasonable adverse effects to the environment.

III. Approved Applications

1. EPA issued a notice, published in the **Federal Register** of September 6, 2006 (71 FR 52538) (FRL–8087–9), which announced that Bedoukian Research, Inc., 21 Finance Drive, Danbury, CT 06810, had submitted an application to register the pesticide product, Roctenol, Insect Attractant (EPA File Symbol 52991–RO), containing R-(-)-1-octen-3-ol at 98%. This product was not previously registered.

The application was approved on July 3, 2007, as R-Octenol (EPA Registration Number 52991–19) for a technical grade active ingredient/manufacturing use product to be formulated into end use products as an insect attractant. (T. Peterson).

2. EPA issued a notice, published in the **Federal Register** of November 1, 2006 (71 FR 64265) (FRL–8095–3), which announced that Stoller Enterprises, Inc., had submitted an application to register the pesticide product, Technical Indole-3-Acetic Acid, for use as a plant growth regulator (EPA File Symbol 57538–EI), containing Indole-3-acetic acid at 99%. This product was not previously registered.

The application was approved on August 2, 2007, as Technical Indole-3-Acetic Acid (EPA Registration Number 57538–28) for use as a plant growth regulator on ornamental and food crops. (M. Duggard).

3. EPA issued a notice, published in the **Federal Register** of April 5, 2006 (71 FR 17095) (FRL–7769–3), which announced that Desert King Ltd., had submitted an application to register the pesticide product, Quillaja Saponaria Extract, for use to control parasitic nematodes and fungi (EPA File Symbol 82572–R), containing of Saponins of *Quillaja saponaria* at 7.5%. This product was not previously registered.

The application was approved on August 14, 2007, as Quillaja Extract (EPA Registration Number 82572–1) for use to control parasitic nematodes and fungi on ornamental plants, vineyards, orchards, and field crops. (Driss Benmhend).

4. EPA issued a notice, published in the **Federal Register** of December 15, 2004 (69 FR 75063) (FRL–7687–7), which announced that Shake Away, 2330 Whitney Avenue, Hamden, CT, 06518, had submitted an application to register the pesticide product, Small Critter Repellent Granules, animal repellent (EPA File Symbol 80917–U), containing fox urine at 5%. This product was not previously registered.

The application was approved on December 11, 2007, as Shake-Away Critter Repellent Granules (EPA Registration Number 80917–4) for an end use product as an animal repellent. (T. Peterson).

List of Subjects

Environmental protection, Chemicals, Pests and pesticides.

Dated: January 3, 2008.

Janet L. Andersen,

Director, Biopesticides and Pollution Prevention Division, Office of Pesticide Programs.

[FR Doc. E8–444 Filed 1–15–08; 8:45 am]

BILLING CODE 6560–50–S

ENVIRONMENTAL PROTECTION AGENCY

[EPA–HQ–OPP–2007–1187; FRL–8346–7]

Pesticide Products; Registration Applications

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice.

SUMMARY: This notice announces receipt of applications to register pesticide products containing new active ingredients not included in any currently registered products pursuant to the provisions of section 3(c)(4) of the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA), as amended.

DATES: Comments must be received on or before February 15, 2008.

ADDRESSES: Submit your comments, identified by docket identification (ID) number EPA–HQ–OPP–2007–1187, by one of the following methods:

• *Federal eRulemaking Portal*: *http://www.regulations.gov*. Follow the on-line instructions for submitting comments.

• *Mail*: Office of Pesticide Programs (OPP) Regulatory Public Docket (7502P), Environmental Protection Agency, 1200 Pennsylvania Ave., NW., Washington, DC 20460–0001.

• *Delivery*: OPP Regulatory Public Docket (7502P), Environmental Protection Agency, Rm. S–4400, One Potomac Yard (South Bldg.), 2777 S. Crystal Dr., Arlington, VA. Deliveries are only accepted during the Docket's normal hours of operation (8:30 a.m. to 4 p.m., Monday through Friday, excluding legal holidays). Special arrangements should be made for deliveries of boxed information. The Docket Facility telephone number is (703) 305–5805.

Instructions: Direct your comments to docket ID number EPA–HQ–OPP–2007–1187. EPA's policy is that all comments received will be included in the docket without change and may be made available on-line at *http://www.regulations.gov*, including any personal information provided, unless the comment includes information claimed to be Confidential Business Information (CBI) or other information whose disclosure is restricted by statute. Do not submit information that you consider to be CBI or otherwise protected through regulations.gov or e-mail. The regulations.gov website is an ''anonymous access'' system, which means EPA will not know your identity or contact information unless you provide it in the body of your comment. If you send an e-mail comment directly to EPA without going through regulations.gov, your e-mail address will be automatically captured and included as part of the comment that is placed in the docket and made available on the Internet. If you submit an electronic comment, EPA recommends that you include your name and other contact information in the body of your comment and with any disk or CD-ROM you submit. If EPA cannot read your comment due to technical difficulties and cannot contact you for clarification, EPA may not be able to consider your comment. Electronic files should avoid the use of special characters, any form of encryption, and be free of any defects or viruses.

Docket: All documents in the docket are listed in the docket index available in regulations.gov. To access the electronic docket, go to *http://www.regulations.gov*, select ''Advanced Search,'' then ''Docket Search.'' Insert the docket ID number where indicated and select the ''Submit'' button. Follow the instructions on the regulations.gov website to view the docket index or access available documents. Although listed in the index, some information is not publicly available, e.g., CBI or other information whose disclosure is restricted by statute. Certain other material, such as copyrighted material, is not placed on the Internet and will be publicly available only in hard copy form. Publicly available docket materials are available either in the electronic docket at *http://www.regulations.gov*, or, if only available in hard copy, at the OPP Regulatory Public Docket in Rm. S–4400, One Potomac Yard (South Bldg.), 2777 S. Crystal Dr., Arlington, VA. The hours of operation of this Docket Facility are from 8:30 a.m. to 4 p.m., Monday through Friday, excluding legal holidays. The Docket Facility telephone number is (703) 305–5805.

FOR FURTHER INFORMATION CONTACT: Todd Peterson, Biopesticides and Pollution Prevention Division (7511P), Office of Pesticide Programs, Environmental Protection Agency, 1200 Pennsylvania Ave., NW., Washington, DC 20460–0001; telephone number: (703) 308–7224; e-mail address: *peterson.todd@epa.gov*.

SUPPLEMENTARY INFORMATION:

I. General Information

A. Does this Action Apply to Me?

You may be potentially affected by this action if you are an agricultural producer, food manufacturer, or pesticide manufacturer. Potentially affected entities may include, but are not limited to:

• Crop production (NAICS code 111).

• Animal production (NAICS code 112).

• Food manufacturing (NAICS code 311).

• Pesticide manufacturing (NAICS code 32532).

This listing is not intended to be exhaustive, but rather provides a guide for readers regarding entities likely to be affected by this action. Other types of entities not listed in this unit could also be affected. The North American Industrial Classification System (NAICS) codes have been provided to assist you and others in determining whether this action might apply to certain entities. If you have any questions regarding the applicability of this action to a particular entity, consult the person listed under **FOR FURTHER INFORMATION CONTACT**.

B. What Should I Consider as I Prepare My Comments for EPA?

1. *Submitting CBI*. Do not submit this information to EPA through regulations.gov or e-mail. Clearly mark the part or all of the information that you claim to be CBI. For CBI information in a disk or CD-ROM that you mail to EPA, mark the outside of the disk or CD-ROM as CBI and then identify electronically within the disk or CD-ROM the specific information that is claimed as CBI. In addition to one complete version of the comment that includes information claimed as CBI, a copy of the comment that does not contain the information claimed as CBI must be submitted for inclusion in the public docket. Information so marked will not be disclosed except in accordance with procedures set forth in 40 CFR part 2.

2. *Tips for preparing your comments*. When submitting comments, remember to:

i. Identify the document by docket ID number and other identifying information (subject heading, **Federal Register** date and page number).

ii. Follow directions. The Agency may ask you to respond to specific questions or organize comments by referencing a Code of Federal Regulations (CFR) part or section number.

iii. Explain why you agree or disagree; suggest alternatives and substitute language for your requested changes.

iv. Describe any assumptions and provide any technical information and/or data that you used.

v. If you estimate potential costs or burdens, explain how you arrived at your estimate in sufficient detail to allow for it to be reproduced.

vi. Provide specific examples to illustrate your concerns and suggest alternatives.

vii. Explain your views as clearly as possible, avoiding the use of profanity or personal threats.

viii. Make sure to submit your comments by the comment period deadline identified.

II. Registration Applications

EPA received applications as follows to register pesticide products containing active ingredients not included in any previously registered products pursuant to the provision of section 3(c)(4) of FIFRA. Notice of receipt of these applications does not imply a decision by the Agency on the applications.

Application Form

File Symbol: 69361-RT. *Applicant*: Repar Corporation, P.O. Box 4321, Silver Spring, MD 20914. *Product name*: Homobrassinolide Technical. Plant growth regulator. *Active ingredient*: Homobrassinolide at 80 %. *Proposal classification/Use*: Plant growth regulator.

List of Subjects

Environmental protection, Pesticides and pest.

Dated: January 3, 2008.

Janet L. Andersen,

Director, Biopesticides and Pollution Prevention Division, Office of Pesticide Programs.

[FR Doc. E8–601 Filed 1–15–08; 8:45 am]

BILLING CODE 6560–50–S

ENVIRONMENTAL PROTECTION AGENCY

[EPA–HQ–OPP–2007–0944; FRL–8349–1]

Petition Requesting EPA to Issue a Notice of Intent to Cancel the Registrations of M-44 Sodium Cyanide Capsules and Sodium Fluoroacetate; Extension of Comment Period

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice; extension of comment period.

SUMMARY: EPA issued a notice in the **Federal Register** of November 16, 2007, concerning a petition that EPA received from Sinapu, Public Employees for Environmental Responsibility (PEER), Beyond Pesticides, Forest Guardians, Predator Defense, Western Wildlife Conservancy, Sierra Club, The Rewilding Institute, Animal Defense League of Arizona, and Animal Welfare Institute. The petition requested EPA to issue a notice of intent to cancel the registrations of M-44 sodium cyanide capsules and sodium fluoroacetate. The Agency is seeking further substantive comment on this petition, and will post a document with specific questions under docket identification (ID) number EPA–HQ–OPP–2007–0944. This **Federal Register** notice is extending the comment period from January 16, 2008, to March 5, 2008.

DATES: Comments identified by docket ID number EPA–HQ–OPP–2007–0944 must be received on or before March 5, 2008.

ADDRESSES: Follow the detailed instructions as provided under **ADDRESSES** in the **Federal Register** document of November 16, 2007.

FOR FURTHER INFORMATION CONTACT: Joy Schnackenbeck, Special Review and Reregistration Division (7508P), Office of Pesticide Programs, Environmental Protection Agency, 1200 Pennsylvania Ave., NW., Washington, DC 20460–0001; telephone number: (703) 308–8072; e-mail address: *schnackenbeck.joy@epa.gov*.

SUPPLEMENTARY INFORMATION:

I. General Information

A. Does this Action Apply to Me?

The Agency included in the notice a list of those who may be potentially affected by this action. If you have questions regarding the applicability of this action to a particular entity, consult the person listed under **FOR FURTHER INFORMATION CONTACT**.

B. What Should I Consider as I Prepare My Comments for EPA?

When preparing comments follow the procedures and suggestions given in Unit I.B. of the **SUPPLEMENTARY INFORMATION** of the November 16, 2007 **Federal Register** document.

C. How and to Whom Do I Submit Comments?

To submit comments, or access the public docket, please follow the detailed instructions as provided in Unit I.B. of the **SUPPLEMENTARY INFORMATION** of the November 16, 2007 **Federal Register** document. If you have questions, consult the person listed under **FOR FURTHER INFORMATION CONTACT**.

II. What Action is EPA Taking?

This document extends the public comment period established in the **Federal Register** of November 16, 2007 (72 FR 64623) (FRL–8156–3). In that document, EPA published a petition, which requested the Agency to cancel the use of M-44 sodium cyanide capsules and sodium fluoroacetate, and opened a 60–day public comment period. EPA is hereby extending the

comment period, which was set to end on January 16, 2008, to March 5, 2008.

List of Subjects

Environmental protection, Pesticides, Predacides.

Dated: January 10, 2008.

Steven Bradbury,

Director, Special Review and Reregistration Division, Office of Pesticide Programs.

[FR Doc. E8–676 Filed 1–15–08; 8:45 am]

BILLING CODE 6560–50–S

ENVIRONMENTAL PROTECTION AGENCY

[EPA–HQ–OPP–2002–0302; FRL–8347–6]

Dichlorvos (DDVP); Notice of Receipt of Request to Voluntarily Cancel Certain Pesticide Registrations

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice.

SUMMARY: In accordance with section 6(f)(1) of the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA), as amended, EPA is issuing a notice of receipt of request by registrants to voluntarily cancel certain pesticide registrations containing dichlorvos (DDVP).

DATES: Unless a request is withdrawn by February 15, 2008, orders will be issued canceling these registrations. The Agency will consider withdrawal requests postmarked no later than February 15, 2008.

ADDRESSES: Submit your comments and your withdrawal request, identified by docket identification (ID) number EPA–HQ–OPP–2002–0302, by one of the following methods:

• *Federal eRulemaking Portal*: *http://www.regulations.gov*. Follow the on-line instructions for submitting comments.

• *Mail*: Office of Pesticide Programs (OPP) Regulatory Public Docket (7508P), Environmental Protection Agency, 1200 Pennsylvania Ave., N.W., Washington, DC 20460–0001.

• *Delivery*: OPP Regulatory Public Docket (7502P), Environmental Protection Agency, Rm. S–4400, One Potomac Yard (South Bldg.), 2777 S. Crystal Dr., Arlington, VA. Deliveries are only accepted during the Docket's normal hours of operation (8:30 a.m. to 4 p.m., Monday through Friday, excluding legal holidays). Special arrangements should be made for deliveries of boxed information. The Docket Facility telephone number is (703) 305–5805.

Instructions: Direct your comments to docket ID number EPA–HQ–OPP–2002–0302. EPA's policy is that all comments received will be included in the docket without change and may be made available on-line at *http://www.regulations.gov*, including any personal information provided, unless the comment includes information claimed to be Confidential Business Information (CBI) or other information whose disclosure is restricted by statute. Do not submit information that you consider to be CBI or otherwise protected through regulations.gov or e-mail. The regulations.gov website is an ''anonymous access'' system, which means EPA will not know your identity or contact information unless you provide it in the body of your comment. If you send an e-mail comment directly to EPA without going through regulations.gov, your e-mail address will be automatically captured and included as part of the comment that is placed in the docket and made available on the Internet. If you submit an electronic comment, EPA recommends that you include your name and other contact information in the body of your comment and with any disk or CD-ROM you submit. If EPA cannot read your comment due to technical difficulties and cannot contact you for clarification, EPA may not be able to consider your comment. Electronic files should avoid the use of special characters, any form of encryption, and be free of any defects or viruses.

Docket: All documents in the docket are listed in the docket index available in regulations.gov. To access the electronic docket, go to *http://www.regulations.gov*, select ''Advanced Search,'' then ''Docket Search.'' Insert the docket ID number where indicated and select the ''Submit'' button. Follow the instructions on the regulations.gov website to view the docket index or access available documents. Although listed in the index, some information is not publicly available, e.g., CBI or other information whose disclosure is restricted by statute. Certain other material, such as copyrighted material, is not placed on the Internet and will be publicly available only in hard copy form. Publicly available docket materials are available either in the electronic docket at *http://www.regulations.gov*, or, if only available in hard copy, at the OPP Regulatory Public Docket in Rm. S–4400, One Potomac Yard (South Bldg.), 2777 S. Crystal Dr., Arlington, VA. The hours of operation of this Docket Facility are from 8:30 a.m. to 4 p.m., Monday through Friday, excluding legal holidays. The Docket Facility telephone number is (703) 305–5805.

FOR FURTHER INFORMATION CONTACT: Susan Bartow, Special Review and Reregistration Division (7508P), Office of Pesticide Programs, Environmental Protection Agency, 1200 Pennsylvania Ave., N.W., Washington, DC 20460–0001; telephone number: (703) 603–0065; e-mail address: *bartow.susan@epa.gov*.

SUPPLEMENTARY INFORMATION:

I. General Information

A. Does this Action Apply to Me?

This action is directed to the public in general. Although this action may be of particular interest to persons who produce or use pesticides, the Agency has not attempted to describe all the specific entities that may be affected by this action. If you have any questions regarding the information in this notice, consult the person listed under **FOR FURTHER INFORMATION CONTACT**.

B. What Should I Consider as I Prepare My Comments for EPA?

1. *Submitting CBI*. Do not submit this information to EPA through regulations.gov or e-mail. Clearly mark the part or all of the information that you claim to be CBI. For CBI information in a disk or CD-ROM that you mail to EPA, mark the outside of the disk or CD-ROM as CBI and then identify electronically within the disk or CD-ROM the specific information that is claimed as CBI. In addition to one complete version of the comment that includes information claimed as CBI, a copy of the comment that does not contain the information claimed as CBI must be submitted for inclusion in the public docket. Information so marked will not be disclosed except in accordance with procedures set forth in 40 CFR part 2.

2. *Tips for preparing your comments*. When submitting comments, remember to:

i. Identify the document by docket ID number and other identifying information (subject heading, **Federal Register** date and page number).

ii. Follow directions. The Agency may ask you to respond to specific questions or organize comments by referencing a Code of Federal Regulations (CFR) part or section number.

iii. Explain why you agree or disagree; suggest alternatives and substitute language for your requested changes.

iv. Describe any assumptions and provide any technical information and/or data that you used.

v. If you estimate potential costs or burdens, explain how you arrived at your estimate in sufficient detail to allow for it to be reproduced.

vi. Provide specific examples to illustrate your concerns and suggest alternatives.

vii. Explain your views as clearly as possible, avoiding the use of profanity or personal threats.

viii. Make sure to submit your comments by the comment period deadline identified.

II. What Action is the Agency Taking?

This notice announces receipt by the Agency of applications from Sergeant's Pet Care Products, Inc. (Sergeant's) to cancel two pesticide products registered under section 3 or 24(c) of FIFRA. These registrations are listed in sequence by registration number in Table 1 of this unit:

TABLE 1.—REGISTRATIONS WITH PENDING REQUESTS FOR CANCELLATION

Registration No.	Product Name	Chemical Name
2517-37	Sergeant's Sentry Collar for Dogs	Dichlorvos (DDVP)
2517-38	Sergeant's Sentry Collar for Cats	Dichlorvos (DDVP)

Unless a request is withdrawn by the registrant within 30 days of publication of this notice, orders will be issued canceling all of these registrations. Users of these pesticides or anyone else desiring the retention of a registration should contact the applicable registrant directly during this 30–day period.

Table 2 of this unit includes the name and address of record for the registrant of the products in Table 1 of this unit.

TABLE 2.—REGISTRANTS REQUESTING VOLUNTARY CANCELLATION

EPA Company No.	Company Name and Address
2517	Sergeant's Pet Care Products, Inc. 509 Tower Valley Drive Hillsboro, Missouri 63050

III. What is the Agency's Authority for Taking this Action?

Section 6(f)(1) of FIFRA provides that a registrant of a pesticide product may at any time request that any of its pesticide registrations be canceled. FIFRA further provides that, before acting on the request, EPA must publish a notice of receipt of any such request in the **Federal Register**. Thereafter, the Administrator may approve such a request.

IV. Procedures for Withdrawal of Request

Registrants who choose to withdraw a request for cancellation must submit such withdrawal in writing to the person listed under **FOR FURTHER INFORMATION CONTACT**, postmarked before February 15, 2008. This written withdrawal of the request for cancellation will apply only to the applicable FIFRA section 6(f)(1) request listed in this notice. If the product(s) have been subject to a previous cancellation action, the effective date of cancellation and all other provisions of any earlier cancellation action are controlling. The withdrawal request must also include a commitment to pay any reregistration fees due, and to fulfill any applicable unsatisfied data requirements.

V. Provisions for Disposition of Existing Stocks

The effective date of cancellation will be the date of the cancellation order. The orders effecting these requested cancellations will generally permit a registrant to sell or distribute existing stocks for 1 year after the date the cancellation request was received. This policy is in accordance with the Agency's statement of policy as prescribed in the **Federal Register** of June 26, 1991 (56 FR 29362) (FRL–3846–4). Exceptions to this general rule will be made if a product poses a risk concern, or is in noncompliance with reregistration requirements, or is subject to a data call-in. In all cases, product-specific disposition dates will be given in the cancellation orders.

Existing stocks are those stocks of registered pesticide products which are currently in the United States and which have been packaged, labeled, and released for shipment prior to the effective date of the cancellation action. Unless the provisions of an earlier order apply, existing stocks already in the hands of dealers or users can be distributed, sold, or used legally until they are exhausted, provided that such further sale and use comply with the EPA-approved label and labeling of the affected product. Exception to these general rules will be made in specific cases when more stringent restrictions on sale, distribution, or use of the products or their ingredients have already been imposed, as in a special review action, or where the Agency has identified significant potential risk concerns associated with a particular chemical.

List of Subjects

Environmental protection, Pesticides and pests.

Dated: January 4, 2008.

Steven Bradbury,

Director, Special Review and Reregistration Division, Office of Pesticide Programs.

[FR Doc. E8–539 Filed 1–15–08; 8:45 am]

BILLING CODE 6560–50–S

ENVIRONMENTAL PROTECTION AGENCY

[EPA–HQ–OPP–2007–1151; FRL–8346–1]

Diiodomethyl p-tolyl sulfone (Amical 48) Risk Assessments; Notice of Availability, and Risk Reduction Options

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice.

SUMMARY: This notice announces the availability of EPA's risk assessments, and related documents for the pesticide Diiodomethyl p-tolyl sulfone (Amical 48), and opens a public comment period on these documents. The public is encouraged to suggest risk management ideas or proposals to address the risks identified. EPA is developing a Reregistration Eligibility Decision (RED) for Diiodomethyl p-tolyl sulfone through a modified, 4–Phase public participation process that the Agency uses to involve the public in developing pesticide reregistration decisions. Through this program, EPA is ensuring that all pesticides meet current health and safety standards.

DATES: Comments must be received on or before March 17, 2008.

ADDRESSES: Submit your comments, identified by docket identification (ID) number EPA–HQ–OPP–2007–1151, by one of the following methods:

• *Federal eRulemaking Portal*: *http://www.regulations.gov*. Follow the on-line instructions for submitting comments.

• *Mail*: Office of Pesticide Programs (OPP) Regulatory Public Docket (7502P), Environmental Protection Agency, 1200 Pennsylvania Ave., NW., Washington, DC 20460–0001.

• *Delivery*: OPP Regulatory Public Docket (7502P), Environmental Protection Agency, Rm. S–4400, One Potomac Yard (South Bldg.), 2777 S. Crystal Dr., Arlington, VA. Deliveries are only accepted during the Docket's normal hours of operation (8:30 a.m. to 4 p.m., Monday through Friday, excluding legal holidays). Special arrangements should be made for deliveries of boxed information. The Docket Facility telephone number is (703) 305–5805.

Instructions: Direct your comments to docket ID number EPA–HQ–OPP–2007–1151. EPA's policy is that all comments received will be included in the docket without change and may be made available on-line at *http://www.regulations.gov*, including any personal information provided, unless the comment includes information claimed to be Confidential Business Information (CBI) or other information whose disclosure is restricted by statute. Do not submit information that you consider to be CBI or otherwise protected through regulations.gov or e-mail. The regulations.gov website is an ''anonymous access'' system, which means EPA will not know your identity or contact information unless you provide it in the body of your comment. If you send an e-mail comment directly to EPA without going through regulations.gov, your e-mail address will be automatically captured and included as part of the comment that is placed in the docket and made available on the Internet. If you submit an electronic comment, EPA recommends that you include your name and other contact information in the body of your comment and with any disk or CD-ROM you submit. If EPA cannot read your comment due to technical difficulties and cannot contact you for clarification, EPA may not be able to consider your comment. Electronic files should avoid the use of special characters, any form of encryption, and be free of any defects or viruses.

Docket: All documents in the docket are listed in the docket index available in regulations.gov. To access the electronic docket, go to *http://www.regulations.gov*, select ''Advanced Search,'' then ''Docket Search.'' Insert the docket ID number where indicated and select the ''Submit'' button. Follow the instructions on the regulations.gov website to view the docket index or access available documents. Although listed in the index, some information is not publicly available, e.g., CBI or other information whose disclosure is restricted by statute. Certain other material, such as copyrighted material, is not placed on the Internet and will be publicly available only in hard copy form. Publicly available docket materials are available either in the electronic docket at *http://www.regulations.gov*, or, if only available in hard copy, at the OPP Regulatory Public Docket in Rm. S–4400, One Potomac Yard (South Bldg.), 2777 S. Crystal Dr., Arlington, VA. The hours of operation of this Docket Facility are from 8:30 a.m. to 4 p.m., Monday through Friday, excluding legal holidays. The Docket Facility telephone number is (703) 305–5805.

FOR FURTHER INFORMATION CONTACT: K. Avivah Jakob, Antimicrobials Division (7501P), Office of Pesticide Programs, Environmental Protection Agency, 1200 Pennsylvania Ave., NW., Washington, DC 20460–0001; telephone number: (703) 305–1328; fax number: (703) 308–8481; e-mail address: *jakob.kathryn@epa.gov*.

SUPPLEMENTARY INFORMATION:

I. General Information

A. Does this Action Apply to Me?

This action is directed to the public in general, and may be of interest to a wide range of stakeholders including environmental, human health, and agricultural advocates; the chemical industry; pesticide users; and members of the public interested in the sale, distribution, or use of pesticides. Since others also may be interested, the Agency has not attempted to describe all the specific entities that may be affected by this action. If you have any questions regarding the applicability of this action to a particular entity, consult the person listed under **FOR FURTHER INFORMATION CONTACT**.

B. What Should I Consider as I Prepare My Comments for EPA?

1. *Submitting CBI*. Do not submit this information to EPA through regulations.gov or e-mail. Clearly mark the part or all of the information that you claim to be CBI. For CBI information in a disk or CD-ROM that you mail to EPA, mark the outside of the disk or CD-ROM as CBI and then identify electronically within the disk or CD-ROM the specific information that is claimed as CBI. In addition to one complete version of the comment that includes information claimed as CBI, a copy of the comment that does not contain the information claimed as CBI must be submitted for inclusion in the public docket. Information so marked will not be disclosed except in accordance with procedures set forth in 40 CFR part 2.

2. *Tips for preparing your comments*. When submitting comments, remember to:

i. Identify the document by docket ID number and other identifying information (subject heading, **Federal Register** date and page number).

ii. Follow directions. The Agency may ask you to respond to specific questions or organize comments by referencing a Code of Federal Regulations (CFR) part or section number.

iii. Explain why you agree or disagree; suggest alternatives and substitute language for your requested changes.

iv. Describe any assumptions and provide any technical information and/or data that you used.

v. If you estimate potential costs or burdens, explain how you arrived at your estimate in sufficient detail to allow for it to be reproduced.

vi. Provide specific examples to illustrate your concerns and suggest alternatives.

vii. Explain your views as clearly as possible, avoiding the use of profanity or personal threats.

viii. Make sure to submit your comments by the comment period deadline identified.

II. Background

A. What Action is the Agency Taking?

EPA is releasing for public comment its human health and environmental fate and ecological effects risk assessments and related documents for Diiodomethyl p-tolyl sulfone and soliciting public comment on risk management ideas or proposals. Diiodomethyl p-tolyl sulfone is registered as an algaecide, bactericide, and fungicide and is used as a materials preservative and wood preservative. EPA developed the risk assessments and risk characterization for Diiodomethyl p-tolyl sulfone through a modified version of its public process for making pesticide reregistration eligibility and tolerance reassessment decisions. Through these programs, EPA is ensuring that pesticides meet current standards under the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) and the Federal Food, Drug, and Cosmetic Act (FFDCA), as amended by the Food Quality Protection Act of 1996 (FQPA).

Diiodomethyl p-tolyl sulfone is used as a materials preservative. The following materials contain Diiodomethyl p-tolyl sulfone as a preservative: Paints, air duct coatings, fire-retardant coatings, pigment

dispersions, inks, emulsions and extender slurries, adhesives, caulks, sealants, rubbers and plastics, textiles, leather, pulp and paper slurries, paper/paperboard, and wetlap. Diiodomethyl p-tolyl sulfone is also use for the preservation of wood.

EPA is providing an opportunity, through this notice, for interested parties to provide comments and input on the Agency's risk assessments for Diiodomethyl p-tolyl sulfone. Such comments and input could address, for example, the availability of additional data to further refine the risk assessments, such as soil contamination data; wood leaching data; confirmatory monitoring data; confirmatory inhalation toxicity data; or could address the Agency's risk assessment methodologies and assumptions as applied to this specific pesticide.

Through this notice, EPA also is providing an opportunity for interested parties to provide risk management proposals or otherwise comment on risk management for Diiodomethyl p-tolyl sulfone. Risks of concern associated with the use of Diiodomethyl p-tolyl sulfone are: Residential dermal risks of concern resulting from painting (brush/roller and airless sprayer), application of wood preservative (brush/roller and airless sprayer), and children playing with finger paint; residential inhalation risks of concern resulting from application of paint (airless sprayer); residential post-application dermal risks of concern for children resulting from treated carpets and wood products and oral risks of concern from treated carpets; occupational dermal risks of concern resulting from preservation of rubber and plastics (liquid pour and liquid pump) and preservation of leather (liquid pour); etc. In targeting these risks of concern, the Agency solicits information on effective and practical risk reduction measures.

EPA seeks to achieve environmental justice, the fair treatment and meaningful involvement of all people, regardless of race, color, national origin, or income, in the development, implementation, and enforcement of environmental laws, regulations, and policies. To help address potential environmental justice issues, the Agency seeks information on any groups or segments of the population who, as a result of their location, cultural practices, or other factors, may have atypical, unusually high exposure to Diiodomethyl p-tolyl sulfone, compared to the general population.

EPA is applying the principles of public participation to all pesticides undergoing reregistration and tolerance reassessment. The Agency's Pesticide Tolerance Reassessment and Reregistration; Public Participation Process, published in the **Federal Register** on May 14, 2004 (69 FR 26819) (FRL–7357–9), explains that in conducting these programs, the Agency is tailoring its public participation process to be commensurate with the level of risk, extent of use, complexity of the issues, and degree of public concern associated with each pesticide. For Diiodomethyl p-tolyl sulfone, a modified, 4–Phase process with 1 comment period and ample opportunity for public consultation seems appropriate in view of its refined risk assessments. However, if as a result of comments received during this comment period EPA finds that additional issues warranting further discussion are raised, the Agency may lengthen the process and include a second comment period, as needed.

All comments should be submitted using the methods in **ADDRESSES**, and must be received by EPA on or before the closing date. Comments will become part of the Agency Docket for Amical 48. Comments received after the close of the comment period will be marked ''late.'' EPA is not required to consider these late comments.

B. What is the Agency's Authority for Taking this Action?

Section 4(g)(2) of FIFRA, as amended, directs that, after submission of all data concerning a pesticide active ingredient, ''the Administrator shall determine whether pesticides containing such active ingredient are eligible for reregistration,'' before calling in product-specific data on individual end-use products and either reregistering products or taking other ''appropriate regulatory action.''

List of Subjects

Environmental protection, Pesticides and pests, Diiodomethyl p-tolyl sulfone, antimicrobials.

Dated: January 10, 2008.

Frank Sanders,

Director, Antimicrobials Division, Office of Pesticide Programs.

[FR Doc. E8–674 Filed 1–15–08; 8:45 am]

BILLING CODE 6560–50–S

FEDERAL COMMUNICATIONS COMMISSION

Sunshine Act Meeting; Open Commission Meeting; Thursday, January 17, 2008

DATES: January 10, 2008.

The Federal Communications Commission will hold an Open Meeting on the subjects listed below on Thursday, January 17, 2008, which is scheduled to commence at 9:30 a.m. in Room TW–C305, at 445 12th Street, SW., Washington, DC. The Meeting will focus on presentations by senior agency officials regarding implementations of the agency's strategic plan and a comprehensive review of FCC policies and procedures.

Presentations will be made in four panels:

- Panel One will feature the Managing Director and the Chief of the Wireline Competition Bureau.
- Panel Two will feature the Chiefs of the Media Bureau and the Consumer and Governmental Affairs Bureau.
- Panel Three will feature the Chiefs of the Public Safety and Homeland Security Bureau, Wireless Telecommunications Bureau, and the Office of Engineering and Technology.
- Panel Four will feature the Chiefs of the International Bureau and the Enforcement Bureau.

Additional information concerning this meeting may be obtained from Audrey Spivack or David Fiske, Office of Media Relations, (202) 418–0500; TTY 1–888–835–5322. Audio/Video coverage of the meeting will be broadcast live with open captioning over the Internet from the FCC's Audio/Video Events Web page at *http://www.fcc.gov/realaudio.*

For a fee this meeting can be viewed live over George Mason University's Capitol Connection. The Capitol Connection also will carry the meeting live via the Internet. To purchase these services call (703) 993–3100 or go to *http://www.capitolconnection.gmu.edu.*

Federal Communications Commission.

Marlene H. Dortch,

Secretary.

[FR Doc. 08–151 Filed 1–14–08; 12:23 pm]

BILLING CODE 6712–01–P

FEDERAL MARITIME COMMISSION

Notice of Agreements Filed

The Commission hereby gives notice of the filing of the following agreements under the Shipping Act of 1984. Interested parties may submit comments on agreements to the Secretary, Federal Maritime Commission, Washington, DC 20573, within ten days of the date this notice appears in the **Federal Register**. Copies of agreements are available through the Commission's Office of Agreements (202–523–5793 or *tradeanalysis@fmc.gov*).

Agreement No.: 012022.

Title: Discovery Cruise Line/Bernuth Lines Slot Charter Agreement.

Parties: Discovery Sun Partnership and Bernuth Lines, Ltd., Inc.

Filing Party: Glenn G. Kolk, Esq.; 520 Brickell Key Drive Suite 1606; Miami, FL 33131.

Synopsis: The agreement authorizes Discovery and Bernuth to charter space to each other between the U.S. Atlantic Coast and the Bahamas.

Agreement No.: 200163–002.

Title: Gulf Seaports Marine Terminal Conference.

Parties: Alabama State Docks Department, Greater Baton Rouge Port Commission, Port of Beaumont, Brownsville Navigation District, Port of Corpus Christi Authority, Port Freeport, Galveston Wharves, Port of Houston Authority, Lake Charles Harbor and Terminal District, Manatee County Port Authority, Mississippi State Port Authority, Port of New Orleans, Orange County Navigation and Port District, Panama City Port Authority, Port of Pascagoula, Port of Pensacola, Plaquemines Port, Port of Port Arthur, St. Bernard Port, South Louisiana Port Commission, and Tampa Port Authority.

Filing Party: John Roby, Chairman; Port of Beaumont; P.O. Drawer 2297; Beaumont, TX 77704.

Synopsis: The amendment adds Plaquemines Ports as a party to the conference and updates Port Freeport's name.

Agreement No.: 201176.

Title: License Agreement—Guam/Matson Navigation Co., Inc/Horizon Lines, Inc.

Parties: Horizon Lines, LLC; Matson Navigation Co.; and the Port Authority of Guam.

Filing Party: Matthew J. Thomas; Troutman Sanders LLP; 401 9th Street, NW., Ste. 1000; Washington, DC 20004–2134.

Synopsis: Under the terms of the agreement, the port authority grants Matson Navigation and Horizon Lines certain rights to install cranes at its facilities.

By order of the Federal Maritime Commission.

Dated: January 11, 2008.

Karen V. Gregory,

Assistant Secretary.

[FR Doc. E8–682 Filed 1–15–08; 8:45 am]

BILLING CODE 6730–01–P

FEDERAL MARITIME COMMISSION

Ocean Transportation Intermediary License Revocations

The Federal Maritime Commission hereby gives notice that the following Ocean Transportation Intermediary licenses have been revoked pursuant to section 19 of the Shipping Act of 1984 (46 U.S.C. Chapter 409) and the regulations of the Commission pertaining to the licensing of Ocean Transportation Intermediaries, 46 CFR Part 515, effective on the corresponding date shown below:

License Number: 020308N.
Name: ACM International, Corp. dba ACM Cargo.
Address: 2225 W. Commonwealth Ave., Ste. 102, Alhambra, CA 91803.
Date Revoked: December 2, 2007.
Reason: Failed to maintain a valid bond.

License Number: 020345N.
Name: Cargo Station dba Accord Logistics USA.
Address: 2726 Fruitland Ave., Vernon, CA 90058.
Date Revoked: November 23, 2007.
Reason: Failed to maintain a valid bond.

License Number: 015871N.
Name: Continental Shipping Line, Inc.
Address: 34 Mardi Gras Rd., Coronado, CA 92118.
Date Revoked: November 26, 2007.
Reason: Failed to maintain a valid bond.

License Number: 019505NF.
Name: Delmar Logistics (GA) Inc.
Address: 4345 International Parkway, Ste. 110, Atlanta, GA 30354.
Date Revoked: December 19, 2007.
Reason: Surrendered license voluntarily.

License Number: 004114F.
Name: Faith Freight Forwarding.
Address: 6701 NW 7th Street, Ste. 190/199, Miami, FL 33126.
Date Revoked: December 5, 2007.
Reason: Failed to maintain a valid bond.

License Number: 014393N
Name: K-Logic, Inc.
Address: 360 N. Sepulveda Blvd., Ste. 1056, El Segundo, CA 90245.
Date Revoked: December 20, 2007.
Reason: Failed to maintain a valid bond.

License Number: 003001F.
Name: Kathleen Tansey Riggs Dba Tansey & Riggs.
Address: 25422 Trabuco Rd., Ste. 105–446, Lake Forest, CA 92630.
Date Revoked: November 30, 2007.
Reason: Failed to maintain a valid bond.

License Number: 020470N.
Name: Mega Logistics International, Inc.
Address: 1110 South Ave., @ Lois Lane, Staten Island, NY 10314.
Date Revoked: December 5, 2007.
Reason: Surrendered license voluntarily.

License Number: 017574N.
Name: Monetti Distributors, Inc. Dba Monetti Cargo (M.C.) Int'l. Freight Forwarders.
Address: 8601 Nw 81st Rd., Ste. 15–16, Medley, Fl 33166.
Date Revoked: December 19, 2007.
Reason: Failed to maintain a valid bond.

License Number: 020010F.
Name: Mudanza La Gaviota Shipping Inc.
Address: 468 Roseville Ave., Newark, NJ 07107.
Date Revoked: December 7, 2007.
Reason: Failed to maintain a valid bond.

License Number: 018053N.
Name: Pacific-Net Logistics (NYC) Inc.
Address: 151–02 132nd Ave., (AIP), Jamaica, NY 11434.
Date Revoked: December 15, 2007.
Reason: Failed to maintain a valid bond.

License Number: 016874F.
Name: 7M Transport, Inc.
Address: 18306 Lazy Moss Lane, Ste. 207, Spring, TX 77379
Date Revoked: November 22, 2007.
Reason: Failed to maintain a valid bond.

License Number: 003085F.
Name: Schley International, Inc.
Address: 1415 East Dublin-Granville Rd., Ste. 115, Columbus, OH 43229.
Date Revoked: November 22, 2007.
Reason: Failed to maintain a valid bond.

License Number: 001992F.
Name: David A. Spreen Dba Spreen Import/Export Ltd.
Address: 40104 FM 2979 Rd., Hempstead, TX 77445.
Date Revoked: December 4, 2007.
Reason: Surrendered license voluntarily.

License Number: 019894NF.
Name: Swift Global Logistics, Inc.
Address: 6040 Avion Drive, Ste. 210, Los Angeles, CA 90045.
Date Revoked: December 7, 2007.
Reason: Failed to maintain valid bonds.

License Number: 008321N.
Name: Transworld Freight Systems, Inc.
Address: 747 S. Glasgow Ave., Inglewood, CA 90301.

Date Revoked: December 15, 2007.
Reason: Failed to maintain a valid bond.

License Number: 003002F.
Name: Sea to Sea Foreign Freight Forwarder Inc.
Address: The Bourse Building, Ste. 964, 21 South 5th Street, Philadelphia, PA 19106.
Date Revoked: December 31, 2007.
Reason: Surrendered license voluntarily.

License Number: 015129N.
Name: Vanguard Moving and Storage Co., Inc. Dba Guardship.
Address: 8415 Kelso Drive, Ste. 300, Baltimore, MD 21221.
Date Revoked: November 29, 2007.
Reason: Failed to maintain a valid bond.

License Number: 019176N.
Name: Superior Transportation, L.L.C.
Address: 319 Wilson Ave., Newark, NJ 07105.
Date Revoked: November 14, 2007.
Reason: Surrendered license voluntarily.

Sandra L. Kusumoto,
Director, Bureau of Certification and Licensing.
[FR Doc. E8–686 Filed 1–15–08; 8:45 am]
BILLING CODE 6730–01–P

FEDERAL RESERVE SYSTEM

Change in Bank Control Notices; Acquisition of Shares of Bank or Bank Holding Companies

The notificants listed below have applied under the Change in Bank Control Act (12 U.S.C. 1817(j)) and § 225.41 of the Board's Regulation Y (12 CFR 225.41) to acquire a bank or bank holding company. The factors that are considered in acting on the notices are set forth in paragraph 7 of the Act (12 U.S.C. 1817(j)(7)).

The notices are available for immediate inspection at the Federal Reserve Bank indicated. The notices also will be available for inspection at the office of the Board of Governors. Interested persons may express their views in writing to the Reserve Bank indicated for that notice or to the offices of the Board of Governors. Comments must be received not later than January 30, 2008.

A. Federal Reserve Bank of St. Louis (Glenda Wilson, Community Affairs Officer) 411 Locust Street, St. Louis, Missouri 63166–2034:

1. Philip E. Bradshaw Revocable Trust, Philip E. Bradshaw, as trustee, and The Bradshaw Family Group, consisting of the Philip E. Bradshaw Revocable Trust and the Linda L. Bradshaw Revocable Trust, Linda L. Bradshaw, as trustee, as a group acting in concert; to retain voting shares of Griggsville Bancshares, Inc., and thereby indirectly retain voting shares of Farmers National Bank of Griggsville, all of Griggsville, Illinois.

Board of Governors of the Federal Reserve System, January 10, 2008.
Robert deV. Frierson,
Deputy Secretary of the Board.
[FR Doc. E8–546 Filed 1–15–08; 8:45 am]
BILLING CODE 6210–01–S

FEDERAL RESERVE SYSTEM

Formations of, Acquisitions by, and Mergers of Bank Holding Companies

The companies listed in this notice have applied to the Board for approval, pursuant to the Bank Holding Company Act of 1956 (12 U.S.C. 1841 *et seq.*) (BHC Act), Regulation Y (12 CFR Part 225), and all other applicable statutes and regulations to become a bank holding company and/or to acquire the assets or the ownership of, control of, or the power to vote shares of a bank or bank holding company and all of the banks and nonbanking companies owned by the bank holding company, including the companies listed below.

The applications listed below, as well as other related filings required by the Board, are available for immediate inspection at the Federal Reserve Bank indicated. The application also will be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the standards enumerated in the BHC Act (12 U.S.C. 1842(c)). If the proposal also involves the acquisition of a nonbanking company, the review also includes whether the acquisition of the nonbanking company complies with the standards in section 4 of the BHC Act (12 U.S.C. 1843). Unless otherwise noted, nonbanking activities will be conducted throughout the United States. Additional information on all bank holding companies may be obtained from the National Information Center website at *www.ffiec.gov/nic/*.

Unless otherwise noted, comments regarding each of these applications must be received at the Reserve Bank indicated or the offices of the Board of Governors not later than February 11, 2008.

A. Federal Reserve Bank of Minneapolis (Jacqueline G. King, Community Affairs Officer) 90 Hennepin Avenue, Minneapolis, Minnesota 55480-0291:

1. BancMidwest Corporation, St. Paul, Minnesota; to acquire 100 percent of Hiawatha Bancshares Inc., Hager City, Wisconsin and thereby indirectly acquire Hiawatha National Bank, N.A., Hager City, Wisconsin.

Board of Governors of the Federal Reserve System, January 11, 2008.
Robert deV. Frierson,
Deputy Secretary of the Board.
[FR Doc. E8–636 Filed 1–15–07; 8:45 am]
BILLING CODE 6210–01–S

FEDERAL RESERVE SYSTEM

Formations of, Acquisitions by, and Mergers of Bank Holding Companies

The companies listed in this notice have applied to the Board for approval, pursuant to the Bank Holding Company Act of 1956 (12 U.S.C. 1841 *et seq.*) (BHC Act), Regulation Y (12 CFR Part 225), and all other applicable statutes and regulations to become a bank holding company and/or to acquire the assets or the ownership of, control of, or the power to vote shares of a bank or bank holding company and all of the banks and nonbanking companies owned by the bank holding company, including the companies listed below.

The applications listed below, as well as other related filings required by the Board, are available for immediate inspection at the Federal Reserve Bank indicated. The applications also will be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the standards enumerated in the BHC Act (12 U.S.C. 1842(c)). If the proposal also involves the acquisition of a nonbanking company, the review also includes whether the acquisition of the nonbanking company complies with the standards in section 4 of the BHC Act (12 U.S.C. 1843). Unless otherwise noted, nonbanking activities will be conducted throughout the United States. Additional information on all bank holding companies may be obtained from the National Information Center website at *www.ffiec.gov/nic/*.

Unless otherwise noted, comments regarding each of these applications must be received at the Reserve Bank indicated or the offices of the Board of Governors not later than February 8, 2008.

A. Federal Reserve Bank of Chicago (Burl Thornton, Assistant Vice President) 230 South LaSalle Street, Chicago, Illinois 60690–1414:

1. TG Bancshares, Inc., Table Grove, Illinois; to become a bank holding company by acquiring 100 percent of

the voting shares of Table Grove State Bank, Table Grove, Illinois.

B. Federal Reserve Bank of St. Louis (Glenda Wilson, Community Affairs Officer) 411 Locust Street, St. Louis, Missouri 63166–2034:

1. Germantown Capital Corporation, Inc., Germantown, Tennessee; to become a bank holding company by acquiring 100 percent of the voting shares of First Capital Bank, Germantown, Tennessee.

Board of Governors of the Federal Reserve System, January 10, 2008.

Robert deV. Frierson,

Deputy Secretary of the Board.

[FR Doc.E8–547 Filed 1–15–08; 8:45 am]

BILLING CODE 6210–01–S

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

[Docket No. 2003N–0573]

Animal Cloning Risk Assessment; Risk Management Plan; Guidance for Industry; Availability

AGENCY: Food and Drug Administration, HHS.

ACTION: Notice.

SUMMARY: The Food and Drug Administration (FDA) is announcing the availability of a risk assessment on animal cloning. FDA's Center for Veterinary Medicine (CVM) developed this risk assessment to evaluate the health risks to animals involved in the process of cloning and to evaluate the food consumption risks that may result from edible products derived from animal clones or their progeny. FDA is also announcing the availability of a risk management plan for animal clones and their progeny. The risk management plan takes into account the risks identified in the risk assessment and sets out measures that FDA will use to manage those risks. In addition, FDA is announcing availability of guidance for industry 179. This guidance describes FDA's recommendations regarding the use of edible products from animal clones and their progeny in human food or in animal feed.

DATES: Submit written or electronic comments on agency guidances at any time.

ADDRESSES: Submit written requests for single copies of the risk assessment, risk management plan, or the guidance for industry to the Communications Staff (HFV–12), Center for Veterinary Medicine, Food and Drug Administration, 7519 Standish Pl., Rockville, MD 20855. Send a self-addressed, adhesive label to assist that office in processing your request. Submit written comments on the guidance for industry to the Division of Dockets Management (HFA–305), Food and Drug Administration, 5630 Fishers Lane, rm. 1061, Rockville, MD 20852.

Submit electronic comments to *http://www.fda.gov/dockets/ecomments*. See the **SUPPLEMENTARY INFORMATION** section for electronic access to the documents.

FOR FURTHER INFORMATION CONTACT: Larisa Rudenko, Center for Veterinary Medicine (HFV–100), Food and Drug Administration, 7500 Standish Pl., Rockville, MD 20855, 240–276–8245, e-mail: *clones@cvm.fda.gov*.

SUPPLEMENTARY INFORMATION:

I. Background

In the **Federal Register** of January 3, 2007 (72 FR 136), FDA published a notice of availability with a 90-day comment period to request comments on a draft risk assessment on animal cloning. FDA also announced the availability for public comment of a proposed risk management plan for animal clones and their progeny and a draft guidance for industry describing FDA's recommendations regarding the use of edible products from animal clones and their progeny in human food or in animal feed. In response to requests to extend the comment period on these documents, FDA subsequently published a notice in the **Federal Register** (72 FR 15887, April 3, 2007) extending the comment period for an additional 30 days.

The draft risk assessment evaluated the health effects to animals involved in the process of cloning and evaluated the food consumption risks that may result from edible products derived from animal clones or their progeny. The proposed risk management plan described proposed measures that the agency might use to address animal health and food consumption risks identified in the draft risk assessment that were within the agency's purview. It also described the agency's plans with regard to issues that were not within the agency's authority to manage (e.g., ethics) regarding animal cloning. The draft guidance for industry described FDA's recommendations regarding the introduction of edible products from animal clones and their progeny into the food and feed supply.

FDA has completed a thorough analysis of all comments and additional information received and has updated the documents appropriately. FDA has concluded that meat and milk from clones of cattle, swine, and goats, and the offspring of clones from any species traditionally consumed as food, are as safe to eat as food from conventionally bred animals. FDA, however, in its guidance for industry, is recommending that edible products from clones from animals other than cattle, swine, or goat (e.g., sheep) not be introduced into the human food supply. Whereas the scientific data supports the safety of edible products from clones of cattle, swine, or goat, there is insufficient scientific data to reach this conclusion for edible products from other types of animals.

II. Significance of Guidance

The guidance for industry is a level 1 guidance that is being issued consistent with FDA's good guidance practices regulation (21 CFR 10.115). The guidance represents the agency's current thinking on the topic. The guidance document does not create or confer any rights for or on any person and will not operate to bind FDA or the public. Alternative methods may be used as long as they satisfy the requirements of the applicable statutes and regulations.

III. Paperwork Reduction Act of 1995

For this level 1 final guidance, FDA concludes that there are no collection of information requirements under the Paperwork Reduction Act of 1995.

IV. Comments

Interested persons may submit to the Division of Dockets Management (see **ADDRESSES**) written or electronic comments regarding the guidance for industry. Submit a single copy of electronic comments or two paper copies of any mailed comments, except that individuals may submit one paper copy. Comments are to be identified with the docket number found in brackets in the heading of this document. Received comments may be seen in the Division of Dockets Management between 9 a.m. and 4 p.m., Monday through Friday.

Please note that in January 2008 the FDA Web site is expected to transition to the Federal Dockets Management System (FDMS). FDMS is a Government-wide, electronic docket management system. After the transition date electronic submissions will be accepted by FDA through the FDMS only. When the exact date of the transition to FDMS is known, FDA will publish a **Federal Register** notice announcing that date.

V. Electronic Access

Persons with access to the Internet may obtain the documents at *http://www.fda.gov/cvm/cloning.htm*.

Dated: January 3, 2008.

Jeffrey Shuren,

Assistant Commissioner for Policy.

[FR Doc. E8–675 Filed 1–15–08; 8:45 am]

BILLING CODE 4160–01–S

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

[Docket No. 2007N–0390]

User Fee Program for Advisory Review of Direct-to-Consumer Television Advertisements for Prescription Drug and Biological Products; Program Will Not Be Implemented

AGENCY: Food and Drug Administration, HHS.

ACTION: Notice.

SUMMARY: The Food and Drug Administration (FDA) is issuing this notice to inform companies that the Direct-to-Consumer (DTC) television advertisement user fee program will not commence because the necessary user fees for the program were not ''provided in advance in appropriations Acts'' as required by the Food and Drug Administration Amendments Act of 2007 (FDAAA) and the previously issued notice establishing user fee rates for the program for fiscal year (FY) 2008 is being withdrawn.

FOR FURTHER INFORMATION CONTACT: Wayne Amchin, Center for Drug Evaluation and Research, Food and Drug Administration, 10903 New Hampshire Ave., Bldg. 22, rm. 1454, Silver Spring, MD 20993–0002, 301–796–1200, FAX: 301–796–9878, e-mail: *dtcp@fda.hhs.gov*.

SUPPLEMENTARY INFORMATION: On September 27, 2007, the President signed into law FDAAA (Public Law 110–85). Title I of FDAAA reauthorized the Prescription Drug User Fee Act for FYs 2008 to 2012. In addition, Title I created new section 736A of the Federal Food, Drug, and Cosmetic Act (the act) (21 U.S.C. 379h–1), which authorized a new and separate user fee program for the advisory review of DTC prescription drug television advertisements. The DTC user fee program would have been available to companies interested in voluntarily submitting to FDA for advisory review a DTC television advertisement, as defined in section 736A(h)(4) of the act. FDAAA provided, however, that if FDA fails to receive at least $11,250,000 in advisory review fees and operating reserve fees combined by 120 days after the legislation is enacted (i.e., by January 25, 2008), the program shall not commence (section 736A(f)(1) of the act). FDAAA also provided that the fees authorized for the DTC program ''shall be collected and available for obligation only to the extent and in the amount provided in advance in appropriations Acts.'' (section 736A(g)(1) of the act).

On December 26, 2007, the President signed the Consolidated Appropriations Act, 2008 (Public Law 110–161). The law does not appropriate user fee funds for the voluntary review of DTC television advertisements. As a result, under section 736A(g)(1) of the act, FDA does not have the authority to collect and spend user fees for this purpose. Furthermore, as noted previously, section 736A(f)(1) of the act provides that if FDA has not collected at least $11,250,000 in advisory review fees and operating reserve fees combined by 120 days after the legislation is enacted (i.e., by January 25, 2008), the program shall not commence. Therefore, no invoices will be sent. Advertisements voluntarily submitted for FDA review will be reviewed in as timely a manner as resources permit. In addition, FDA is withdrawing the previously issued **Federal Register** notice establishing the user fee rates for this program for FY 2008 (72 FR 70334, December 11, 2007).

Dated: January 10, 2008.

Jeffrey Shuren,

Assistant Commissioner for Policy.

[FR Doc. E8–740 Filed 1–15–08; 8:45 am]

BILLING CODE 4160–01–S

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

Psychopharmacologic Drugs Advisory Committee; Amendment of Notice

AGENCY: Food and Drug Administration, HHS.

ACTION: Notice.

The Food and Drug Administration (FDA) is announcing an amendment to the notice of meeting of the Psychopharmacologic Drugs Advisory Committee. This meeting was announced in the **Federal Register** of December 19, 2007 (72 FR 71923). The amendment is being made to reflect changes in the *Location, Contact Person, and Procedure* portions of the document. There are no other changes.

FOR FURTHER INFORMATION CONTACT: Diem-Kieu Ngo, Center for Drug Evaluation and Research (HFD–21), Food and Drug Administration, 5600 Fishers Lane (for express delivery, 5630 Fishers Lane, rm. 1093), Rockville, MD 20857, 301–827–7001, FAX: 301–827–6776, e-mail: *diem.ngo@fda.hhs.gov*, or FDA Advisory Committee Information Line, 1–800–741–8138 (301–443–0572 in the Washington DC area), code 3014512544. Please call the Information Line for up-to-date information on this meeting.

SUPPLEMENTARY INFORMATION: In the **Federal Register** of December 19, 2007, FDA announced that a meeting of the Psychopharmacologic Drugs Advisory Committee would be held on February 6, 2008.

On page 71923, in the third column, the *Location* portion of the document is changed to read as follows:

Location: Crowne Plaza/Silver Spring, Kennedy Ballrooms, 8777 Georgia Ave., Silver Spring, MD. The hotel telephone number is 301–589–0800.

On page 71923, in the third column, the first sentence of the *Contact Person* portion of the document is changed to read as follows:

Contact Person: Diem-Kieu Ngo, Center for Drug Evaluation and Research (HFD–21), Food and Drug Administration, 5600 Fishers Lane, (for express delivery, 5630 Fishers Lane, rm. 1093), Rockville, MD 20857, 301–827–7001, FAX: 301–827–6776, e-mail: *diem.ngo@fda.hhs.gov*, or FDA Advisory Committee Information Line, 1–800–741–8138 (301–443–0572 in the Washington, DC area), code 3014512544.

On page 71924, in the first column, the first paragraph of the *Procedure* portion of the document is changed to read as follows:

Procedure: Interested persons may present data, information, or views, orally or in writing, on issues pending before the committee. Written submissions may be made to the contact person on or before January 18, 2008. Oral presentations from the public will be scheduled between approximately 1:30 p.m. and 2:30 p.m. Those desiring to make formal oral presentations should notify the contact person and submit a brief statement of the general nature of the evidence or arguments they wish to present, the names and addresses of proposed participants, and an indication of the approximate time requested to make their presentation on or before January 10, 2008. Time allotted for each presentation may be limited. If the number of registrants requesting to speak is greater than can be reasonably accommodated during the scheduled open public hearing session, FDA may conduct a lottery to determine the speakers for the scheduled open public hearing session. The contact person will notify interested persons

regarding their request to speak by January 11, 2008.

This notice is issued under the Federal Advisory Committee Act (5 U.S.C. app. 2) and 21 CFR part 14, relating to advisory committees.

Dated: January 10, 2008.

Randall W. Lutter,

Assistant Commissioner for Policy.

[FR Doc. E8–726 Filed 1–15–08; 8:45 am]

BILLING CODE 4160–01–S

DEPARTMENT OF HEALTH AND HUMAN SERVICES

National Institutes of Health

Submission for OMB Review; Comment Request; Quality of Life Outcomes in Neurological Disorders

SUMMARY: Under the provisions of Section 3507(a)(1)(D) of the Paperwork Reduction Act of 1995, the National Institute of Neurological Disorders and Stroke (NINDS), the National Institutes of Health (NIH) has submitted to the Office of Management and Budget (OMB) a request to review and approve the information collection listed below. This proposed information collection was previously published in the **Federal Register** on September 24, 2007, page number 54269 and allowed 60 days for public comment. One public comment was received; also received were one request for the data collection plans and proposed instruments and a request for information on a related Web site. The purpose of this notice is to allow an additional 30 days for public comment. The National Institutes of Health may not conduct or sponsor, and the respondent is not required to respond to, an information collection that has been extended, revised, or implemented on or after October 1, 1995, unless it displays a currently valid OMB control number.

Proposed Collection: Title: Quality of Life Outcomes in Neurological Disorders; *Type of Information Collection Request:* New; *Form Number:* NA; *Need and Use of Information Collection:* In order to improve outcome measurement in clinical trials of neurological conditions, NINDS is developing a health-related quality of life (HRQL) measurement system for major neurological diseases that affect the United States population. This measurement system must be consistent enough across the selected conditions to allow for cross-disease comparison, and yet flexible enough to capture condition-specific HRQL issues. The primary end users of this measurement system will be clinical trialists and other clinical neurology researchers; however the measurement system will also be appropriate for clinical practice. The proposed information collection will support psychometric testing of HRQL item banks and testing of Spanish translation of the final questionnaires. *Frequency of Response:* Once; *Affected Public:* Individuals; *Type of Respondent:* Adults and children. The annual reporting burden is shown in the following table. There are no Capital Costs, Operating Costs or Maintenance Costs to report.

Type of respondents	Number of respondents	Frequency of response	Average time per response	Annual hour burden
Adults	6,000	1	0.5	3,000
Children	3,000	1	0.5	1,500
Totals	9,000			4,500

Request for Comments: Written comments and/or suggestions from the public and affected agencies should address one or more of the following points: (1) Evaluate whether the proposed collection of information is necessary for the proper performance of the function of the agency, including whether the information will have practical utility; (2) Evaluate the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used; (3) Enhance the quality, utility, and clarity of the information to be collected; and (4) Minimize the burden of the collection of information on those who are to respond, including the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology.

Direct Comments to OMB: Written comments and/or suggestions regarding the item(s) contained in this notice, especially regarding the estimated public burden and associated response time, should be directed to the: Office of Management and Budget, Office of Regulatory Affairs, New Executive Office Building, Room 10235, Washington, DC 20503, Attention: Desk Officer for NIH. To request more information on the proposed project or to obtain a copy of the data collection plans and instruments, contact: Dr. Claudia Moy, Program Director, Clinical Trials Group, NINDS, NIH, Neuroscience Center, 6001 Executive Boulevard, Room 2214, Bethesda, MD 20892, or call non-toll-free number 301–496–2789 or e-mail your request, including your address to: <*moyc@ninds.nih.gov*>.

Comments Due Date: Comments regarding this information collection are best assured of having their full effect if received within 30-days of the date of this publication.

Dated: December 20, 2007.

Joellen Austin Harper,

Executive Officer, NINDS, National Institutes of Health.

[FR Doc. E8–606 Filed 1–15–08; 8:45 am]

BILLING CODE 4140–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

National Institutes of Health

National Institute of Child Health and Human Development; Longitudinal Investigation of Fertility and the Environment Study

SUMMARY: In compliance with the requirement of section 3506(c)(2)(A) of the Paperwork Reduction Act of 1995, for opportunity for public comment on proposed data collection projects, the National Institute of Child Health and Human Development (NICHD), the National Institutes of Health (NIH), will publish periodic summaries of proposed projects to be submitted to the Office of Management and Budget (OMB) for review and approval. This is a request for renewal of an information collection request that was approved (OMB Clearance 0925–0543) following publication in the **Federal Register** on January 9, 2004, page 1589 and December 2, 2004, page 70153.

Proposed Collection: Title: Longitudinal Investigation of Fertility and the Environment Study. *Type of*

Information Collection Request: Renewal of OMB Clearance 0925–0543.

Need and Use of Information Collection: This study will assess the relation between select environmental factors and human fecundity and fertility. This research originally proposed to recruit 960 couples who are interested in becoming pregnant and willing to participate in a longitudinal study. Fewer than expected couples were enrolled during the first three years of the project (n=350), predominantly due to the fact that more couples were ineligible for participation than had been originally estimated. In light of this fact, the revised study plan is to enroll a total of 500 couples (i.e., 150 additional couples), a sample size that will not compromise the main study objectives. Fecundity will be measured by the time required for the couples to achieve pregnancy, while fertility will be measured by the ability of couples to have a live born infant. Couples who are unable to conceive within 12 months of trying or who experience a miscarriage also will be identified and considered to have fecundity-related impairments. The study's primary environmental exposures include: Organochlorine pesticides and polychlorinated biphenyls; metals; fluorinated compounds; phytoestrogens; and phthalates. A growing body of literature suggests these compounds may exert effects on human reproduction and development; however, definitive data are lacking serving as the impetus for this study. Couples will participate in a 20–30 minute baseline interview and be instructed in the use of home fertility monitors and pregnancy kits for counting the time required for pregnancy and detecting pregnancy. Blood and urine samples will be collected at baseline from both partners of the couple for measurement of the environmental exposures. Two semen samples from male partners and two saliva samples from female partners also will be requested. Semen samples will be used to assess male fecundity as measured primarily by sperm concentration and morphology. Saliva samples will be used for the measurement of cortisol levels as a marker of stress among female partners so that the relation between environmental factors, stress and human reproduction can be assessed. The findings will provide valuable information regarding the effect of environmental contaminants on sensitive markers of human reproduction and development, filling critical data gaps. Moreover, these environmental exposures will be analyzed in the context of other lifestyle exposures, consistent with the manner in which human beings are exposed. *Frequency of Response:* Following the baseline interview, couples will each complete a five-minute daily diary on select lifestyle factors. Women will perform daily fertility testing and pregnancy testing at day of expected menses using a dipstick test in urine. Each test will require approximately five minutes for completion. This testing and diary reporting is required only up to the time women become pregnant, which on average should be in 2–3 months. Men will provide two semen samples, a month apart, requiring approximately 20 minutes for each collection, and women will collect two saliva samples, a month apart, requiring approximately five minutes. Participating couples will be given a choice to submit their information by mail or to send it electronically to the Data Coordinating Center. This option will be available throughout data collection in the event couples change their minds about how they would like to submit information. Bio-specimens will be collected by study participants and research nurses, where appropriate, and forwarded in prepaid delivery packages to the study's laboratories. *Affected Public:* Individuals from participating communities. *Type of Respondents:* Men and women aged 18–40 years. *Revised Estimated Number of Respondents:* 1,000. *Revised Estimated Number of Response Sets per Respondent:* 6 per women and 3 per men over approximately two years. *Average Burden Hours per Response:* .1947 for women and .31975 for men. *Revised Estimated Total Annual Burden Hours Requested:* 1,658 for women and 889 for men. The revised burden estimates represent a 48 percent reduction in the originally requested burden. There is no cost to respondents. There are no Capital Costs to report. There are no Operating or Maintenance Costs to report.

Request for Comments: Written comments and/or suggestions from the public and affected agencies are invited on one or more of the following points: (1) The necessity of the proposed collection of information for the proper performance of the function of the agency, including the practical utility of the information; (2) the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used; (3) ways to enhance the quality, utility, and clarity of the information to be collected; and (4) ways to minimize the burden of the collection of information on those who are to respond, including the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology.

FOR FURTHER INFORMATION CONTACT: To request more information on the proposed project or to obtain a copy of the data collection plans and instruments, contact Dr. Germaine Buck Louis, Senior Investigator and Chief, Epidemiology Branch, DESPR, NICHD, NIH, 6100 Executive Blvd., Room 7B03, Rockville, Maryland 20852, or call non-toll-free number (301) 496–6155 or e-mail your request, including your address to: *gb156i@nih.gov.*

Comments Due Date: Comments regarding this information collection are best assured of having their full effect if received within 60-days of the date of this publication.

Dated: January 3, 2008.

Paul Johnson,

NICHD Project Clearance Liaison, National Institutes of Health.

[FR Doc. E8–609 Filed 1–15–08; 8:45 am]

BILLING CODE 4140–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

National Institutes of Health

The Statement of Organization, Functions, and Delegations of Authority

Part N, National Institutes of Health (NIH), of the Statement of Organization, Functions, and Delegations of Authority for the Department of Health and Human Services (DHHS) (40 FR 22859, May 27, 1975, as amended most recently at 72 FR 57595, October 10, 2007, and redesignated from Part HN as Part N at 60 FR 56605, November 9, 1995), is amended as set forth below to reflect the transfer of the functions of the Chief Information Officer (CIO) from the Center for Information Technology (NU, formerly HNU) to the Office of the Director (NA, formerly HNA).

Section N–B, Organization and Functions, under the heading Center for Information Technology (NU, formerly HNU), is amended as follows:

(1) Replace the current section NU (formerly HNU) with the following:

Center for Information Technology (NU, formerly HNU). (1) Provides leadership for the determination of NIH computational and telecommunications needs at all levels and oversees the development of appropriate infrastructure support to meet identified

needs; (2) develops, operates, and maintains a state-of-the-art regional computer facility and provides overall guidance based on legislation and policy that is responsive to the NIH mission; (3) establishes and operates the necessary organization and infrastructure to assure appropriate security, connectivity, and inter-operability across the NIH Institutes and Centers (ICs), off-campus locations, and remote access; (4) collaborates on, and provides for, research activities in the computational biosciences and statistics; (5) develops, administers, and manages NIH systems, and provides consulting services to the ICs, in support of administrative and business applications; and (6) serves as a Federal Data Processing Center for administrative, biomedical, and statistical computing, provides data processing and high performance computing facilities and integrated telecommunications data networks, and provides services to the DHHS and other Federal agencies.

(2) Delete in their entirety the statements for *Office of the Deputy CIO (NU9, formerly HNU9);* the *Information Technology Policy and Review Office (NU92, formerly HNU92,* the *Information Security and Awareness Office (NU93, formerly HNU93);* the *Information Technology Acquisitions Services Office (NU94, formerly HNU94);* and the *Office of the Chief Information Technology Architect (NU19, formerly HNU19).*

(3) *Section N–B, Organization and Functions,* under the heading *Office of the Director (NA, formerly HNA),* is amended as follows:

Under the heading *Office of the Director (NA, formerly HNA),* immediately following the statement for Office of Portfolio Analysis and Strategic Initiatives (HNAU) insert the following:

Office of the Chief Information Officer (NAV, formerly HNAV). (1) Advises the NIH Director on the strategic direction and management of significant NIH Information Technology (IT) program and policy activities; (2) provides leadership for the enhancement of NIH IT capabilities, scientific and research computing services, and enterprise systems through policies, guidelines and standards, budget management, and lifecycle performance monitoring; (3) directs the establishment of a common infrastructure that optimizes NIH's IT investments and that can adapt to emerging technologies and service models; (4) leads IT security initiatives to protect and secure NIH's information assets; (5) oversees the NIH-wide IT investment portfolio, inclusive of IC, CIT, and enterprise systems; (6) approves the progress of enterprise projects through the DHHS Enterprise Performance Life Cycle (EPLC); (7) identifies critical IT issues and analyzes, plans, and leads NIH's implementation of special DHHS or Federal initiatives related to management of IT resources; (8) leads IT governance structure to align IT with NIH strategies and objectives; (9) leads the implementation of enterprise architecture policies, standards, and practices; (10) leads NIH IT support efforts on medical initiatives such as Electronic Health Record; and (11) provides leadership and focus within NIH for the development and implementation of policy and standards in IT by identifying, documenting, and communicating issues, problems, and solutions to the NIH community in a comprehensive way.

Information Technology Policy and Review Office (NAV2, formerly HNAV2). Advises and assists the NIH Chief and Deputy Chief Information Officers in managing NIH IT resources and investments through (1) development, implementation, and oversight of NIH IT policy and guidance; (2) interpretation and implementation of laws, regulations, and DHHS, Office of Management and Budget (OMB), and other Federal mandates; (3) development and oversight of IT capital planning and investment control activities; (4) coordination and preparation of IT budget and review documents; (5) development of IT management tools and training; and (6) provision of staff support to CIO committees and special initiatives, studies, and projects.

Information Security and Awareness Office (NAV3, formerly HNAV3). Provides guidance to the NIH Chief and Deputy Chief Information Officers regarding IT security, planning, and budget activities by (1) leading the development of program goals, policies, standards, and procedures for the NIH IT Security program; (2) providing guidance to ICs for security of information in accordance with the Privacy Act, the Computer Security Act of 1987, the Information Technology Management Reform Act (ITMRA), OMB, and DHHS guidance; (3) providing support to the NIH IT Management Committee (ITMC); (4) conducting NIH-wide IT security activities; (5) managing an NIH Incident Response Team; (6) managing an NIH Risk Management and Oversight Program; and (7) managing an NIH IT Security Awareness and Training Program.

Information Technology Acquisition Services Office (NAV4, formerly HNAV4). Advises the NIH Chief and Deputy Chief Information Officers on IT contract expenditures and IT trends by (1) maintaining awareness of federally mandated laws, regulations, and standards as they relate to IT acquisition documents and IT investments; (2) participating in NIH-wide committees that impact NIH CIO initiatives, policies, and standards; (3) working closely with other ICs to ensure that NIH CIO initiatives and practices are reflected in IT submissions to DHHS and OMB; (4) assisting in the preparation of Statements of Work and supporting documentation such as schedules, evaluation criteria, and checklists required to implement the ITMRA, maintaining consistency with NIH/DHHS/OMB policies; (5) assisting NIH program managers in identifying appropriate mechanisms to satisfy their IT requirements, including NIH acquisition resources; and (6) advising NIH IT project managers on contract/task order management, administrative strategies, problem resolution, and techniques via meetings, e-mail, handbooks, and/or briefings.

Information Technology Architecture Office (NAV5, formerly HNAV5). (1) Advises the CIO on IT enterprise architecture for the NIH; (2) provides leadership to the development and management of an NIH enterprise architecture; (3) develops principles, policy, and technology standards to guide IT systems design and integration; (4) leads and/or evaluates enterprise projects and technologies for compliance and integration within IT architecture; (5) coordinates and represents IT enterprise architecture for the NIH; and (6) provides leadership, management, and implementation of transforming technologies for NIH such as Federal Public Key Infrastructure, Enterprise Application Integration Infrastructure, and Enterprise Identity Management Infrastructure, including the redesign of the NIH Enterprise Directory.

Delegations of Authority: All delegations and redelegations of authority to officers and employees of NIH which were in effect immediately prior to the effective date of this reorganization and are consistent with this reorganization shall continue in effect, pending further redelegation.

Dated: January 7, 2008.

Elias A. Zerhouni,

Director, National Institutes of Health.

[FR Doc. 08–125 Filed 1–15–08; 8:45 am]

BILLING CODE 4140–01–M

DEPARTMENT OF HOMELAND SECURITY

Federal Emergency Management Agency

[FEMA–1736–DR]

Missouri; Amendment No. 1 to Notice of a Major Disaster Declaration

AGENCY: Federal Emergency Management Agency, DHS.

ACTION: Notice.

SUMMARY: This notice amends the notice of a major disaster for the State of Missouri (FEMA–1736–DR), dated December 27, 2007, and related determinations.

EFFECTIVE DATE: December 15, 2007.

FOR FURTHER INFORMATION CONTACT: Peggy Miller, Disaster Assistance Directorate, Federal Emergency Management Agency, Washington, DC 20472, (202) 646–2705.

SUPPLEMENTARY INFORMATION: Notice is hereby given that the incident period for this disaster is closed effective December 15, 2007.

(The following Catalog of Federal Domestic Assistance Numbers (CFDA) are to be used for reporting and drawing funds: 97.030, Community Disaster Loans; 97.031, Cora Brown Fund Program; 97.032, Crisis Counseling; 97.033, Disaster Legal Services Program; 97.034, Disaster Unemployment Assistance (DUA); 97.046, Fire Management Assistance; 97.048, Individuals and Households Housing; 97.049, Individuals and Households Disaster Housing Operations; 97.050 Individuals and Households Program—Other Needs, 97.036, Public Assistance Grants; 97.039, Hazard Mitigation Grant Program.)

R. David Paulison,

Administrator, Federal Emergency Management Agency.

[FR Doc. E8–658 Filed 1–15–08; 8:45 am]

BILLING CODE 9110–10–P

DEPARTMENT OF HOMELAND SECURITY

Federal Emergency Management Agency

[FEMA–3281–EM]

Missouri; Amendment No. 1 to Notice of an Emergency Declaration

AGENCY: Federal Emergency Management Agency, DHS.

ACTION: Notice.

SUMMARY: This notice amends the notice of an emergency for the State of Missouri (FEMA–3281–EM), dated December 12, 2007, and related determinations.

EFFECTIVE DATE: December 15, 2007.

FOR FURTHER INFORMATION CONTACT: Peggy Miller, Disaster Assistance Directorate, Federal Emergency Management Agency, Washington, DC 20472, (202) 646–2705.

SUPPLEMENTARY INFORMATION: Notice is hereby given that the incident period for this emergency is closed effective December 15, 2007.

(The following Catalog of Federal Domestic Assistance Numbers (CFDA) are to be used for reporting and drawing funds: 97.030, Community Disaster Loans; 97.031, Cora Brown Fund Program; 97.032, Crisis Counseling; 97.033, Disaster Legal Services Program; 97.034, Disaster Unemployment Assistance (DUA); 97.046, Fire Management Assistance; 97.048, Individuals and Households Housing; 97.049, Individuals and Households Disaster Housing Operations; 97.050 Individuals and Households Program—Other Needs; 97.036, Public Assistance Grants; 97.039, Hazard Mitigation Grant Program.)

R. David Paulison,

Administrator, Federal Emergency Management Agency.

[FR Doc. E8–654 Filed 1–15–08; 8:45 am]

BILLING CODE 9110–10–P

DEPARTMENT OF HOMELAND SECURITY

Federal Emergency Management Agency

[FEMA–1738–DR]

Nevada; Major Disaster and Related Determinations

AGENCY: Federal Emergency Management Agency, DHS.

ACTION: Notice.

SUMMARY: This is a notice of the Presidential declaration of a major disaster for the State of Nevada (FEMA–1738–DR), dated January 8, 2008, and related determinations.

EFFECTIVE DATE: January 8, 2008.

FOR FURTHER INFORMATION CONTACT: Peggy Miller, Disaster Assistance Directorate, Federal Emergency Management Agency, Washington, DC 20472, (202) 646–2705.

SUPPLEMENTARY INFORMATION: Notice is hereby given that, in a letter dated January 8, 2008, the President declared a major disaster under the authority of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5121–5206 (the Stafford Act), as follows:

I have determined that the damage in certain areas of the State of Nevada resulting from severe winter storms and flooding beginning on January 5, 2008, and continuing, is of sufficient severity and magnitude to warrant a major disaster declaration under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5121–5206 (the Stafford Act). Therefore, I declare that such a major disaster exists in the State of Nevada.

In order to provide Federal assistance, you are hereby authorized to allocate from funds available for these purposes such amounts as you find necessary for Federal disaster assistance and administrative expenses.

You are authorized to provide Individual Assistance and Public Assistance in the designated areas and Hazard Mitigation throughout the State. Direct Federal assistance is authorized. Consistent with the requirement that Federal assistance be supplemental, any Federal funds provided under the Stafford Act for Hazard Mitigation and Other Needs Assistance will be limited to 75 percent of the total eligible costs. Federal funds provided under the Stafford Act for Public Assistance also will be limited to 75 percent of the total eligible costs, except for any particular projects that are eligible for a higher Federal cost-sharing percentage under the FEMA Public Assistance Pilot Program instituted pursuant to 6 U.S.C. 777.

Further, you are authorized to make changes to this declaration to the extent allowable under the Stafford Act.

The time period prescribed for the implementation of section 310(a), Priority to Certain Applications for Public Facility and Public Housing Assistance, 42 U.S.C. 5153, shall be for a period not to exceed six months after the date of this declaration.

The Federal Emergency Management Agency (FEMA) hereby gives notice that pursuant to the authority vested in the Administrator, under Executive Order 12148, as amended, Michael L. Karl, of FEMA is appointed to act as the Federal Coordinating Officer for this declared disaster.

The following areas of the State of Nevada have been designated as adversely affected by this declared major disaster:

Lyon County for Individual Assistance and Public Assistance.

All counties within the State of Nevada are eligible to apply for assistance under the Hazard Mitigation Grant Program.

(The following Catalog of Federal Domestic Assistance Numbers (CFDA) are to be used for reporting and drawing funds: 97.030, Community Disaster Loans; 97.031, Cora Brown Fund Program; 97.032, Crisis Counseling; 97.033, Disaster Legal Services Program; 97.034, Disaster Unemployment Assistance (DUA); 97.046, Fire Management Assistance; 97.048, Individuals and Households Housing; 97.049, Individuals and Households Disaster Housing Operations; 97.050 Individuals and Households Program—Other Needs, 97.036, Public

Assistance Grants; 97.039, Hazard Mitigation Grant Program.)

R. David Paulison,

Administrator, Federal Emergency Management Agency.

[FR Doc. E8–728 Filed 1–15–08; 8:45 am]

BILLING CODE 9110–10–P

DEPARTMENT OF HOMELAND SECURITY

Federal Emergency Management Agency

[FEMA–1734–DR]

Washington; Amendment No. 6 to Notice of a Major Disaster Declaration

AGENCY: Federal Emergency Management Agency, DHS.

ACTION: Notice.

SUMMARY: This notice amends the notice of a major disaster declaration for the State of Washington (FEMA–1734–DR), dated December 8, 2007, and related determinations.

EFFECTIVE DATE: January 9, 2008.

FOR FURTHER INFORMATION CONTACT: Peggy Miller, Disaster Assistance Directorate, Federal Emergency Management Agency, Washington, DC 20472, (202) 646–2705.

SUPPLEMENTARY INFORMATION: The notice of a major disaster declaration for the State of Washington is hereby amended to include the following area among those areas determined to have been adversely affected by the catastrophe declared a major disaster by the President in his declaration of December 8, 2007.

Wahkiakum County for Individual Assistance (already designated for Public Assistance.)

(The following Catalog of Federal Domestic Assistance Numbers (CFDA) are to be used for reporting and drawing funds: 97.030, Community Disaster Loans; 97.031, Cora Brown Fund Program; 97.032, Crisis Counseling; 97.033, Disaster Legal Services Program; 97.034, Disaster Unemployment Assistance (DUA); 97.046, Fire Management Assistance; 97.048, Individuals and Households Housing; 97.049, Individuals and Households Disaster Housing Operations; 97.050 Individuals and Households Program-Other Needs, 97.036, Public Assistance Grants; 97.039, Hazard Mitigation Grant Program.)

R. David Paulison,

Administrator, Federal Emergency Management Agency.

[FR Doc. E8–651 Filed 1–15–08; 8:45 am]

BILLING CODE 9110–10–P

DEPARTMENT OF HOMELAND SECURITY

U.S. Customs and Border Protection

Agency Information Collection Activities; CBP Regulations for Customshouse Brokers

AGENCY: U.S. Customs and Border Protection, Department of Homeland Security.

ACTION: 30-Day Notice and request for comments; Extension of an existing information collection: 1651–0034.

SUMMARY: U.S. Customs and Border Protection (CBP) of the Department of Homeland Security has submitted the following information collection request to the Office of Management and Budget (OMB) for review and approval in accordance with the Paperwork Reduction Act: CBP Regulations for Customshouse Brokers. This is a proposed extension of an information collection that was previously approved. CBP is proposing that this information collection be extended with no change to the burden hours. This document is published to obtain comments from the public and affected agencies. This proposed information collection was previously published in the **Federal Register** (72 FR 59104) on October 18, 2007, allowing for a 60-day comment period. This notice allows for an additional 30 days for public comments. This process is conducted in accordance with 5 CFR 1320.10.

DATES: Written comments should be received on or before February 15, 2008.

ADDRESSES: Written comments and/or suggestions regarding the items contained in this notice, especially the estimated public burden and associated response time should be directed to the Office of Management and Budget, Office of Information and Regulatory Affairs, Attention: Department of Treasury Desk Officer, Washington, DC 20503. Additionally comments may be submitted to OMB via facsimile to (202) 395–6974.

SUPPLEMENTARY INFORMATION: The Bureau of Customs and Border Protection (CBP) encourages the general public and affected Federal agencies to submit written comments and suggestions on proposed and/or continuing information collection requests pursuant to the Paperwork Reduction Act of 1995 (Pub. L. 104–13). Your comments should address one of the following four points:

(1) Evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the agency/component, including whether the information will have practical utility;

(2) Evaluate the accuracy of the agency's/component's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;

(3) Enhance the quality, utility, and clarity of the information to be collected; and

(4) Minimize the burden of the collections of information on those who are to respond, including the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses.

Title: CBP Regulations for Customshouse Broker.

OMB Number: 1651–003.

Form Number: N/A.

Abstract: This information is collected to ensure regulatory compliance for Customshouse brokers.

Current Actions: This submission is being submitted to extend the expiration date with a change in the burden hours.

Type of Review: Extension (without change).

Affected Public: Businesses, Individuals, Institutions.

Estimated Number of Respondents: 6,933.

Estimated Time per Respondent: 43 minutes.

Estimated Total Annual Burden Hours: 5,017.

Estimated Annual Cost on Public: $961,833.

If additional information is required contact: Tracey Denning, U.S. Customs and Border Protection, 1300 Pennsylvania Avenue, NW., Room 3.2.C, Washington, DC 20229, at 202–344–1429.

Dated: January 9, 2008.

Tracey Denning,

Agency Clearance Officer, Information Services Branch.

[FR Doc. E8–693 Filed 1–15–08; 8:45 am]

BILLING CODE 9111–14–P

DEPARTMENT OF HOMELAND SECURITY

U.S. Customs and Border Protection

Agency Information Collection Activities: Cost Submission

AGENCY: U.S. Customs and Border Protection, Department of Homeland Security.

ACTION: 30-Day Notice and request for comments; Extension of an existing information collection: 1651–0028.

SUMMARY: U.S. Customs and Border Protection (CBP) of the Department of Homeland Security has submitted the following information collection request to the Office of Management and Budget (OMB) for review and approval in accordance with the Paperwork Reduction Act: Cost Submission. This is a proposed extension of an information collection that was previously approved. CBP is proposing that this information collection be extended with no change to the burden hours. This document is published to obtain comments form the public and affected agencies. This proposed information collection was previously published in the **Federal Register** (72 FR 59104) on October 18, 2007, allowing for a 60-day comment period. This notice allows for an additional 30 days for public comments. This process is conducted in accordance with 5 CFR 1320.10.

DATES: Written comments should be received on or before February 15, 2008.

ADDRESSES: Interested persons are invited to submit written comments on the proposed information collection to the Office of Information and Regulatory Affairs, Office of Management and Budget. Comments should be addressed to Nathan Lesser, Desk Officer, Department of Homeland Security/ Customs and Border Protection, and sent via electronic mail to *oira_submission@omb.eop.gov* or faxed to (202) 395–6974.

SUPPLEMENTARY INFORMATION: U.S. Customs and Border Protection (CBP) encourages the general public and affected Federal agencies to submit written comments and suggestions on proposed and/or continuing information collection requests pursuant to the Paperwork Reduction Act of 1995 (Pub. L. 04–13). Your comments should address one of the following four points:

(1) Evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the agency/component, including whether the information will have practical utility;

(2) Evaluate the accuracy of the agencies/components estimate of the burden of The proposed collection of information, including the validity of the methodology and assumptions used;

(3) Enhance the quality, utility, and clarity of the information to be collected; and

(4) Minimize the burden of the collections of information on those who are to respond, including the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, *e.g.*, permitting electronic submission of responses.

Title: Cost Submission.

OMB Number: 1651–0028.

Form Number: Form CBP–247.

Abstract: These Cost Submissions, Form CBP–247, are used by importers to furnish cost information to CBP which serves as the basis to establish the appraised value of imported merchandise.

Current Actions: There are no changes to the information collection. This submission is being submitted to extend the expiration date.

Type of Review: Extension (without change).

Affected Public: Businesses, Individuals, Institutions.

Estimated Number of Respondents: 1,000.

Estimated Time per Respondent: 50 hours.

Estimated Total Annual Burden Hours: 50,000.

Estimated Total Annualized Cost on the Public: $1,089,000.

If additional information is required contact: Tracey Denning, U.S. Customs and Border Protection, 1300 Pennsylvania Avenue, NW., Room 3.2.C, Washington, DC 20229, at 202–344–1429.

Dated: January 9, 2008.

Tracey Denning,

Agency Clearance Officer, Information Services Branch.

[FR Doc. E8–694 Filed 1–15–08; 8:45 am]

BILLING CODE 9111–14–P

DEPARTMENT OF HOMELAND SECURITY

U.S. Customs and Border Protection

Agency Information Collection Activities: Declaration of Ultimate Consignee That Articles Were Exported for Temporary Scientific or Educational Purposes

AGENCY: U.S. Customs and Border Protection, Department of Homeland Security.

ACTION: 30-Day Notice and request for comments; Extension of an existing information collection: 1651–0036.

SUMMARY: U.S. Customs and Border Protection (CBP) of the Department of Homeland Security has submitted the following information collection request to the Office of Management and Budget (OMB) for review and approval in accordance with the Paperwork Reduction Act: Declaration of Ultimate Consignee for Articles That Were Exported for Temporary Scientific Purposes. This is a proposed extension of an information collection that was previously approved. CBP is proposing that this information collection be extended with no change to the burden hours. This document is published to obtain comments from the public and affected agencies. This proposed information collection was previously published in the **Federal Register** (72 FR 59103) on October 18, 2007, allowing for a 60-day comment period. This notice allows for an additional 30 days for public comments. This process is conducted in accordance with 5 CFR 1320.10.

DATES: Written comments should be received on or before February 15, 2008.

ADDRESSES: Interested persons are invited to submit written comments on the proposed information collection to the Office of Information and Regulatory Affairs, Office of Management and Budget. Comments should be addressed to Nathan Lesser, Desk Officer, Department of Homeland Security/ Customs and Border Protection, and sent via electronic mail to *oira_submission@omb.eop.gov* or faxed to (202) 395–6974.

SUPPLEMENTARY INFORMATION: U.S. Customs and Border Protection (CBP) encourages the general public and affected Federal agencies to submit written comments and suggestions on proposed and/or continuing information collection requests pursuant to the Paperwork Reduction Act of 1995 (Pub. L. 104–13). Your comments should address one of the following four points:

(1) Evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the agency/component, including whether the information will have practical utility;

(2) Evaluate the accuracy of the agency's/component's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;

(3) Enhance the quality, utility, and clarity of the information to be collected; and

(4) Minimize the burden of the collections of information on those who are to respond, including the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses.

Title: Declaration of Ultimate Consignee That Articles Were Exported for Temporary Scientific or Educational Purposes.

OMB Number: 1651–0036.

Form Number: N/A.

Abstract: The ''Declaration of Ultimate Consignee That Articles were Exported for Temporary Scientific or Educational Purposes'' is used to provide duty free entry under conditions when articles are temporarily exported solely for scientific or educational purposes.

Current Actions: There are no changes to the information collection. This submission is being submitted to extend the expiration date.

Type of Review: Extension (without change).

Affected Public: Businesses, individuals, institutions.

Estimated Number of Respondents: 55.

Estimated Time per Respondent: 30 minutes.

Estimated Total Annual Burden Hours: 27.

If additional information is required contact: Tracey Denning, U.S. Customs and Border Protection, 1300 Pennsylvania Avenue, NW., Room 3.2.C, Washington, DC 20229, at 202–344–1429.

Dated: January 9, 2008.

Tracey Denning,

Agency Clearance Officer, Information Services Branch.

[FR Doc. E8–696 Filed 1–15–08; 8:45 am]

BILLING CODE 9111–14–P

DEPARTMENT OF HOMELAND SECURITY

U.S. Customs and Border Protection

Agency Information Collection Activities: Canadian Boat Landing Permit (I–68)

AGENCY: U.S. Customs and Border Protection, Department of Homeland Security.

ACTION: 30-Day Notice and request for comments; Extension of an existing information collection: 1651–0108.

SUMMARY: U.S. Customs and Border Protection (CBP) of the Department of Homeland Security has submitted the following information collection request to the Office of Management and Budget (OMB) for review and approval in accordance with the Paperwork Reduction Act: Canadian Boat Landing Permit (I–68). This is a proposed extension of an information collection that was previously approved. CBP is proposing that this information collection be extended with no change to the burden hours. This document is published to obtain comments form the public and affected agencies. This proposed information collection was previously published in the **Federal Register** (72 FR 59103) on October 18, 2007 allowing for a 60-day comment period. This notice allows for an additional 30 days for public comments. This process is conducted in accordance with 5 CFR 1320.10.

DATES: Written comments should be received on or before February 15, 2008.

ADDRESSES: Interested persons are invited to submit written comments on the proposed information collection to the Office of Information and Regulatory Affairs, Office of Management and Budget. Comments should be addressed to Nathan Lesser, Desk Officer, Department of Homeland Security/ Customs and Border Protection, and sent via electronic mail to *oira_submission@omb.eop.gov* or faxed to (202) 395–6974.

SUPPLEMENTARY INFORMATION: U.S. Customs and Border Protection (CBP) encourages the general public and affected Federal agencies to submit written comments and suggestions on proposed and/or continuing information collection requests pursuant to the Paperwork Reduction Act of 1995 (Pub. L. 104–13). Your comments should address one of the following four points:

(1) Evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the agency/component, including whether the information will have practical utility;

(2) Evaluate the accuracy of the agencies/components estimate of the burden of The proposed collection of information, including the validity of the methodology and assumptions used;

(3) Enhance the quality, utility, and clarity of the information to be collected; and

(4) Minimize the burden of the collections of information on those who are to respond, including the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses.

Title: Canadian Border Boat Landing Permit.

OMB Number: 1651–0108.

Form Number: Form I–68.

Abstract: This collection involves information from individuals who desire to enter the United States from Canada in a small pleasure craft.

Current Actions: This is an extension of a currently approved information collection.

Affected Public: Individuals or households.

Estimated Number of Respondents: 68,000.

Estimated Time per Respondent: 10 minutes.

Estimated Total Annual Burden Hours: 11,288.

If additional information is required contact: Tracey Denning, U.S. Customs and Border Protection, 1300 Pennsylvania Avenue, NW., Room 3.2.C, Washington, DC 20229, at 202–344–1429.

Dated: January 9, 2008.

Tracey Denning,

Agency Clearance Officer, Information Services Branch.

[FR Doc. E8–698 Filed 1–15–08; 8:45 am]

BILLING CODE 9111–14–P

DEPARTMENT OF HOMELAND SECURITY

U.S. Customs and Border Protection

Agency Information Collection Activities; Commercial Invoice

AGENCY: U.S. Customs and Border Protection, Department of Homeland Security.

ACTION: 30-Day Notice and Request for Comments; Extension of an Existing Information Collection: 1651–0090.

SUMMARY: The Bureau of Customs and Border Protection (CBP) of the Department of Homeland Security has submitted the following information collection request to the Office of Management and Budget (OMB) for review and approval in accordance with the Paperwork Reduction Act: Commercial Invoice. This is a proposed extension of an information collection that was previously approved. CBP is proposing that this information collection be extended with no change to the burden hours. This document is published to obtain comments form the public and affected agencies. This proposed information collection was previously published in the **Federal Register** (72 FR 59103) on October 18, 2007, allowing for a 60-day comment period. This notice allows for an additional 30 days for public comments. This process is conducted in accordance with 5 CFR 1320.10.

DATES: Written comments should be received on or before February 15, 2008.

ADDRESSES: Interested persons are invited to submit written comments on the proposed information collection to the Office of Information and Regulatory Affairs, Office of Management and Budget. Comments should be addressed to Nathan Lesser, Desk Officer, Department of Homeland Security/ Customs and Border Protection, and sent via electronic mail to

oira_submission@omb.eop.gov or faxed to (202) 395–6974.

SUPPLEMENTARY INFORMATION: The Bureau of Customs and Border Protection (CBP) encourages the general public and affected Federal agencies to submit written comments and suggestions on proposed and/or continuing information collection requests pursuant to the Paperwork Reduction Act of 1995 (Pub. L. 104–13). Your comments should address one of the following four points:

(1) Evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the agency/component, including whether the information will have practical utility;

(2) Evaluate the accuracy of the agencies/components estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;

(3) Enhance the quality, utility, and clarity of the information to be collected; and

(4) Minimize the burden of the collections of information on those who are to respond, including the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses.

Title: Commercial Invoice.

OMB Number: 1651–0090.

Form Number: N/A.

Abstract: The collection of the Commercial Invoice is necessary for the proper assessment of duties. The invoice(s) is attached to the CBP Form 7501. The information, which is supplied by the foreign shipper, is used to ensure compliance with statues and regulations.

Current Actions: There are no changes to the information collection. This submission is being submitted to extend the expiration date.

Type of Review: Extension (without change).

Affected Public: Businesses, institutions.

Estimated Number of Respondents: 46,500,000.

Estimated Time per Respondent: 10 seconds.

Estimated Total Annual Burden Hours: 130,200.

Estimated Number of Respondents: 34,500.

If additional information is required contact: Tracey Denning, U.S. Customs and Border Protection, 1300 Pennsylvania Avenue, NW., Room 3.2.C, Washington, DC 20229, at 202–344–1429.

Dated: January 9, 2008.

Tracey Denning,

Agency Clearance Officer, Information Services Branch.

[FR Doc. E8–701 Filed 1–15–08; 8:45 am]

BILLING CODE 9111–14–P

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR–5193–N–01]

Notice of Proposed Information Collection: Comment Request on the Alternative Housing Pilot Program Evaluation Baseline Survey

AGENCY: Office of the Assistant Secretary for Policy Development and Research, HUD.

ACTION: Notice.

SUMMARY: The proposed information collection requirement described below will be submitted to the Office of Management and Budget (OMB) for review, as required by the Paperwork Reduction Act. The Department is soliciting public comments on the subject proposal.

DATES: *Comments Due Date:* March 17, 2008.

ADDRESSES: Interested persons are invited to submit comments regarding this proposal. Comments should refer to the proposal by name and/or OMB Control Number and should be sent to: Reports Liaison Officer, Office of Policy Development and Research, Department of Housing and Urban Development, 451 Seventh Street, SW., Room 8234, Washington, DC 20410.

FOR FURTHER INFORMATION CONTACT: Todd Richardson, Office of Policy Development and Research, Department of Housing and Urban Development, 451 Seventh Street, SW., Washington, DC 20410; telephone 202–402–5706 (this is not a toll-free number).

SUPPLEMENTARY INFORMATION: The Department will submit the proposed information collection to OMB for review, as required by the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35, as amended).

This Notice is soliciting comments from members of the public and affecting agencies concerning the proposed collection of information to: (1) Evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; (2) Evaluate the accuracy of the agency's estimate of the burden of the proposed collection of information; (3) Enhance the quality, utility, and clarity of the information to be collected; and (4) Minimize the burden of the collection of information on those who are to respond; including through the use of appropriate automated collection techniques or other forms of information technology, e.g., permitting electronic submission of responses.

This Notice also lists the following information:

Title of Proposal: Alternative Housing Pilot Program Evaluation Baseline Survey.

OMB Control Number, If applicable: 2528–0248.

Description of the Need for the Information and Proposed Use: The proposed information collection will collect baseline data from families before they received housing under FEMA's Alternative Housing Pilot Program. HUD is conducting an evaluation of AHPP. Four states affected by Hurricanes Katrina and Rita received AHPP grants to test out alternative approaches to providing temporary housing after a disaster. HUD is charged with measuring what benefits and costs are associated with each of the alternatives being implemented by the states. Measuring the program impact on health, satisfaction, and general well-being of the occupants are a key part of the evaluation. This baseline survey is needed to know the characteristics of eligible households applying to participate in the program.

Agency Form Numbers, if Applicable: None.

Members of Affected Public: Individuals and Households.

Estimation of the Total Number of Hours Needed to Prepare the Information Collection Including Number of Respondents, Frequency of Response, and Hours of Response:

Frequency of Submission: On occasion.

	Number of respondents	Annual responses	×	Hours per response	=	Burden hours
Reporting Burden	10,000	1		.4167		4167

Total Estimated Burden Hours: 4167.

Status of the Proposed Information Collection: Extension of a currently approved collection.

Authority: Section 3506 of the Paperwork Reduction Act of 1995, 44 U.S.C. Chapter 35, as amended.

Dated: January 11, 2008.

Darlene F. Williams,

Assistant Secretary for Policy Development and Research.

[FR Doc. E8–660 Filed 1–15–08; 8:45 am]

BILLING CODE 4210–67–P

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. 5030–FA–05]

Announcement of Funding Awards for the Housing Opportunities for Persons With AIDS (HOPWA) Program Fiscal Year 2006

AGENCY: Office of the Assistant Secretary for Community Planning and Development, HUD.

ACTION: Notice of Funding Awards.

SUMMARY: In accordance with section 102(a)(4)(C) of the Department of Housing and Urban Development Reform Act of 1989, this notice announces 26 grant awards totaling $27,484,189 from the Department's FY2006 Housing Opportunities for Persons With AIDS (HOPWA) program. The notice announces the selection of 16 permanent supportive housing renewal grants and 10 new projects. This notice makes available the names of the award recipients and grant amounts.

FOR FURTHER INFORMATION CONTACT: David Vos, Director, Office of HIV/AIDS Housing, Department of Housing and Urban Development, 451 Seventh Street, SW., Room 7212, Washington, DC 20410, telephone (202) 708–1934. To provide service for persons who are hearing- or speech-impaired, this number may be reached via TTY by dialing the Federal Information Relay Service on (800) 877–TTY, (800) 877–8339, or (202) 708–2565. (Telephone numbers, other than ''800'' TTY numbers are not toll free.) Information on HOPWA, community development and consolidated planning, and other HUD programs may also be obtained from the HUD Home Page on the World Wide Web. In addition to this competitive selection, 122 jurisdictions received formula based allocations during the 2006 fiscal year for $256.1 million in HOPWA funds. Descriptions of the formula programs may be obtained at *http://www.hud.gov*.

SUPPLEMENTARY INFORMATION: The FY2006 SuperNOFA (Notice of Funding Availability) for HUD's Discretionary Grant Programs was published in the **Federal Register** on March 8, 2006 (71 FR 11973). The NOFA announced the availability of approximately $10 million in HOPWA competitive grant funding for new projects.

The purpose of the HOPWA NOFA announcement was to solicit applications for two types of HOPWA competitive grants: (1) Awards for new long-term projects for permanent supporting housing and transitional housing projects from states and units of local government and balance of state areas not eligible for HOPWA formula funding; and (2) awards for new Special Projects of National Significance (SPNS) demonstration grants for transitional, and permanent supportive housing projects. Beginning in 2006, the procedure for expiring permanent supportive housing grants that are eligible for renewal was established in a separate Notice entitled, CPD Notice 06–06, ''Standards for Fiscal Year 2006 HOPWA Permanent Supportive Housing Renewal Grant Applications.'' The HOPWA assistance made available in the renewal notice and NOFA competition was authorized by the AIDS Housing Opportunity Act (42 U.S.C. 12901), as amended by the Housing and Community Development Act of 1992 (Pub. L. 102–550, approved October 28, 1992) and was appropriated by the HUD Appropriations Act for 2006. The competition was announced in a NOFA published in the **Federal Register** on March 8, 2006 (71 FR 11973). Each application was reviewed and rated on the basis of selection criteria published in the NOFA. The renewal notice was issued on May 15, 2006.

Public Benefit: The award of HOPWA funds to the 16 renewal and 10 new project awards contribute towards HUD's mission in providing housing support that results in the provision of safe, decent, and affordable housing for persons living with HIV/AIDS and their families who are at risk of homelessness. The 26 selected projects will provide housing assistance to an estimated 1,088 units/households for low-income persons living with HIV/AIDS and their families. The 26 grant awards total $27,484,189 and the selected grant applicants have reported the commitment of approximately $64.6 million in leveraging of other Federal, State, local, or private resources to provide additional supportive services for project beneficiaries.

In accordance with section 102(a) (4) (C) of the Department of Housing and Urban Development Reform Act of 1989 (103 Stat.1987, 42 U.S.C. 3545), the Department is publishing the details of these funding grant announcements in Appendix A.

Recipient	Location	Amount
Fiscal Year 2006 Funding Awards for HOPWA Permanent Supportive Housing Renewal Grants		
Alaska Housing Finance Corporation	Anchorage, AK	$716,210
Salvation Army—Alegria Project	Los Angeles, CA	960,999
Tenderloin AIDS Resource Center	San Francisco, CA	1,236,000
I.M. Sulzbacher	Jacksonville, FL	1,186,841
Gregory House Programs	Honolulu, HI	1,187,034
AIDS Foundation of Chicago	Chicago, IL	1,191,188
City of Chicago	Chicago, IL	1,378,384
Interfaith Residence, dba Doorways	St. Louis, MO	672,805
City of Baltimore	Baltimore, MD	1,339,000
Frannie Peabody Center	Portland, ME	1,273,947
Interfaith Residence, dba Doorways	St. Louis, MO	909,240
State of New Hampshire, Department of Health and Human Services	Concord, NH	682,533
Asociacion de Puertorriqueños en Marcha, Inc.	Philadelphia, PA	1,339,000
Burlington Housing Authority	Burlington, VT	392,009
Downtown Emergency Service Center	Seattle, WA	787,112
AIDS Resource Center of Wisconsin	Milwaukee, WI	1,236,000

Recipient	Location	Amount
Total		16,488,302
Fiscal Year 2006 Funding Awards for HOPWA National Projects of Special Significance and Long Term Housing Grants		
Ministry of Caring Inc.	Wilmington, DE	766,320
Chicago House and Social Service Agency, Inc.	Chicago, IL	1,213,651
Pioneer Civic Services, Inc.	Peoria, IL	930,596
Community Healthlink, Inc.	Worcester, MA	846,720
Cambridge Cares About AIDS, Inc.	Cambridge, MA	1,370,282
City of Portland	Portland, ME	1,402,577
State of Oregon, Oregon Department of Human Services	Portland, OR	1,373,293
Kingsport Housing & Redevelopment Authority	Kingsport, TN	1,067,145
City of Dallas	Dallas, TX	721,000
Housing Resources Group	Seattle, WA	1,304,303
Total		10,995,887
Grand Total		27,484,189

[FR Doc. E8–666 Filed 1–15–08; 8:45 am]

BILLING CODE 4210–67–P

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR–5130-N–18]

Privacy Act; Proposed Amendment to a Privacy Act System of Records, Single Family Mortgage Notes System (SFMNS, A80N)

AGENCY: Office of the Chief Information Officer, HUD.

ACTION: Privacy Act System of Records Amendment.

SUMMARY: Pursuant to the provisions of the Privacy Act of 1974 (5 U.S.C. 552a), HUD is amending one of its Privacy Act record systems, the Single Family Mortgage Notes System (SFMNS (HUD/HS–57)) notice published in the **Federal Register** on (72 FR 42102–03), to include a new routine. The routine use will permit the disclosure of data that's manually transmitted from SFMNS to HUD's Credit Alert Interactive Verification Response System (CAIVRS). CAIVRS makes federal debtor's delinquency and claim information available to program agencies and approved lenders to verify the creditworthiness of loan applicants.

DATES: *Effective Date:* This action shall be effective without further notice on February 15, 2008 unless comments are received during or before this period that would result in a contrary determination.

Comments Due Date: February 15, 2008.

ADDRESSES: Interested persons are invited to submit comments regarding this notice to the Rules Docket Clerk, Office of General Counsel, Department of Housing and Urban Development, 451 Seventh Street, SW., Room 10276, Washington DC 20410–0500. Communications should refer to the above docket number and title. A copy of each communication submitted will be available for public inspection and copying between 8 a.m. and 5 p.m. weekdays at the above address.

FOR FURTHER INFORMATION CONTACT: The Departmental Privacy Act Officer, 451 Seventh Street, SW., Room 4178, Washington, DC 20410, telephone number(202)708–2374 or the System Owner, 451 Seventh Street, SW., Room 6232, Washington, DC 20410, telephone number (202) 402–3297. (These are not a toll-free numbers.) Telecommunication device for hearing and speech-impaired individuals (TTY) is available at (800) 877–8339 (Federal Information Relay Service).

SUPPLEMENTARY INFORMATION: Title 5 U.S.C. 552a(e)(4) and (11) provide that the public be afforded a 30-day period in which to comment on the new system of records, and require published notice of the existence and character of the system of records.

The new system report was submitted to the Office of Management and Budget (OMB), the Senate Committee on Homeland Security and Governmental Affairs, and the House Committee on Oversight and Government Reform pursuant to paragraph 4c of Appendix 1 to OMB Circular No. A–130, ''Federal Agencies Responsibilities for Maintaining Records About Individuals,'' July 25, 1994 (59 FR 37914).

Authority: 5 U.S.C. 552a, 88 Stat. 1896: 42 U.S.C. 3535(d).

Dated: December 31, 2007.

Walter Harris,

Acting Chief Information Officer.

HUD/HS–57

SYSTEM NAME:

Single Family Mortgage Notes System (SFMNS) (A80N/NOTES).

SYSTEM LOCATION:

Charleston, West Virginia. System software is loaded on computers in HUD Headquarters, Washington, DC, the National Servicing Center, Tulsa, OK, and the Servicing Contractors, C&L Service/Morris-Griffin Corporation, located in Tulsa, OK who access by VPN access.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Mortgagors (Secretary-Held Notes and Subordinate Mortgages).

CATEGORIES OF RECORDS IN THE SYSTEM:

Mortgagors' name, address, and social security number.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

Sec. 113 of the Budget and Accounting Act of 1950, 31 U.S.C. 66a. (Pub. L. 81–784).

PURPOSES:

The information is used to track the mortgagors' remittances and the system's disbursements for protecting HUD's interest in the mortgaged properties. This information is used by HUD to report to the IRS. The system contains information about monthly billing, disbursements, monthly payment applications, and interest and principal data.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

In addition to those disclosures generally permitted under 5 U.S.C.

552a(b) of the Privacy Act, other routine uses are as follows:

(a) To the U.S. Treasury—for disbursements and adjustments; and

(b) To the Internal Revenue Service for reporting of: Payments for mortgage interest; discharge indebtedness; and real estate taxes.

(c) To CAIVRS—Records may be manually keyed into CAIVRS (Credit Alert Interactive Verification Reporting System) which is a HUD-sponsored database that makes a federal debtor's delinquency and claim information available to federal lending and assistance agencies and private lenders who issue federally insured or guaranteed loans for the purpose of evaluating a loan applicant's creditworthiness.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING, AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Electronic files are stored on disc and backup files are stored on tape. The original documents (hard copy) are stored in Tulsa, Oklahoma.

RETRIEVABILITY:

Records are retrieved by mortgagor name and/or social security number.

SAFEGUARDS:

Records are stored in locked cabinets in rooms to which access is limited to those personnel who service the records. Background screening, limited authorizations and access, with access limited to authorized personnel; technical restraints employed with regard to accessing the records; and access to automated systems by authorized users with passwords.

RETENTION AND DISPOSAL:

Are in accordance with HUD Records Disposition Schedule 2225.6, Appendix 20.

SYSTEM MANAGER(S) AND ADDRESS:

Director, Single Family Post Insurance Division (System Owner), Department of Housing and Urban Development, 451 Seventh Street, SW., Room 6232, Washington, DC 20410.

NOTIFICATION PROCEDURE:

For information, assistance, or inquiry about existence of records, contact the Privacy Act Officer, 451 Seventh Street, SW., Room 4178, Washington, DC 20410, in accordance with the procedures in 24 CFR part 16.

RECORD ACCESS PROCEDURES:

The Department's rules for providing access to records to the individual concerned appear in 24 CFR part 16. If additional information or assistance is required, contact the Privacy Act Officer at HUD, 451 Seventh Street, SW., Room 4178, Washington, DC 20410.

CONTESTING RECORD PROCEDURES:

The procedures for requesting amendment or correction of records appear in 24 CFR part 16. If additional information is needed, contact:

(i) In relation to contesting contents of records, the Privacy Act Officer at HUD, 451 Seventh Street, SW., Room 4178, Washington, DC 20410; and,

(ii) In relation to appeals of initial denials, HUD, Departmental Privacy Appeals Officer, Office of General Counsel, 451 Seventh Street, SW., Washington, DC 20410.

RECORD SOURCE CATEGORIES:

The original information was transferred from the A43C System; new records are established using the legal instruments (i.e., mortgage, deed, subordinate mortgage, etc.) received from the mortgagees.

EXEMPTIONS FROM CERTAIN PROVISIONS OF THE ACT:

None.

[FR Doc. E8–603 Filed 1–15–08; 8:45 am]

BILLING CODE 4210–67–P

DEPARTMENT OF THE INTERIOR

Office of the Secretary

Renewal of Information Collection; OMB Control Number 1040–0001, DOI Programmatic Clearance for Customer Satisfaction Surveys

AGENCY: Department of the Interior.

ACTION: Notice; request for comments.

SUMMARY: We (Department of the Interior, DOI) plan to ask the Office of Management and Budget (OMB) to approve the information collection (IC) described below. This IC is scheduled to expire March 31, 2008. As required by the Paperwork Reduction Act of 1995 and as part of our continuing efforts to reduce paperwork and respondent burden, we invite the general public and other Federal agencies to take this opportunity to comment on this IC.

DATES: You must submit comments on or before March 17, 2008.

ADDRESSES: Mail or hand carry comments to the Department of the Interior; Office of Policy Analysis; Attention: Don Bieniewicz; Mail Stop 3530; 1849 C Street, NW., Washington, DC 20240. If you wish to e-mail comments, the e-mail address is *Donald_Bieniewicz@ios.doi.gov*. Reference ''DOI Programmatic Clearance for Customer Satisfaction Surveys'' in your e-mail subject line. Include your name and return address in your e-mail message and mark your message for return receipt.

FOR FURTHER INFORMATION CONTACT: To request additional information about this IC, contact Donald Bieniewicz on 202–208–5978.

SUPPLEMENTARY INFORMATION:

I. Abstract

The Government Performance and Results Act of 1993 (GPRA) (Pub. L. 103–62) requires agencies to ''improve Federal program effectiveness and public accountability by promoting a new focus on results, service quality, and customer satisfaction.'' To fulfill this responsibility, DOI bureaus and offices must collect data from their respective user groups to better understand the needs and desires of the public and to respond accordingly. In addition, customer information helps us meet requirements of the Administration's Program Assessment Rating Tool (PART), the President's Management Agenda (PMA), and Interior's Citizen-Centered Customer Service Policy.

We use customer satisfaction surveys to help us fulfill our responsibilities to provide excellence in government by proactively consulting with those we serve. This programmatic clearance provides an expedited approval process for DOI bureaus and offices to conduct customer research through external surveys such as questionnaires and comment cards. We will use this information to support all aspects of planning to include buildings, roads, interpretive exhibits, and technical systems. We anticipate that the information obtained could lead to reallocation of resources, revisions in certain agency processes and policies, development of guidance related to customer services, and improvement in the way we serve the American public. Ultimately, these changes should result in improvement in services that we provide to the public and, in turn, the public perception of DOI.

The proposed renewal covers all of the organizational units and bureaus in DOI. Bureaus and offices will voluntarily obtain information from their customers and stakeholders. No one survey will cover all the topic areas; rather, these topic areas serve as a guide within which the agencies will develop questions. Questions may be asked in languages other than English (e.g., Spanish) where appropriate. Topic areas include:

(1) *Communication/information/education.* Questions will focus on customer satisfaction with aspects of communication/information/products/education offered. Respondents may be asked for feedback regarding the following attributes of the services provided:

(a) Timeliness.
(b) Consistency.
(c) Ease of Use and Usefulness.
(d) Ease of Information Access.
(e) Helpfulness and Effectiveness.
(f) Quality.
(g) Value for fee paid for information/product/service.
(h) Level of engagement in communications process (i.e., whether respondent feels he/she was asked for input and whether or not that input was considered).

(2) *Disability accessibility.* This area will focus on customer satisfaction data related to disability access to DOI buildings, facilities, trails, etc.

(3) *Management practices.* This area covers questions relating to how well customers are satisfied with DOI management practices and processes, what improvements they might make to specific processes, and whether or not they feel specific issues were addressed and reconciled in a timely, courteous, and responsive manner.

(4) *Resource management.* We will ask customers and partners to provide satisfaction data related to DOI's ability to protect, conserve, provide access to, and preserve natural resources that we manage.

(5) *Rules, regulations, policies.* This area focuses on obtaining feedback from customers regarding fairness, adequacy, and consistency in enforcing rules, regulations, and policies for which DOI is responsible. It will also help us understand public awareness of rules and regulations and whether or not they are explained in a clear and understandable manner.

(6) *Service delivery.* We will seek feedback from customers regarding the manner in which DOI delivers services. Attributes will range from the courtesy of staff to timeliness of service delivery and staff knowledge of the services being delivered.

(7) *Technical assistance.* Questions developed within this topic area will focus on obtaining customer feedback regarding attributes of technical assistance, including timeliness, quality, usefulness, and the skill level of staff providing this assistance.

(8) *Program-specific.* Questions for this area will reflect the specific details of a program that pertain to its customer respondents. The questions will address very specific and/or technical issues related to the program. The questions will be geared toward gaining a better understanding about how to provide specific products and services and the public's attitude toward their usefulness.

(9) *General demographics.* Some general demographics may be used to augment satisfaction questions so that we can better understand the customer and improve how we serve that customer. We may ask customers how many times they have used a service, visited a facility within a specific timeframe, their ethnic group, or their race.

II. Data

OMB Control Number: 1040–0001.

Title: DOI Programmatic Clearance for Customer Satisfaction Surveys.

Form Number(s): None.

Type of Request: Extension of an approved collection.

Affected Public: DOI customers. We define customers as anyone who uses DOI resources, products, or services. This includes internal customers (anyone within DOI) as well as external customers (e.g., the American public, representatives of the private sector, academia, other government agencies). Depending upon their role in specific situations and interactions, citizens and DOI stakeholders and partners may also be considered customers. We define stakeholders to mean groups or individuals who have an expressed interest in and who seek to influence the present and future state of DOI's resources, products, and services. Partners are those groups, individuals, and agencies who are formally engaged in helping DOI accomplish its mission.

Respondent's Obligation: Voluntary.

Frequency of Collection: On occasion.

Estimated Annual Number of Respondents: 120,000. We estimate approximately 60,000 respondents will submit DOI customer satisfaction surveys and 60,000 will submit comment cards.

Estimated Total Annual Responses: 120,000.

Estimated Time per Response: 15 minutes for a customer survey; 3 minutes for a comment card.

Estimated Total Annual Burden Hours: 18,000.

III. Request for Comments

We invite comments concerning this IC on:

(1) Whether or not the collection of information is necessary, including whether or not the information will have practical utility;

(2) the accuracy of our estimate of the burden for this collection of information;

(3) ways to enhance the quality, utility, and clarity of the information to be collected; and

(4) ways to minimize the burden of the collection of information on respondents.

Comments that you submit in response to this notice are a matter of public record. We will include and/or summarize each comment in our request to OMB to approve this IC. Before including your address, phone number, e-mail address, or other personal identifying information in your comment, you should be aware that your entire comment, including your personal identifying information, may be made publicly available at any time. While you can ask us in your comment to withhold your personal identifying information from public review, we cannot guarantee that we will be able to do so.

Dated: January 11, 2008.

Benjamin Simon,

Acting Assistant Director, Office of Policy Analysis, U.S. Department of the Interior.

[FR Doc. E8–691 Filed 1–15–08; 8:45 am]

BILLING CODE 4310–RK–P

DEPARTMENT OF THE INTERIOR

Fish and Wildlife Service

[FWS–R9–IA–2007–N0004]; [96300–1671–0000]

Issuance of Permits

AGENCY: Fish and Wildlife Service, Interior.

ACTION: Notice of issuance of permits for marine mammals.

SUMMARY: The following permits were issued.

ADDRESSES: Documents and other information submitted with these applications are available for review, subject to the requirements of the Privacy Act and Freedom of Information Act, by any party who submits a written request for a copy of such documents to: U.S. Fish and Wildlife Service, Division of Management Authority, 4401 North Fairfax Drive, Room 212, Arlington, Virginia 22203; fax 703/358–2281.

FOR FURTHER INFORMATION CONTACT: Division of Management Authority, telephone 703/358–2104.

SUPPLEMENTARY INFORMATION: Notice is hereby given that on the dates below, as authorized by the provisions of the Marine Mammal Protection Act of 1972, as amended (16 U.S.C. 1361 *et seq.*), the Fish and Wildlife Service issued the requested permits subject to certain conditions set forth therein.

MARINE MAMMALS

Permit number	Applicant	Receipt of application Federal Register notice	Permit issuance date
155074	Bruce Thomas Halle	72 FR 61179; October 29, 2007	12/13/2007
160812	Walter T. Coram	72 FR 58320; October 15, 2007	12/18/2007

Dated: December 21, 2007.

Lisa J. Lierheimer,

Senior Permit Biologist, Branch of Permits, Division of Management Authority.

[FR Doc. E8–664 Filed 1–15–08; 8:45 am]

BILLING CODE 4310–55–P

DEPARTMENT OF THE INTERIOR

Fish and Wildlife Service

Trinity Adaptive Management Working Group

AGENCY: Fish and Wildlife Service, Interior.

ACTION: Notice of meeting.

SUMMARY: The Trinity Adaptive Management Working Group (TAMWG) affords stakeholders the opportunity to give policy, management, and technical input concerning Trinity River (California) restoration efforts to the Trinity Management Council (TMC). Primary objectives of the meeting will include discussion of the following topics: Trinity River Restoration Program (TRRP) FY 2009 budget, and election of TAMWG officers. Completion of the agenda is dependent on the amount of time each item takes. The meeting could end early if the agenda has been completed. The meeting is open to the public.

DATES: The Trinity Adaptive Management Working Group will meet from 10 a.m. to 5 p.m. on Tuesday, January 22, 2008.

ADDRESSES: The meeting will be held at the Weaverville Victorian Inn, 1709 Main St., 299 West, Weaverville, CA 96093.

FOR FURTHER INFORMATION CONTACT: Randy A. Brown of the U.S. Fish and Wildlife Service, 1655 Heindon Road, Arcata, CA 95521. Telephone: (707) 822–7201. Randy A. Brown is the working group's Designated Federal Officer. For background information and questions regarding the Trinity River Restoration Program, please contact Douglas Schleusner, Executive Director, P.O. Box 1300, 1313 South Main Street, Weaverville, CA 96093. Telephone: (530) 623–1800, E-mail: *dschleusner@mp.usbr.gov.*

SUPPLEMENTARY INFORMATION: Under section 10(a)(2) of the Federal Advisory Committee Act (5 U.S.C. App.), this notice announces a meeting of the Trinity Adaptive Management Working Group (TAMWG).

Dated: December 20, 2007.

Randy A. Brown,

Designated Federal Officer, Arcata Fish and Wildlife Office, Arcata, CA.

[FR Doc. E8–633 Filed 1–15–08; 8:45 am]

BILLING CODE 4310–55–P

DEPARTMENT OF THE INTERIOR

Fish and Wildlife Service

[FWS–R9–IA–2007–N0003; [96300–1671–0000]

Receipt of Applications for Permit

AGENCY: Fish and Wildlife Service, Interior.

ACTION: Notice of receipt of applications for permit.

SUMMARY: The public is invited to comment on the following applications to conduct certain activities with endangered species and/or marine mammals.

DATES: Written data, comments or requests must be received by February 15, 2008.

ADDRESSES: Documents and other information submitted with these applications are available for review, subject to the requirements of the Privacy Act and Freedom of Information Act, by any party who submits a written request for a copy of such documents within 30 days of the date of publication of this notice to: U.S. Fish and Wildlife Service, Division of Management Authority, 4401 North Fairfax Drive, Room 212, Arlington, Virginia 22203; fax 703/358–2281.

FOR FURTHER INFORMATION CONTACT: Division of Management Authority, telephone 703/358–2104.

SUPPLEMENTARY INFORMATION:

Endangered Species

The public is invited to comment on the following applications for a permit to conduct certain activities with endangered species. This notice is provided pursuant to section 10(c) of the Endangered Species Act of 1973, as amended (16 U.S.C. 1531 *et seq.*). Written data, comments, or requests for copies of these complete applications should be submitted to the Director (address above).

Applicant: Patrick J. Foley, Green Isle, MN, PRT–170054.

The applicant requests a permit to import the sport-hunted trophy of one male bontebok (*Damaliscus pygargus pygargus*) culled from a captive herd maintained under the management program of the Republic of South Africa, for the purpose of enhancement of the survival of the species.

Applicant: Michael A. Melancon, Galliano, LA, PRT–171430.

The applicant requests a permit to import the sport-hunted trophy of one male bontebok (*Damaliscus pygargus pygargus*) culled from a captive herd maintained under the management program of the Republic of South Africa, for the purpose of enhancement of the survival of the species.

Marine Mammals

The public is invited to comment on the following application for a permit to conduct certain activities with marine mammals. The application was submitted to satisfy requirements of the Marine Mammal Protection Act of 1972, as amended (16 U.S.C. 1361 *et seq.*), and the regulations governing marine mammals (50 CFR part 18). Written data, comments, or requests for copies of the complete applications or requests for a public hearing on these applications should be submitted to the Director (address above). Anyone requesting a hearing should give specific reasons why a hearing would be appropriate. The holding of such a hearing is at the discretion of the Director.

Applicant: Henry Vilas Zoo, Madison, WI, PRT–172317.

The applicant requests a permit for permanent placement of one non-releasable male polar bear (*Ursus maritimus*) for the purpose of public display. The animal was recovered as an orphaned cub in Alaska in 1988. The Service has determined that this animal does not demonstrate the skills and abilities needed to survive in the wild.

Concurrent with the publication of this notice in the **Federal Register**, the Division of Management Authority is forwarding copies of the above

applications to the Marine Mammal Commission and the Committee of Scientific Advisors for their review.

Dated: December 21, 2007.

Lisa J. Lierheimer,

Senior Permit Biologist, Branch of Permits, Division of Management Authority.

[FR Doc. E8–667 Filed 1–15–08; 8:45 am]

BILLING CODE 4310–55–P

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

[OR–130–1020–AL; GP8–0040]

Notice of Cancellation of Public Meeting, Eastern Washington Resource Advisory Council Meeting

AGENCY: Bureau of Land Management, U.S. Department of the Interior.

ACTION: Notice of cancellation of public meeting.

SUMMARY: The upcoming meeting for the U.S. Department of the Interior, Bureau of Land Management (BLM) Eastern Washington Resource Advisory Council is cancelled.

DATES: BLM previously scheduled the meeting for January 17, 2008, at the BLM Spokane District Office, 1103 N. Fancher Rd., Spokane Valley, WA 99212.

SUPPLEMENTARY INFORMATION: A notice announcing meeting was published in the **Federal Register** on December 13, 2007.

FOR FURTHER INFORMATION CONTACT: Scott Pavey, BLM Spokane District, 1103 N. Fancher Rd., Spokane Valley, WA, 99212 or call (509) 536–1200.

Dated: January 9, 2008.

Robert B. Towne,

District Manager.

[FR Doc. E8–632 Filed 1–15–08; 8:45 am]

BILLING CODE 4310–33–P

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

[ID–300–1020–PH; DDG080001]

Notice of Public Meeting, Idaho Falls District Resource Advisory Council Meeting

AGENCY: Bureau of Land Management, Interior.

ACTION: Notice of public meetings.

SUMMARY: In accordance with the Federal Land Policy and Management Act (FLPMA) and the Federal Advisory Committee Act of 1972 (FACA), the U.S. Department of the Interior, Bureau of Land Management (BLM) Idaho Falls District Resource Advisory Council (RAC), will meet as indicated below.

DATES: The RAC will next meet in Idaho Falls, Idaho on February 19 and 20, 2008. Meeting topics include update on Pocatello Resource Management Plan and decisions on Recreation Resource Advisory Council items. Other topics will be scheduled as appropriate. All meetings are open to the public.

SUPPLEMENTARY INFORMATION: The 15-member Council advises the Secretary of the Interior, through the Bureau of Land Management, on a variety of planning and management issues associated with public land management in the BLM Idaho Falls District (IFD), which covers eastern Idaho.

All meetings are open to the public. The public may present written comments to the Council. Each formal Council meeting will also have time allocated for hearing public comments. Depending on the number of persons wishing to comment and time available, the time for individual oral comments may be limited. Individuals who plan to attend and need special assistance, such as sign language interpretation, tour transportation or other reasonable accommodations, should contact the BLM as provided below.

FOR FURTHER INFORMATION CONTACT: Joanna Wilson, RAC Coordinator, Idaho Falls District, 1405 Hollipark Dr., Idaho Falls, ID 83401. Telephone (208) 524–7550. E-mail: *Joanna_Wilson@blm.gov*.

Dated: January 8, 2008.

Joanna Wilson,

RAC Coordinator, Public Affairs Specialist.

[FR Doc. E8–612 Filed 1–15–08; 8:45 am]

BILLING CODE 4310–GG–P

DEPARTMENT OF THE INTERIOR

Minerals Management Service

Royalty-in-Kind (RIK) Eligible Refiner, Determination of Need

AGENCY: Minerals Management Service, Interior.

ACTION: Solicitation of comments.

SUMMARY: The Minerals Management Service (MMS), an agency of the U.S. Department of the Interior, is requesting written comments from interested parties, particularly refiners who qualify under the RIK eligible refiner program, regarding their experiences in the crude oil marketplace. Specifically, we are interested in eligible refiners' experiences in gaining access to adequate supplies of crude oil at equitable prices. This Determination of Need process will assist the Secretary of the Interior in deciding whether or not to continue with sales of Federal Government royalty crude oil under the RIK eligible refiner program.

DATES: Submit written comments on or before *March 3, 2008.*

ADDRESSES: Submit written comments to Colin Bosworth, Minerals Management Service, Minerals Revenue Management, P.O. Box 25165, MS 330B2, Denver, Colorado 80225. If you use an overnight courier service or wish to hand-carry your comments, our courier address is Building 85, Room A–614, Denver Federal Center, West 6th Ave. and Kipling Blvd., Denver, Colorado 80225. You may also e-mail your comments to us at *mrm.comments@mms.gov.* Include the title of this **Federal Register** notice in the ''Attention'' line of your comment. Also include your name and return address. If you do not receive a confirmation that we have received your e-mail, contact Mr. Bosworth at (303) 231–3186.

FOR FURTHER INFORMATION CONTACT: Armand Southall, telephone (303) 231–3221, FAX (303) 231–3781, or e-mail *armand.southall@mms.gov.*

SUPPLEMENTARY INFORMATION:

Introduction: Under the provisions of the Mineral Leasing Act of 1920 (MLA), as amended (30 U.S.C. 192), and the Outer Continental Shelf Lands Act (OCSLA) of August 7, 1953, as amended (43 U.S.C. 1334, 1353), the Secretary of the Interior can take Federal royalty crude oil in kind, in lieu of royalty payment, and sell it to eligible refiners for use in their refineries. The sale of royalty crude oil from Federal leases by the United States to eligible refiners is governed by the regulations at 30 CFR part 208, effective December 1, 1987, published in the **Federal Register** on October 30, 1987 (52 FR 41908).

To purchase royalty crude oil under the eligible refiner program, an eligible refiner, as defined at 30 CFR 208.2, means a crude oil refiner meets the following criteria:

(1) For the purchase of royalty oil from onshore leases, it means a refiner that qualifies as a small and independent refiner as those terms are defined in sections 3(3) and 3(4) of the Emergency Petroleum Allocation Act, 15 U.S.C. 751 *et seq.*, except that the time period for determination contained in section 3(3)(A) would be the calendar quarter immediately preceding the date of the applicable ''Notice of Availability of Royalty Oil.''

The Emergency Petroleum Allocation Act of 1973 (Public Law No. 93–159; 87

Stat. 627) defines a small refiner as a refiner who:

(a) Obtained directly or indirectly more than 70 percent of its refinery input of domestic crude oil, or 70 percent of its refinery input of domestic and imported crude oil, from producers who do not control, are not controlled by, and are not under common control with, such refiner; and

(b) marketed or distributed in such quarter and continues to market or distribute a substantial volume of gasoline refined by it through branded independent marketers or non-branded independent marketers.

Additionally, the term ''small refiner'' means a refiner whose total refinery capacity, including the refinery capacity of any person who controls, is controlled by, or is under common control with such refiner, does not exceed 175,000 barrels per day. Crude oil received in exchange for the refiner's own production is considered to be part of the refiner's own production for purposes of this section.

In addition, 30 CFR 208.2 defines eligible refiner for the purchase of royalty oil from offshore leases as follows:

(2) For the purchase of royalty oil from leases on the Outer Continental Shelf, it means a refiner that qualifies as a small business enterprise under the rules of the Small Business Administration (13 CFR part 121).

The Small Business Administration (SBA), as updated and published in the **Federal Register** on March 28, 2003 (68 FR 15047), states the following:

The SBA standard for a small business within the Petroleum Refining Industry is a concern with a total Operable Atmospheric Crude Oil Distillation Capacity of less than or equal to 125,000 barrels per calendar day, and that has no more than 1,500 employees. Capacity includes owned or leased facilities as well as facilities under a processing agreement or an arrangement such as an exchange agreement or throughput.

The regulation at 30 CFR 208.4(a) governs the Determination of Need process and states that:

The Secretary may evaluate crude oil market conditions from time to time. The evaluation will include, among other things, the availability of crude oil and the crude oil requirements of the Federal Government, primarily those requirements concerning matters of national interest and defense. The Secretary will review these items and will determine whether eligible refiners have access to adequate supplies of crude oil and whether such oil is available to eligible refiners at equitable prices. Such determinations may be made on a regional basis * * *.

Under its rules, the SBA draws no distinction between offshore and onshore oil purchases; thus, for a refiner to qualify as an eligible refiner, the refiner must have no more than 1,500 employees regardless of onshore or offshore oil purchases.

Background: The MMS established the eligible refiner program to ensure fair and equitable prices for eligible refiners as defined at 30 CFR 208.2. Historically, these eligible refiners have supplied U.S. military functions with jet fuel and other energy needs on military and naval bases. In the past, the MMS found that the eligible refiner program provided the following benefits to eligible refiners:

- Stability of supply;
- Access to domestic oil streams;
- Ease of hardship on obtaining capital.

The RIK eligible refiner program has been an important source of crude oil for eligible refiners in the past. In September 2007, there were three eligible refiners participating in the eligible refiner program. However, beginning in October 2007, the number of participating refiners was two. This decline in participation can be partially attributed to a number of eligible refiners merging, thus becoming ineligible, along with the removal of Pacific and onshore properties from the eligible refiner program.

In 1997, MMS undertook an examination of the RIK eligible refiner program and determined that it should use a ''proactive, structured, and documented methodology'' to conduct future RIK Determinations of Need. The MMS performed a full analysis in 1999; an update of that analysis in 2001; another full analysis in 2003; and an update to that previous analysis in 2005. These analyses supported MMS's continuation of the program, and each was followed by subsequent RIK sales to eligible refiners. The intent of the current analysis is for MMS to determine the need for the program in the market's current state and to make a recommendation concerning the program's continuation.

Information Requested: To assist MMS in completing this Determination of Need, please respond in writing to the following questions:

(1) Indicate your position as it relates to the domestic crude oil market:

(a) Small/Independent Refiner
(b) Large Refiner
(c) Oil Producer
(d) Oil Transporter
(e) Oil Marketer
(f) Other (please specify)

(2) Describe your experience with the domestic crude oil market and your perception of the need for the eligible refiner program.

(3) What is your perception of whether a benefit exists in conducting separate sales for onshore and offshore Federal lease crude oil?

(4) Under the definition criteria outlined above, are you an eligible refiner of offshore lease crude oil, onshore lease crude oil, or both?

If you answered yes to any of the categories in question (4), please address all the questions that follow. If you have multiple refineries, please respond to questions (a) through (i) for each refinery:

(a) For your immediate region or geographic area of operation, how would you characterize the general availability of crude oil?

(b) Is your refinery operating at full or near-full capacity in both summer and winter? If not, why not?

(c) What is the slate of refined products and their volumes from your refinery over each of the past 12 months?

(d) What percentage of onshore versus offshore crude oil volumes do you currently run through your refinery?

(e) What type of crude oil do you need to sustain your mix of refined products (*e.g.*, Wyoming Sour, Heavy Louisiana Sweet, Light Louisiana Sweet, etc.)?

(f) Have you been denied access to crude oil supplies in the past 18 months? If yes, what was the basis for the denial? For example, was the denial attributable to unavailability of desired crude oil, a lack of access to the transportation pipeline, or other reasons? Please provide documentation supporting any claim of denial.

(g) Do you use exchange agreements? Why?

(h) Are the feeder stocks you purchase priced above market value for your geographic area? In other words, do you pay a bonus or premium because of your status as an eligible refiner? Please identify, by crude oil type, what you pay on the average barrel of crude oil.

(i) Have you previously participated in the Federal royalty oil program? If you left the program, why did you leave? How would you now benefit from receiving Federal royalty oil? If you have never participated in the program, what has deterred you from participating?

(j) Do you currently provide refined products (*e.g.*, heating oil, jet fuel, etc.) to a U.S. military base or Federal installation? If yes, identify the recipient facility and how long you have been supplying refined products.

(k) Do you anticipate any near term developments that would change your access to necessary supplies of crude oil at equitable prices?

Potential respondents should note that MMS's decision to conduct a Determination of Need in no way presupposes that there will or will not be subsequent eligible refiner RIK sales.

A Determination of Need is a logical first step in identifying general marketplace conditions. However, any MMS decision to conduct additional RIK eligible refiner sales will necessarily be predicated on the regulatory criteria of ''access'' and ''equity,'' *i.e.*, whether a significant number of refiners have limited or no access to the marketplace and/or have experienced difficulty in negotiating a fair price for feeder stocks.

The Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*) requires us to inform you that this information is being collected by MMS under an approved information collection, OMB Control Number 1010–0119, titled ''30 CFR Part 208—Sale of Federal Royalty Oil; Sale of Federal Royalty Gas; and Commercial Contracts.'' All correspondence, records, or information received, in response to this Notice and specifically in response to the questions listed above, are subject to disclosure under the Freedom of Information Act (FOIA). All information provided will be made public unless the respondent identifies which portions are proprietary. Please highlight the proprietary portions, including any supporting documentation, or mark the page(s) that contain proprietary data. Proprietary information is protected by the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1733), FOIA (5 U.S.C. 552 (b)(4), the Indian Minerals Development Act of 1982 (25 U.S.C. 2103), and Department regulations (43 CFR 2). An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB Control Number. Public reporting burden is estimated to be 4 hours per response. Comments on the accuracy of this burden estimate, or suggestions on reducing this burden, should be directed to the Information Collection Clearance Officer, MMS, MS–4230, 1849 C Street, NW., Washington, DC 20240.

Dated: January 10, 2008.

Lucy Querques Denett,

Associate Director for Minerals Revenue Management.

[FR Doc. E8–624 Filed 1–15–08; 8:45 am]

BILLING CODE 4310–MR–P

DEPARTMENT OF LABOR

Proposed Information Collection Request of the ETA–9000, on Internal Fraud Activities Report; Comment Request

AGENCY: Employment and Training Administration.

ACTION: Notice.

SUMMARY: The Department of Labor, as part of its continuing effort to reduce paperwork and respondent burden, conducts a preclearance consultation program to provide the general public and Federal agencies with an opportunity to comment on proposed and/or continuing collections of information in accordance with the Paperwork Reduction Act of 1995 (PRA95) [44 U.S.C. 3506(c)(2)(A)]. This program helps to ensure that requested data can be provided in the desired format, reporting burden (time and financial resources) is minimized, collection instruments are clearly understood, and the impact of collection requirements on respondents can be properly assessed.

A copy of the proposed information collection request (ICR) can be obtained by contacting the office listed below in the addresses section of this notice or by accessing: *http://www.doleta.gov/OMBCN/OMBControlNumber.cfm.*

DATES: Written comments must be submitted to the office listed in the addresses section below on or before March 17, 2008.

ADDRESSES: Send comments to Susan Hilliard, U.S. Department of Labor, Employment and Training Administration, Office of Workforce Security, 200 Constitution Avenue, NW., Frances Perkins Bldg., Room S–4519, Washington, DC 20210, telephone number (202) 693–3068 (this is not a toll-free number) or by e-mail: *hilliard.susan@dol.gov.*

SUPPLEMENTARY INFORMATION: I. The ETA–9000 is the only data source available on instances of internal fraud activities within the Unemployment Insurance (UI) program and the results of safeguards that have been implemented to deter and detect instances of internal fraud. The report categorizes the major areas susceptible to internal (employee) fraud and provides actual and ''estimated'' (predictability or cost avoidance measures) workload. The information from this report has been used and will be used to review Internal Security (IS) operations and obtain information on composite shifting patterns of nationwide activity and effectiveness in the area of internal fraud identification and prevention. The Employment and Training Administration (ETA) has used this report to assess the overall adequacy of Internal Security procedures in States' UI programs.

II. Desired Focus of Comments: Currently, the Employment and Training Administration, Office of Workforce Security is soliciting comments concerning the proposed extension of the collection for the ETA–9000 Report on Internal Fraud Activities.

Comments are requested to:

- Evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;
- Evaluate the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;
- Enhance the quality, utility, and clarity of the information to be collected; and
- Minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submissions of responses.

III. Current Actions: Continued collection of the ETA–9000 data will provide for a comprehensive evaluation of the UI Internal Security program. The data are collected annually, and an analysis of the data received is formulated into a report summarizing internal fraud cases uncovered by the 53 SWAs.

Type of Review: Extension without change.

Agency: Employment and Training Administration (ETA).

Title: ETA–9000, Report on Internal Fraud Activities.

OMB Number: 1205–0187.

Agency Number: ETA–9000.

Affected Public: 53 State governments.

Total Respondents: 53.

Frequency: Annually.

Total Responses: 53 States.

Total Average Time per Response: 3 hours.

Estimated Total Burden Hours: 159 hours.

Total Burden Cost (capital/startup): $0.

Total Burden Cost (operating/maintaining): $0.

Comments submitted in response to this notice will be summarized and/or

included in the request for Office of Management and Budget approval of the information collection request; they will also become a matter of public record.

Dated: January 9, 2008.

Cheryl Atkinson,

Administrator, Office of Workforce Security.

[FR Doc. E8–626 Filed 1–15–08; 8:45 am]

BILLING CODE 4510–FW–P

DEPARTMENT OF LABOR

Employment and Training Administration

[TA–W–62,184, TA–W–62,184A]

Mark Eyelet, Inc. Including On-Site Leased Workers of Jaci Carroll Staffing, Watertown, CT; Ozzi II, Inc. (DBA OC Eyelet) Including On-Site Leased Workers of Watertown, CT; Notice of Affirmative Determination Regarding Application for Reconsideration

By application dated December 7, 2007, a company official requested administrative reconsideration of the Department of Labor's Notice of Negative Determination Regarding Eligibility to Apply for Worker Adjustment Assistance, applicable to workers and former workers of the subject firm. The denial notice was signed on October 31, 2007 and published in the **Federal Register** on November 15, 2007 (72 FR 64247).

The initial investigation resulted in a negative determination based on the finding that imports of eyelet parts and miniature stamping did not contribute importantly to worker separations at the subject firms and no shift of production to a foreign source occurred.

In the request for reconsideration, the petitioner provided additional information concerning subject firm's customers.

The Department has carefully reviewed the request for reconsideration and the existing record and therefore the Department will conduct further investigation to determine if the workers meet the eligibility requirements of the Trade Act of 1974.

Conclusion

After careful review of the application, I conclude that the claim is of sufficient weight to justify reconsideration of the Department of Labor's prior decision. The application is, therefore, granted.

Signed in Washington, DC, this 7th day of January, 2008.

Elliott S. Kushner,

Certifying Officer, Division of Trade Adjustment Assistance.

[FR Doc. E8–589 Filed 1–15–08; 8:45 am]

BILLING CODE 4510–FN–P

DEPARTMENT OF LABOR

Employment and Training Administration

[TA–W–62,507]

Chester Bednar Rental Realty, Washington, PA; Notice of Affirmative Determination Regarding Application for Reconsideration

By application dated December 19, 2007, a company official requested administrative reconsideration of the Department's negative determination regarding eligibility for workers and former workers of Chester Bednar Rental Realty, Washington, Pennsylvania (subject firm) to apply for Trade Adjustment Assistance (TAA) and Alternative Trade Adjustment Assistance (ATAA). The determination was issued on December 11, 2007, and the Department's Notice of negative determination was published in the **Federal Register** on December 31, 2007 (72 FR 74344). The subject workers are engaged in buying, renting, repairing, and selling single family homes.

The TAA/ATAA petition was denied because the subject firm did not separate or threaten to separate a significant number or proportion of workers as required by Section 222 of the Trade Act of 1974. Significant number or proportion of the workers in a firm or appropriate subdivision means at least three workers in a workforce of fewer than 50 workers, five percent of the workers in a workforce of over 50 workers, or at least 50 workers.

In the request for reconsideration, the company official implied that the subject firm had ''cash employees.'' The request for reconsideration did not provide any documentation to support the position that the subject firm had more than three employees.

The Department has carefully reviewed the request for reconsideration and has determined that the Department will conduct further investigation.

Conclusion

After careful review of the application, I conclude that the claim is of sufficient weight to justify reconsideration of the U.S. Department of Labor's prior decision. The application is, therefore, granted.

Signed at Washington, DC, this 8th day of January 2008.

Elliott S. Kushner,

Certifying Officer, Division of Trade Adjustment Assistance.

[FR Doc. E8–594 Filed 1–15–08; 8:45 am]

BILLING CODE 4510–FN–P

DEPARTMENT OF LABOR

Employment and Training Administration

[TA–W–60,252; TA–W–60,252F; TA–W–60,252G]

Shogren Hosiery Manufacturing Co., Inc., Including Leased Workers of Corestaff, Concord, NC; Including Employees of Shogren Hosiery Manufacturing Co., Inc., Concord, NC, Located at the Following Locations: Staten Island, NY and New York, NY; Amended Certification Regarding Eligibility To Apply for Worker Adjustment Assistance and Alternative Trade Adjustment Assistance

In accordance with Section 223 of the Trade Act of 1974 (19 U.S.C. 2273), and Section 246 of the Trade Act of 1974 (26 U.S.C. 2813), as amended, the Department of Labor issued a Certification Regarding Eligibility to Apply for Worker Adjustment Assistance and Alternative Trade Adjustment Assistance on November 16, 2006, applicable to workers of Shogren Hosiery Manufacturing Co., Inc., including leased workers of Corestaff, Concord, North Carolina. The notice was published soon in the **Federal Register** on November 28, 2006 (71 FR 68840).

At the request of a company official, the Department reviewed the certification for workers of the subject firm.

New information shows that worker separations have occurred involving employees of the Concord, North Carolina facility of Shogren Hosiery Manufacturing Co., Inc., controlled out of the Concord facility but working from locations in Staten Island, New York and New York, New York. These employees provided customer liaison and sales functions in support of the production of women's hosiery and tights produced at the Concord, North Carolina location of the subject firm.

Based on these findings, the Department is amending this certification to include employees of the Concord, North Carolina facility of Shogren Hosiery Manufacturing Co., Inc. working out of the above mentioned locations.

The intent of the Department's certification is to include all workers of Shogren Hosiery Manufacturing Co., Inc., Concord, North Carolina who were adversely affected by increased imports.

The amended notice applicable to TA–W–60,252 is hereby issued as follows:

All workers of Shogren Hosiery Manufacturing Co., Inc., including leased workers of Corestaff, Concord, North Carolina (TA–W–60,252), including employees of Shogren Hosiery Manufacturing Co., Inc., Concord, North Carolina located in Plant, Texas (TA–W–60,252A), Freehold, New Jersey (TA–W–60,252B), Hope Sound, Florida (TA–W–60,252C), Boca Raton, Florida (TA–W–60,252D) and Bentonville, Arkansas (TA–W–60,252E), Staten Island, New York (TA–W–60,252F), and New York, New York (TA–W–60,252G), who became totally or partially separated from employment on or after October 17, 2005, through November 16, 2008, are eligible to apply for adjustment assistance under section 223 of the Trade Act of 1974, and are also eligible to apply for alternative trade adjustment assistance under section 246 of the Trade Act of 1974.''

Signed at Washington, DC, this 4th day of January 2008.

Richard Church,

Certifying Officer, Division of Trade Adjustment Assistance.

[FR Doc. E8–588 Filed 1–15–08; 8:45 am]

BILLING CODE 4510–FN–P

DEPARTMENT OF LABOR

Employment and Training Administration

[TA–W–58,363]

Thomasville Furniture Industries Corporate Office Including On-Site Workers of Furniture Brands International, Thomasville, NC; Amended Certification Regarding Eligibility To Apply for Worker Adjustment Assistance and Alternative Trade Adjustment Assistance

In accordance with Section 223 of the Trade Act of 1974 (19 U.S.C. 2273), and Section 246 of the Trade Act of 1974 (26 U.S.C. 2813), as amended, the Department of Labor issued a Certification of Eligibility to Apply for Worker Adjustment Assistance and Alternative Trade Adjustment Assistance on December 29, 2005, applicable to workers of Thomasville Furniture Industries, Corporate Office, Thomasville, North Carolina. The notice was published in the **Federal Register** on January 17, 2006 (71 FR 2568).

At the request of a company official, the Department reviewed the certification for workers of the subject firm. The workers provide a variety of support services, including benefits administration, translation, accounting, supply chain management and payroll.

New information shows that workers of Furniture Brands International, parent company of the subject firm, were employed on-site at the Corporate Office, Thomasville, North Carolina location of Thomasville Furniture Industries. These workers provided various design functions supporting the subject firm.

Based on these findings, the Department is amending this certification to include workers of Furniture Brands International working on-site at the Corporate Office, Thomasville, North Carolina location of the subject firm.

The intent of the Department's certification is to include all workers employed at Thomasville Furniture Industries, Corporate Office, Thomasville, North Carolina who were adversely affected by an increase in imports following a shift in production to China.

The amended notice applicable to TA–W–58,363 is hereby issued as follows:

All workers of Thomasville Furniture Industries, Corporate Office, including on-site workers of Furniture Brands International, Thomasville, North Carolina, who became totally or partially separated from employment on or after March 11, 2005, through December 29, 2007, are eligible to apply for adjustment assistance under Section 223 of the Trade Act of 1974, and are also eligible to apply for alternative trade adjustment assistance under Section 246 of the Trade Act of 1974.

Signed at Washington, DC, this 4th day of January 2008.

Richard Church,

Certifying Officer, Division of Trade Adjustment Assistance.

[FR Doc. E8–587 Filed 1–15–08; 8:45 am]

BILLING CODE 4510–FN–P

DEPARTMENT OF LABOR

Employment and Training Administration

Notice of Determinations Regarding Eligibility To Apply for Worker Adjustment Assistance and Alternative Trade Adjustment Assistance

In accordance with Section 223 of the Trade Act of 1974, as amended (19 U.S.C. 2273) the Department of Labor herein presents summaries of determinations regarding eligibility to apply for trade adjustment assistance for workers (TA–W) number and alternative trade adjustment assistance (ATAA) by (TA–W) number issued during the period of December 17, 2007 through January 4, 2008.

In order for an affirmative determination to be made for workers of a primary firm and a certification issued regarding eligibility to apply for worker adjustment assistance, each of the group eligibility requirements of Section 222(a) of the Act must be met.

I. Section (a)(2)(A) all of the following must be satisfied:

A. A significant number or proportion of the workers in such workers' firm, or an appropriate subdivision of the firm, have become totally or partially separated, or are threatened to become totally or partially separated;

B. The sales or production, or both, of such firm or subdivision have decreased absolutely; and

C. Increased imports of articles like or directly competitive with articles produced by such firm or subdivision have contributed importantly to such workers' separation or threat of separation and to the decline in sales or production of such firm or subdivision; or

II. Section (a)(2)(B) both of the following must be satisfied:

A. A significant number or proportion of the workers in such workers' firm, or an appropriate subdivision of the firm, have become totally or partially separated, or are threatened to become totally or partially separated;

B. There has been a shift in production by such workers' firm or subdivision to a foreign country of articles like or directly competitive with articles which are produced by such firm or subdivision; and

C. One of the following must be satisfied:

1. The country to which the workers' firm has shifted production of the articles is a party to a free trade agreement with the United States;

2. The country to which the workers' firm has shifted production of the articles to a beneficiary country under the Andean Trade Preference Act, African Growth and Opportunity Act, or the Caribbean Basin Economic Recovery Act; or

3. There has been or is likely to be an increase in imports of articles that are like or directly competitive with articles which are or were produced by such firm or subdivision.

Also, in order for an affirmative determination to be made for secondarily affected workers of a firm and a certification issued regarding eligibility to apply for worker adjustment assistance, each of the group eligibility requirements of Section 222(b) of the Act must be met.

(1) Significant number or proportion of the workers in the workers' firm or an appropriate subdivision of the firm have become totally or partially separated, or are threatened to become totally or partially separated;

(2) The workers' firm (or subdivision) is a supplier or downstream producer to a firm (or subdivision) that employed a group of workers who received a certification of eligibility to apply for trade adjustment assistance benefits and such supply or production is related to the article that was the basis for such certification; and

(3) Either—

(A) The workers' firm is a supplier and the component parts it supplied for the firm (or subdivision) described in paragraph (2) accounted for at least 20 percent of the production or sales of the workers' firm; or

(B) A loss or business by the workers' firm with the firm (or subdivision) described in paragraph (2) contributed importantly to the workers' separation or threat of separation.

In order for the Division of Trade Adjustment Assistance to issue a certification of eligibility to apply for Alternative Trade Adjustment Assistance (ATAA) for older workers, the group eligibility requirements of Section 246(a)(3)(A)(ii) of the Trade Act must be met.

1. Whether a significant number of workers in the workers' firm are 50 years of age or older.

2. Whether the workers in the workers' firm possess skills that are not easily transferable.

3. The competitive conditions within the workers' industry (i.e., conditions within the industry are adverse).

Affirmative Determinations for Worker Adjustment Assistance

The following certifications have been issued. The date following the company name and location of each determination references the impact date for all workers of such determination.

The following certifications have been issued. The requirements of Section 222(a)(2)(A) (increased imports) of the Trade Act have been met.

TA–W–62,553; ALA Casting Company, Inc., Long Island City, NY: November 27, 2006

The following certifications have been issued. The requirements of Section 222(a)(2)(B) (shift in production) of the Trade Act have been met.

TA–W–62,462; Enhance America of Missouri, Inc., Washington, MO: November 8, 2006

TA–W–62,511; Cellular Express, Inc., d/b/a/ Boston Communications Group, Westbrook, ME: November 26, 2006

The following certifications have been issued. The requirements of Section 222(b) (supplier to a firm whose workers are certified eligible to apply for TAA) of the Trade Act have been met.

NONE

The following certifications have been issued. The requirements of Section 222(b) (downstream producer for a firm whose workers are certified eligible to apply for TAA based on increased imports from or a shift in production to Mexico or Canada) of the Trade Act have been met.

NONE

Affirmative Determinations for Worker Adjustment Assistance and Alternative Trade Adjustment Assistance

The following certifications have been issued. The date following the company name and location of each determination references the impact date for all workers of such determination.

The following certifications have been issued. The requirements of Section 222(a)(2)(A) (increased imports) and Section 246(a)(3)(A)(ii) of the Trade Act have been met.

TA–62,429; Covalence Plastics, City of Industry, CA: October 26, 2006

TA–62,489; CHF Industries, Inc., Bedding Division, Loris, SC: December 30, 2006

TA–W–62,537; Rockford Corporation, Tempe, AZ: December 5, 2006

TA–W–62,545; WM. Wright Company, West Warren, MA: January 21, 2008

TA–W–61,878; Meadwestvaco, Consumer and Office Products Div., Garden Grove, CA: July 24, 2006

TA–W–62,245; Flakeboard Company, Ltd., Duraflake Division, Albany, OR: October 1, 2006

TA–W–62,287; Franklin Plastic Products, Inc., Franklin, IN: October 9, 2006

TA–W–62,306; H. C. Holding, LLC, Wadena, MN: October 15, 2006

TA–W–62,346; McConway and Torley, LLC, A Subsidiary of Trinity Parts and Components, LLC, Kutztown, PA: October 22, 2006

TA–W–62,422; Curtain and Drapery Fashions, Lowell, NC: November 1, 2006

TA–W–62,450; Shape Global Technology, Sanford, ME: November 12, 2006

TA–W–62,470; BMI Electronics, Inc., Montgomery and Lee Staffing, Hardaway, AL: November 15, 2006

TA–W–62,481; W. R. Hosiery LLC, Fort Payne, AL: November 19, 2006

TA–W–62,502; Girard Plastics, LLC, On-Site Leased Workers From Career Concepts, Advanced, Girard, PA: November 27, 2006

TA–W–62,319; E. G. Fashion Inc., New York, NY: October 17, 2006

TA–W–62,420; Johnson Hosiery Mills, Inc., Hickory Division, Hickory, NC: November 2, 2006

TA–W–62,433; Lawrence Sewing, San Francisco, CA: November 7, 2006

The following certifications have been issued. The requirements of Section 222(a)(2)(B) (shift in production) and Section 246(a)(3)(A)(ii) of the Trade Act have been met.

TA–62,375; International Legwear Group, Athens, TN: September 15, 2007

TA–W–62,405; The Goodyear Tire and Rubber Company, North American Tire Co. On-Site Leased Workers From UGL Unico, Tyler, TX: November 2, 2006

TA–W–62,432; LEM Industries, Inc., Obetz, OH: November 7, 2006

TA–W–62,448; Integram St. Louis Seating, Intier Automotive Division, Division of Magna International, Pacific, MO: November 9, 2006

TA–W–62,454; Ballard Medical Products, A Subsidiary of Kimberly-Clark, Pocatello, ID: December 20, 2007

TA–W–62,467; USAprons, Inc., Sidney, NE: November 14, 2006

TA–W–62,514; Atlas Aero Corporation, Leased Workers of the Monroe Group, Meriden, CT: November 28, 2006

TA–W–62,543; McNeil Consumer Healthcare, Kelly Services, Kaztronics, Lab Support, Robert Half, Parsippany, NJ: December 5, 2006

TA–W–62,557; Sports Belle, Inc., Knoxville, TN: December 6, 2006

TA–W–62,574; Molex, Inc., Integrated Products Division, Maumelle, AR: December 13, 2006

TA–W–62,472; Corsair Memory, Inc., Fremont, CA: November 9, 2006

TA–W–62,107; Regal Ware, Inc., Kewaskum Manufacturing Plant, Kewaskum, WI: September 3, 2007

TA–W–62,107A; Regal Ware, Inc., Kewaskum Manufacturing Plant, West Bend, WI: September 3, 2007

TA–W–62,273; Delphi Corporation, Automotive Holdings Group Division, On-Site Leased Workers From Bartech, Dayton, OH: October 8, 2006

TA–W–62,273A; Delphi Corporation, Disc Pads Division, On-Site Leased Workers From Bartech, Dayton, OH: October 8, 2006

TA–W–62,370; Tietex International, LTD, Spartanburg, SC: February 8, 2007

TA–W–62,457; Only In USA, Inc., Los Angeles, CA: November 6, 2006

TA–W–62,494; Quadriga Art, LLC, Red Farm Studio, LLC, Pawtucket, RI: November 1, 2006

The following certifications have been issued. The requirements of Section 222(b) (supplier to a firm whose workers are certified eligible to apply for TAA) and Section 246(a)(3)(A)(ii) of the Trade Act have been met.

TA–W–62,491; Westchester Narrow Fabrics, Inc., Milton, PA: June 8, 2007

TA–W–62,534; S and Z Metalworks Limited, A Subsidiary of Metalworks Worldwide, Cleveland, OH: November 30, 2006

The following certifications have been issued. The requirements of Section 222(b) (downstream producer for a firm whose workers are certified eligible to apply for TAA based on increased imports from or a shift in production to Mexico or Canada) and Section 246(a)(3)(A)(ii) of the Trade Act have been met.

NONE

Negative Determinations for Alternative Trade Adjustment Assistance

In the following cases, it has been determined that the requirements of 246(a)(3)(A)(ii) have not been met for the reasons specified.

The Department has determined that criterion (1) of Section 246 has not been met. The firm does not have a significant number of workers 50 years of age or older.

TA–W–62,462; Enhance America of Missouri, Inc., Washington, MO

The Department has determined that criterion (2) of Section 246 has not been met. Workers at the firm possess skills that are easily transferable.

TA–W–62,553; ALA Casting Company, Inc., Long Island City, NY

The Department has determined that criterion (3) of Section 246 has not been met. Competition conditions within the workers' industry are not adverse.

TA–W–62,511; Cellular Express, Inc., d/b/a/ Boston Communications Group, Westbrook, ME

Negative Determinations for Worker Adjustment Assistance and Alternative Trade Adjustment Assistance

In the following cases, the investigation revealed that the eligibility criteria for worker adjustment assistance have not been met for the reasons specified.

Because the workers of the firm are not eligible to apply for TAA, the workers cannot be certified eligible for ATAA.

The investigation revealed that criteria (a)(2)(A)(I.A.) and (a)(2)(B)(II.A.) (employment decline) have not been met.

TA–W–62,415; Bernard Chaus, Cynthia Steffe Division, Secaucus, NJ.

The investigation revealed that criteria (a)(2)(A)(I.B.) (Sales or production, or both, did not decline) and (a)(2)(B)(II.B.) (shift in production to a foreign country) have not been met.

TA–W–62,423; KLA—Tencor Corporation, Tucson, AZ.

The investigation revealed that criteria (a)(2)(A)(I.C.) (increased imports) and (a)(2)(B)(II.B.) (shift in production to a foreign country) have not been met.

TA–W–62,276; F.L. Smithe Machine Co., Duncansville, PA.

TA–W–62,281; Auburn Investment Castings, Inc., Auburn, AL.

TA–W–62,412; Walter Drake, Inc., Holyoke, MA.

TA–W–62,455; Morgan Trailer Manufacturing Co., Morgantown Division, Morgantown, PA.

TA–W–62,498; Double D Logging, John Day, OR.

TA–W–62,336; Fabtek Corporation, Division of Blount International, Menominee, MI.

TA–W–62,535; Nevamar Company, LLC, Saturator Department, Oshkosh, WI.

The workers' firm does not produce an article as required for certification under Section 222 of the Trade Act of 1974.

TA–W–62,468; VWR International, LLC, Finance Department, Subsidiary of Varietal Distribution Holdings, LLC, Bridgeport, NJ.

TA–W–62,544; XL Specialty Insurance Company, Exton, PA.

The investigation revealed that criteria of Section 222(b)(2) has not been met. The workers' firm (or subdivision) is not a supplier to or a downstream producer for a firm whose workers were certified eligible to apply for TAA.

NONE

I hereby certify that the aforementioned determinations were issued during the period of *December 17, 2007 through January 4, 2008.* Copies of these determinations are available for inspection in Room C–5311, U.S. Department of Labor, 200 Constitution Avenue, NW., Washington, DC 20210 during normal business hours or will be mailed to persons who write to the above address.

Dated: January 10, 2008.

Ralph DiBattista,

Director, Division of Trade Adjustment Assistance.

[FR Doc. E8–586 Filed 1–15–08; 8:45 am]

BILLING CODE 4510–FN–P

DEPARTMENT OF LABOR

Employment and Training Administration

Investigations Regarding Certifications of Eligibility To Apply for Worker Adjustment Assistance and Alternative Trade Adjustment Assistance

Petitions have been filed with the Secretary of Labor under Section 221(a) of the Trade Act of 1974 (''the Act'') and are identified in the Appendix to this notice. Upon receipt of these petitions, the Director of the Division of Trade Adjustment Assistance, Employment and Training Administration, has instituted investigations pursuant to Section 221(a) of the Act.

The purpose of each of the investigations is to determine whether the workers are eligible to apply for adjustment assistance under Title II, Chapter 2, of the Act. The investigations will further relate, as appropriate, to the determination of the date on which total or partial separations began or threatened to begin and the subdivision of the firm involved.

The petitioners or any other persons showing a substantial interest in the subject matter of the investigations may request a public hearing, provided such request is filed in writing with the Director, Division of Trade Adjustment Assistance, at the address shown below, not later than January 28, 2008.

Interested persons are invited to submit written comments regarding the subject matter of the investigations to the Director, Division of Trade Adjustment Assistance, at the address shown below, not later than January 28, 2008.

The petitions filed in this case are available for inspection at the Office of the Director, Division of Trade Adjustment Assistance, Employment and Training Administration, U.S. Department of Labor, Room C–5311, 200 Constitution Avenue, NW., Washington, DC 20210.

Signed at Washington, DC this 9th day of January 9, 2008.

Ralph DiBattista,

Director, Division of Trade Adjustment Assistance.

APPENDIX

[TAA petitions instituted between 12/31/07 and 1/4/08]

TA–W	Subject firm (petitioners)	Location	Date of institution	Date of petition
62613	Longview Fibre Company (AWPPW)	Longview, WA	12/31/07	12/27/07
62614	Weyerhauser Green Mountain Lumber Mill (IAMAW).	Toutle, WA	12/31/07	12/27/07
62615	Idearc Media (CWA)	Norristown, PA	12/31/07	12/28/07
62616	Weyerhauser Longview Lumber (IAMAW)	Longview, WA	12/31/07	12/27/07
62617	Advanced Fiber Technologies (State)	Manchester, CT	12/31/07	12/28/07
62618	Allflex—Boulder (Wkrs)	Boulder, CO	01/02/08	12/19/07
62619	OEM/Erie, Inc. (Wkrs)	Erie, PA	01/02/08	12/13/07
62620	Lohmann and Rauscher (Comp)	Burlingame, KS	01/02/08	12/17/07
62621	Carrier Access Operation Company (State)	Wallingford, CT	01/02/08	12/31/07
62622	Thomson Healthcare—Micromedex (Wkrs)	Greenwood Village, CO	01/02/08	12/18/07
62623	Parkdale Mills Plant #38 (Comp)	Rockford, AL	01/02/08	12/10/07
62624	State Tool and Manufacturing Company (Wkrs).	Benton Harbor, MI	01/02/08	12/20/07
62625	Milwaukee Electric Tool Corporation (Comp)	Kosciusko, MS	01/02/08	12/20/07
62626	Visteon Systems LLC (Comp)	Bedford, IN	01/02/08	12/19/07
62627	Newton Transportation Company (Comp)	Hudson, NC	01/03/08	01/02/08
62628	Holcim (US), Inc. (Comp)	Weirton, WV	01/03/08	12/26/07
62629	Giant Merchandising, Inc. (State)	Commerce, CA	01/03/08	12/10/07
62630	Link Technologies, LLC (Comp)	Brown City, MI	01/03/08	01/02/08
62631	Pfizer Company (Wkrs)	Portage, MI	01/04/08	01/02/08
62632	Wellstone Mills (Comp)	Eufaula, AL	01/04/08	12/21/07
62633	Faurecia Exhaust Systems (Comp)	Granger, IN	01/04/08	01/02/08
62634	Perras Lumber, Inc. (Comp)	Groveton, NH	01/04/08	01/03/08
62635	St. John Companies, Inc. (The) (Comp)	West Jordan, UT	01/04/08	01/03/08
62636	Norandal USA, Inc. (State)	Newport, AR	01/04/08	01/02/08

[FR Doc. E8–585 Filed 1–15–08; 8:45 am]

BILLING CODE 4510–FN–P

DEPARTMENT OF LABOR

Employment and Training Administration

[TA–W–62,303]

Agilent Technologies, Inc., Liberty Lake, WA; Notice of Revised Determination on Reconsideration

By application dated November 29, 2007 a company official requested administrative reconsideration of the Department's negative determination regarding eligibility for workers and former workers of the subject firm to apply for Trade Adjustment Assistance (TAA) and Alternative Trade Adjustment Assistance (ATAA).

The initial investigation resulted in a negative determination signed on November 6, 2007, was based on the finding that imports of test and measurement equipment prototypes did not contribute importantly to worker separations at the subject plant. The denial notice was published in the **Federal Register** on November 21, 2007 (72 FR 65607).

In the request for reconsideration, a company official provided additional information regarding a shift in plant production of test and measurement equipment prototypes to a foreign country.

The Department reviewed the findings in the initial investigation and new information presented in the reconsideration. Upon further review and contact with the company official, it was revealed that the company shifted its production of test and measurement equipment prototypes to China with the intent to import test and measurement equipment prototypes back into the United States. The investigation further revealed that employment declined at the subject firm.

In accordance with Section 246 the Trade Act of 1974 (26 U.S.C. 2813), as amended, the Department of Labor herein presents the results of its investigation regarding certification of eligibility to apply for alternative trade adjustment assistance (ATAA) for older workers.

In order for the Department to issue a certification of eligibility to apply for ATAA, the group eligibility requirements of Section 246 of the Trade Act must be met. The Department has determined in this case that the requirements of Section 246 have been met.

A significant number of workers at the firm are age 50 or over and possess skills that are not easily transferable. Competitive conditions within the industry are adverse.

The workers were under an existing TAA/ATAA certification that expired on September 30, 2007.

Conclusion

After careful review of the facts obtained in the investigation, I determine that there was a shift in production from Agilent Technologies, Inc., Liberty Lake, Washington to China of articles that are like or directly competitive with those produced by the subject firm or subdivision, and there has been or is likely an increase in imports of like or directly competitive articles. In accordance with the provisions of the Act, I make the following certification:

All workers of Agilent Technologies, Inc., Liberty Lake, Washington, who became totally or partially separated from employment on or after October 1, 2007, through two years from the date of this certification, are eligible to apply for adjustment assistance under Section 223 of the Trade Act of 1974, and are eligible to apply for alternative trade adjustment assistance under Section 246 of the Trade Act of 1974.

Signed at Washington, DC, this 8th day of January, 2008.

Elliott S. Kushner,

Certifying Officer, Division of Trade Adjustment Assistance.

[FR Doc. E8–591 Filed 1–15–08; 8:45 am]

BILLING CODE 4510–FN–P

DEPARTMENT OF LABOR

Employment and Training Administration

[TA–W–62,220]

Agrium U.S., Inc., Kenai Nitrogen Operation, Kenai, AK; Notice of Revised Determination on Reconsideration

By application of December 7, 2007 a petitioner requested administrative reconsideration of the Department's negative determination regarding eligibility for workers and former workers of the subject firm to apply for Trade Adjustment Assistance (TAA) and Alternative Trade Adjustment Assistance (ATAA).

The initial investigation resulted in a negative determination signed on October 29, 2007, was based on the finding that imports of anhydrous ammonia and urea did not contribute importantly to worker separations at the subject plant and no shift of production to a foreign source occurred. The denial notice was published in the **Federal Register** on November 15, 2007 (72 FR 64247).

In the request for reconsideration, the petitioner provided additional information regarding the subject firm's domestic production of anhydrous ammonia and urea and a shift in this production to a foreign country.

The Department reviewed the findings in the initial investigation and new information presented in the reconsideration. It was revealed that employment and production of anhydrous ammonia and urea declined at Agrium U.S., Inc., Kenai Nitrogen Operation, Kenai, Alaska during January through August 2007 over the corresponding 2006 period. The investigation further revealed that the company increased imports of anhydrous ammonia and urea during the same time period.

In accordance with Section 246 the Trade Act of 1974 (26 U.S.C. 2813), as amended, the Department of Labor herein presents the results of its investigation regarding certification of eligibility to apply for alternative trade adjustment assistance (ATAA) for older workers.

In order for the Department to issue a certification of eligibility to apply for ATAA, the group eligibility requirements of Section 246 of the Trade Act must be met. The Department has determined in this case that the requirements of Section 246 have been met.

A significant number of workers at the firm are age 50 or over and possess skills that are not easily transferable. Competitive conditions within the industry are adverse.

The workers were under an existing TAA/ATAA certification that expired on April 12, 2007.

Conclusion

After careful review of the facts obtained in the investigation, I determine that increases of imports of anhydrous ammonia and urea, produced by Agrium U.S., Inc., Kenai Nitrogen Operation, Kenai, Alaska, contributed importantly to the total or partial separation of workers and to the decline in sales or production at that firm or subdivision. In accordance with the provisions of the Act, I make the following certification:

All workers of Agrium U.S., Inc., Kenai Nitrogen Operation, Kenai, Alaska, who became totally or partially separated from employment on or after April 13, 2007, through two years from the date of this certification, are eligible to apply for adjustment assistance under Section 223 of the Trade Act of 1974, and are eligible to apply for alternative trade adjustment assistance under Section 246 of the Trade Act of 1974.

Signed at Washington, DC, this 8th day of January, 2008.

Elliott S. Kushner,

Certifying Officer, Division of Trade Adjustment Assistance.

[FR Doc. E8–590 Filed 1–15–08; 8:45 am]

BILLING CODE 4510–FN–P

DEPARTMENT OF LABOR

Employment and Training Administration

[TA–W–62, 555]

Carson's Furniture, Archdale, NC; Notice of Termination of Investigation

Pursuant to Section 221 of the Trade Act of 1974, as amended, an investigation was initiated on December 11, 2007 in response to a worker petition filed on behalf of workers of Carson's Furniture, Archdale, North Carolina.

The petition regarding the investigation has been deemed invalid. Consequently, the investigation has been terminated.

Signed in Washington, DC, this 8th day of January, 2008.

Elliott S. Kushner,

Certifying Officer, Division of Trade Adjustment Assistance.

[FR Doc. E8–584 Filed 1–15–08; 8:45 am]

BILLING CODE 4510–FN–P

DEPARTMENT OF LABOR

Employment Standards Administration

Proposed Extension of the Approval of Information Collection Requirements

ACTION: Notice.

SUMMARY: The Department of Labor, as part of its continuing effort to reduce paperwork and respondent burden, conducts a preclearance consultation program to provide the general public and Federal agencies with an opportunity to comment on proposed and/or continuing collections of information in accordance with the Paperwork Reduction Act of 1995 (PRA95) [44 U.S.C. 3506(c)(2)(A)]. This program helps to ensure that requested data can be provided in the desired format, reporting burden (time and financial resources) is minimized, collection instruments are clearly understood, and the impact of collection requirements on respondents can be properly assessed. Currently, the Employment Standards Administration is soliciting comments concerning its proposal to extend OMB approval of the information collection: Rehabilitation Plan and Award (OWCP–16). A copy of the information collection request can be obtained by contacting the office listed below in the addresses section of this Notice.

DATES: Written comments must be submitted to the office listed in the addresses section below on or before March 17, 2008.

ADDRESSES: Mr. Steven M. Andoseh, U.S. Department of Labor, 200 Constitution Ave., NW., Room S–3201, Washington, DC 20210, telephone (202) 693–0373, fax (202) 693–1451, e-mail *andoseh.steven@dol.gov.* Please use only one method of transmission for comments (mail, fax, or e-mail).

SUPPLEMENTARY INFORMATION:

I. Background

The Office of Workers' Compensation Programs (OWCP) is the agency responsible for administration of the Longshore and Harbor Workers' Compensation Act (LHWCA), 33 U.S.C. 901, *et seq.*, and the Federal Employees' Compensation Act (FECA), 5 U.S.C. 8101, *et seq.* Both of these acts authorize OWCP to pay for approved vocational rehabilitation services to eligible workers with work-related disabilities. In order to decide whether to approve a rehabilitation plan, OWCP must receive a copy of the plan, supporting vocational testing materials and the estimated cost to implement the plan, broken down to show the fees, supplies,

tuition and worker maintenance payments that are contemplated. Form OWCP–16 is the standard format for the collection of this information. The regulations implementing these statutes allow for the collection of information needed for OWCP to determine if a rehabilitation plan should be approved and payment of any related expenses authorized. Form OWCP–16 serves to document the agreed upon plan for rehabilitation services submitted by the injured worker and vocational rehabilitation counselor, and OWCP's award of payment from funds provided for rehabilitation. This information collection is currently approved for use through July 31, 2008.

II. Review Focus

The Department of Labor is particularly interested in comments which:

- Evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;
- evaluate the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;
- enhance the quality, utility and clarity of the information to be collected; and
- minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submissions of responses.

III. Current Actions

The Department of Labor seeks the approval for the extension of this currently approved information collection in order to determine if a rehabilitation plan should be approved and payment of any related expenses authorized.

Type of Review: Extension.

Agency: Employment Standards Administration.

Title: Rehabilitation Plan and Award.

OMB Number: 1215–0067.

Agency Number: OWCP–16.

Affected Public: Individuals or households; businesses or other for-profit

Total Respondents: 7,000.

Total Annual Responses: 7,000.

Estimated Total Burden Hours: 3,500.

Time Per Response: 30 minutes.

Frequency: On occasion.

Total Burden Cost (capital/startup): $0.

Total Burden Cost (operating/maintenance): $0.00.

Comments submitted in response to this notice will be summarized and/or included in the request for Office of Management and Budget approval of the information collection request; they will also become a matter of public record.

Dated: January 11, 2008.

Hazel M. Bell.

Acting Chief, Branch of Management Review and Internal Control, Division of Financial Management, Office of Management, Administration and Planning, Employment Standards Administration.

[FR Doc. E8–649 Filed 1–15–08; 8:45 am]

BILLING CODE 4510–CR–P

DEPARTMENT OF LABOR

Employment Standards Administration

Proposed Extension of the Approval of Information Collection Requirements

ACTION: Notice.

SUMMARY: The Department of Labor, as part of its continuing effort to reduce paperwork and respondent burden, conducts a preclearance consultation program to provide the general public and Federal agencies with an opportunity to comment on proposed and/or continuing collections of information in accordance with the Paperwork Reduction Act of 1995 (PRA95) [44 U.S.C. 3506(c)(2)(A)]. This program helps to ensure that requested data can be provided in the desired format, reporting burden (time and financial resources) is minimized, collection instruments are clearly understood, and the impact of collection requirements on respondents can be properly assessed. Currently, the Employment Standards Administration is soliciting comments concerning its proposal to extend OMB approval of the information collection: Request for Examination and/or Treatment (LS–1). A copy of the information collection request can be obtained by contacting the office listed below in the addresses section of this Notice.

DATES: Written comments must be submitted to the office listed in the addresses section below on or before March 17, 2008.

ADDRESSES: Mr. Steven M. Andoseh, U.S. Department of Labor, 200 Constitution Ave., NW., Room S–3201, Washington, DC 20210, telephone (202) 693–0373, fax (202) 693–1451, e-mail *andoseh.steven@dol.gov.* Please use only one method of transmission for comments (mail, fax, or e-mail).

SUPPLEMENTARY INFORMATION:

I. Background

The Office of Workers' Compensation Programs administers the Longshore and Harbor Workers' Compensation Act. The Act provides benefits to workers injured in maritime employment on the navigable waters of the United States or in an adjoining area customarily used by an employer in loading, unloading, repairing, or building a vessel. Under section 7 (33 U.S.C., Chapter 18, Section 907) of the Longshore Act the employer/insurance carrier is responsible for furnishing medical care for the injured employee for such period of time as the injury or recovery period may require. Form LS–1 serves two purposes: It authorizes the medical care, and it provides a vehicle for the treating physician to report the findings, treatment given, and anticipated physical condition of the employee. The information collected on Form LS–1 is used by the Longshore Division to verify that proper medical treatment has been authorized by the employer/insurance carrier, and to determine the severity of a claimant's injuries and thus his/her entitlement to compensation benefits. This information collection is currently approved for use through July 31, 2008.

II. Review Focus

The Department of Labor is particularly interested in comments which:

- Evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;
- Evaluate the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;
- Enhance the quality, utility and clarity of the information to be collected; and
- Minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submissions of responses.

III. Current Actions

The Department of Labor seeks the approval for the extension of this currently approved information collection in order to carry out its

responsibility to verify authorized medical care and entitlement to compensation benefits.

Type of Review: Extension.

Agency: Employment Standards Administration.

Title: Request for Examination and/or Treatment.

OMB Number: 1215–0066.

Agency Number: LS–1.

Affected Public: Individuals or households.

Total Respondents: 25,000.

Total Annual Responses: 75,000.

Estimated Total Burden Hours: 81,000.

Time per Response: 65 minutes.

Frequency: On occasion.

Total Burden Cost (capital/startup): $0.

Total Burden Cost (operating/maintenance): $33,000.00.

Comments submitted in response to this notice will be summarized and/or included in the request for Office of Management and Budget approval of the information collection request; they will also become a matter of public record.

Dated: January 11, 2008.

Hazel M. Bell,

Acting Chief, Branch of Management Review and Internal Control, Division of Financial Management, Office of Management, Administration and Planning, Employment Standards Administration.

[FR Doc. E8–650 Filed 1–15–08; 8:45 am]

BILLING CODE 4510–CF–P

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

Advisory Committee on the Records of Congress; Meeting

AGENCY: National Archives and Records Administration.

ACTION: Notice of Meeting.

SUMMARY: In accordance with the Federal Advisory Committee Act, the National Archives and Records Administration (NARA) announces a meeting of the Advisory Committee on the Records of Congress. The committee advises NARA on the full range of programs, policies, and plans for the Center for Legislative Archives in the Office of Records Services.

DATES: January 28, 2008 from 10 a.m. to 11 a.m.

ADDRESSES: National Archives and Records Administration, Archivist's Board Room (Room 119), 700 Pennsylvania Avenue, NW., Washington, DC 20408

FOR FURTHER INFORMATION CONTACT: Richard H. Hunt, Director, Center for Legislative Archives, (202) 357–5350.

SUPPLEMENTARY INFORMATION:

Agenda

(1) Chair's opening remarks—Secretary of the Senate

(2) Recognition of Co-chair—Clerk of the House

(3) Recognition of the Archivist of the United States

(4) Approval of the minutes of the last meeting

(5) Follow-up discussion of Committee goals

(6) Annual Report of the Center for Legislative Archives

(7) Other current issues and new business

The meeting is open to the public.

This notice is published less than 15 calendar days before the meeting because of scheduling difficulties.

Dated: January 11, 2008.

Mary Ann Hadyka,

Committee Management Officer.

[FR Doc. E8–747 Filed 1–15–08; 8:45 am]

BILLING CODE 7515–01–P

NUCLEAR REGULATORY COMMISSION

[Docket Nos. 50–255 and 72–7]

Entergy Nuclear Operations, Inc.; Entergy Nuclear Palisades, LLC; Palisades Nuclear Plant; Notice of Consideration of Approval of Application Regarding Proposed Corporate Restructuring and Opportunity for a Hearing

The U.S. Nuclear Regulatory Commission (the Commission) is considering the issuance of an Order under 10 CFR 50.80 approving the indirect transfer of the Renewed Facility Operating License No. DPR–20 for the Palisades currently held by Entergy Nuclear Palisades, LLC, as owner and Entergy Nuclear Operations, Inc. as the licensed operator of Palisades Nuclear Plant.

According to an application for approval filed by Entergy Nuclear Operations, Inc. (ENOI) on behalf of itself and the owners, certain planned corporate restructuring transactions will involve the creation of new intermediary holding companies and/or changes in the intermediary holding companies within the ownership structure for the foregoing licensees. Entergy Nuclear Operations, Inc. will continue to operate the facility and Entergy Nuclear Palisades, LLC will continue to own the facility. There will be no direct transfer of the license. However, the corporate restructuring transactions will result in an indirect transfer of control of the license.

No physical changes to the Palisades Nuclear Plant or operational changes are being proposed in the application.

The Board of Directors of Entergy Corporation has proposed that the wholesale nuclear business segment be organized under a publicly owned holding company, referred to as ''NewCo,'' that will be the indirect parent company of Entergy Nuclear Palisades, LLC.

ENOI will be owned by a parent company referred to as ENOI Holdings, LLC, which, in turn, will be owned 50 percent by Entergy Corporation and 50 percent by NewCo. Each of these 50 percent interests will be held by wholly owned subsidiaries of Entergy Corporation and NewCo.

ENOI will also be converted from a corporation to a limited liability company and its name will be changed to ENOI LLC. Under Delaware law, ENOI LLC will assume all of the rights and responsibilities of ENOI and it will be the same company (legal entity) both before and after the conversion and name change. ENOI will separately submit a request for license amendments to make the administrative changes as a result of ENOI's name change from ''Entergy Nuclear Operations, Inc.'' to ''ENOI LLC.''

Pursuant to 10 CFR 50.80, no license, or any right thereunder, shall be transferred, directly or indirectly, through transfer of control of the license, unless the Commission shall give its consent in writing. The Commission will approve an application for the indirect transfer of a license, if the Commission determines that the proposed corporate restructuring will not affect the qualifications of the licensee to hold the license, and that the transfer is otherwise consistent with applicable provisions of law, regulations, and Orders issued by the Commission pursuant thereto.

The filing of requests for hearing and petitions for leave to intervene, and written comments with regard to the license transfer application, are discussed below.

Within 20 days from the date of publication of this notice, any person whose interest may be affected by the Commission's action on the application may request a hearing and, if not the applicant, may petition for leave to intervene in a hearing proceeding on the Commission's action. Requests for a hearing and petitions for leave to intervene should be filed in accordance with the Commission's rules of practice set forth in Subpart C ''Rules of General Applicability: Hearing Requests, Petitions to Intervene, Availability of

Documents, Selection of Specific Hearing Procedures, Presiding Officer Powers, and General Hearing Management for NRC Adjudicatory Hearings,'' of 10 CFR part 2 and the NRC E-Filing rule discussed below. In particular, such requests and petitions must comply with the requirements set forth in 10 CFR 2.309. Untimely requests and petitions may be denied, as provided in 10 CFR 2.309(c)(1), unless good cause for failure to file on time is established. In addition, an untimely request or petition should address the factors that the Commission will also consider, in reviewing untimely requests or petitions, set forth in 10 CFR 2.309(c)(1)(I)–(viii).

Those permitted to intervene become parties to the proceeding, subject to any limitations in the Order granting leave to intervene, and have the opportunity to participate fully in the conduct of the hearing. A request for hearing or a petition for leave to intervene must be filed in accordance with the NRC E–Filing rule, which the NRC promulgated in August, 2007, 72 FR 49139 (Aug. 28, 2007). The E–Filing process requires participants to submit and serve documents over the internet or in some cases to mail copies on electronic storage media. Participants may not submit paper copies of their filings unless they seek a waiver in accordance with the procedures described below.

To comply with the procedural requirements of E-Filing, at least five (5) days prior to the filing deadline, the petitioner/requestor must contact the Office of the Secretary by e-mail at *HEARINGDOCKET@NRC.GOV,* or by calling (301) 415–1677, to request (1) a digital ID certificate, which allows the participant (or its counsel or representative) to digitally sign documents and access the E–Submittal server for any proceeding in which it is participating; and/or (2) creation of an electronic docket for the proceeding (even in instances in which the petitioner/requestor (or its counsel or representative) already holds an NRC-issued digital ID certificate). Each petitioner/requestor will need to download the Workplace Forms Viewer™ to access the Electronic Information Exchange (EIE), a component of the E–Filing system. The Workplace Forms Viewer™ is free and is available at *http://www.nrc.gov/site-help/e-submittals/install-viewer.html.* Information about applying for a digital ID certificate is available on NRC's public Web site at *http://www.nrc.gov/site-help/e-submittals/apply-certificates.html.*

Once a petitioner/requestor has obtained a digital ID certificate, had a docket created, and downloaded the EIE viewer, it can then submit a request for hearing or petition for leave to intervene. Submissions should be in Portable Document Format (PDF) in accordance with NRC guidance available on the NRC public Web site at *http://www.nrc.gov/site-help/e-submittals.html.* A filing is considered complete at the time the filer submits its documents through EIE. To be timely, an electronic filing must be submitted to the EIE system no later than 11:59 p.m. Eastern Time on the due date. Upon receipt of a transmission, the E–Filing system time-stamps the document and sends the submitter an e-mail notice confirming receipt of the document. The EIE system also distributes an e-mail notice that provides access to the document to the NRC Office of the General Counsel and any others who have advised the Office of the Secretary that they wish to participate in the proceeding, so that the filer need not serve the documents on those participants separately. Therefore, applicants and other participants (or their counsel or representative) must apply for and receive a digital ID certificate before a hearing request/petition to intervene is filed so that they can obtain access to the document via the E–Filing system.

A person filing electronically may seek assistance through the ''Contact Us'' link located on the NRC Web site at *http://www.nrc.gov/site-help/e-submittals.html* or by calling the NRC technical help line, which is available between 8:30 a.m. and 4:15 p.m., Eastern Time, Monday through Friday. The help line number is (800) 397–4209 or locally, (301) 415–4737.

Participants who believe that they have a good cause for not submitting documents electronically must file a motion, in accordance with 10 CFR 2.302(g), with their initial paper filing requesting authorization to continue to submit documents in paper format. Such filings must be submitted by: (1) First class mail addressed to the Office of the Secretary of the Commission, U.S. Nuclear Regulatory Commission, Washington, DC 20555–0001, Attention: Rulemaking and Adjudications Staff; or (2) courier, express mail, or expedited delivery service to the Office of the Secretary, Sixteenth Floor, One White Flint North, 11555 Rockville Pike, Rockville, Maryland 20852, Attention: Rulemaking and Adjudications Staff. Participants filing a document in this manner are responsible for serving the document on all other participants. Filing is considered complete by first-class mail as of the time of deposit in the mail, or by courier, express mail, or expedited delivery service upon depositing the document with the provider of the service.

Non-timely requests and/or petitions and contentions will not be entertained absent a determination by the Commission, the presiding officer, or the Atomic Safety and Licensing Board that the petition and/or request should be granted and/or the contentions should be admitted based on a balancing of the factors specified in 10 CFR 2.309(c)(1)(i)–(viii). To be timely, filings must be submitted no later than 11:59 p.m. Eastern Time on the due date.

Documents submitted in adjudicatory proceedings will appear in NRC's electronic hearing docket which is available to the public at *http://ehd.nrc.gov/EHD_Proceeding/home.asp*, unless excluded pursuant to an Order of the Commission, an Atomic Safety and Licensing Board, or a Presiding Officer. Participants are requested not to include personal privacy information, such as social security numbers, home addresses, or home phone numbers in their filings. With respect to copyrighted works, except for limited excerpts that serve the purpose of the adjudicatory filings and would constitute a Fair Use application, participants are requested not to include copyrighted materials in their works.

The Commission will issue a notice or Order granting or denying a hearing request or intervention petition, designating the issues for any hearing that will be held and designating the Presiding Officer. A notice granting a hearing will be published in the **Federal Register** and served on the parties to the hearing.

As an alternative to requests for hearing and petitions to intervene, within 30 days from the date of publication of this notice, persons may submit written comments regarding the license transfer application, as provided for in 10 CFR 2.1305. The Commission will consider and, if appropriate, respond to these comments, but such comments will not otherwise constitute part of the decisional record. Comments should be submitted to the Secretary, U.S. Nuclear Regulatory Commission, Washington, DC 20555–0001, Attention: Rulemakings and Adjudications Staff, and should cite the publication date and page number of this **Federal Register** notice.

For further details with respect to this action, see the application dated July 30, 2007, as supplemented by letter dated December 5, 2007, available for public inspection at the Commission's Public Document Room (PDR), located at One White Flint North, Public File Area O1

F21, 11555 Rockville Pike (first floor), Rockville, Maryland. Publicly available records will be accessible electronically from the Agencywide Documents Access and Management System's (ADAMS) Public Electronic Reading Room on the Internet at the NRC Web site, *http://www.nrc.gov/reading-rm/adams.html.* Persons who do not have access to ADAMS or who encounter problems in accessing the documents located in ADAMS should contact the NRC PDR Reference staff by telephone at 1–800–397–4209, or 301–415–4737 or by e-mail to *pdr@nrc.gov.*

Dated at Rockville, Maryland this 3rd day of January 2008.

For the Nuclear Regulatory Commission.

Douglas V. Pickett,

Senior Project Manager, Plant Licensing Branch I–1, Division of Operating Reactor Licensing, Office of Nuclear Reactor Regulation.

[FR Doc. E8–642 Filed 1–15–08; 8:45 am]

BILLING CODE 7590–01–P

NUCLEAR REGULATORY COMMISSION

[Docket Nos. 50–333 And 72–12]

Entergy Nuclear Operations, Inc., Entergy Nuclear Fitzpatrick, LLC, James A. Fitzpatrick Nuclear Power Plant; Notice of Consideration of Approval of Application Regarding Corporate Restructuring and Opportunity for a Hearing

The U.S. Nuclear Regulatory Commission (the Commission) is considering the issuance of an Order under 10 CFR 50.80 approving the indirect transfer of the Facility Operating License No. DPR–59 for James A. FitzPatrick Nuclear Power Plant currently held by Entergy Nuclear FitzPatrick, LLC, as owner and Entergy Nuclear Operations, Inc. as the licensed operator of James A. FitzPatrick Nuclear Power Plant.

According to an application for approval filed by Entergy Nuclear Operations, Inc. (ENOI) on behalf of itself and the owners, certain planned corporate restructuring transactions will involve the creation of new intermediary holding companies and/or changes in the intermediary holding companies within the ownership structure for the foregoing licensees. Entergy Nuclear Operations, Inc. will continue to operate the facility and Entergy Nuclear FitzPatrick, LLC will continue to own the facility. There will be no direct transfer of the license. However, the corporate restructuring transactions will result in an indirect transfer of control of the license.

No physical changes to the James A. FitzPatrick Nuclear Power Plant or operational changes are being proposed in the application.

The Board of Directors of Entergy Corporation has proposed that the wholesale nuclear business segment be organized under a publicly owned holding company, referred to as ''NewCo,'' that will be the indirect parent company of Entergy Nuclear FitzPatrick, LLC.

ENOI will be owned by a parent company referred to as ENOI Holdings, LLC, which, in turn, will be owned 50 percent by Entergy Corporation and 50 percent by NewCo. Each of these 50 percent interests will be held by wholly owned subsidiaries of Entergy Corporation and NewCo.

ENOI will also be converted from a corporation to a limited liability company and its name will be changed to ENOI LLC. Under Delaware law, ENOI LLC will assume all of the rights and responsibilities of ENOI and it will be the same company (legal entity) both before and after the conversion and name change. ENOI will separately submit a request for license amendments to make the administrative changes as a result of ENOI's name change from ''Entergy Nuclear Operations, Inc.'' to ''ENOI LLC.''

Pursuant to 10 CFR 50.80, no license, or any right thereunder, shall be transferred, directly or indirectly, through transfer of control of the license, unless the Commission shall give its consent in writing. The Commission will approve an application for the indirect transfer of a license, if the Commission determines that the proposed corporate restructuring will not affect the qualifications of the licensee to hold the license, and that the transfer is otherwise consistent with applicable provisions of law, regulations, and Orders issued by the Commission pursuant thereto.

The filing of requests for hearing and petitions for leave to intervene, and written comments with regard to the license transfer application, are discussed below.

Within 20 days from the date of publication of this notice, any person whose interest may be affected by the Commission's action on the application may request a hearing and, if not the applicant, may petition for leave to intervene in a hearing proceeding on the Commission's action. Requests for a hearing and petitions for leave to intervene should be filed in accordance with the Commission's rules of practice set forth in Subpart C ''Rules of General Applicability: Hearing Requests, Petitions to Intervene, Availability of Documents, Selection of Specific Hearing Procedures, Presiding Officer Powers, and General Hearing Management for NRC Adjudicatory Hearings,'' of 10 CFR part 2 and the NRC E-Filing rule discussed below. In particular, such requests and petitions must comply with the requirements set forth in 10 CFR 2.309. Untimely requests and petitions may be denied, as provided in 10 CFR 2.309(c)(1), unless good cause for failure to file on time is established. In addition, an untimely request or petition should address the factors that the Commission will also consider, in reviewing untimely requests or petitions, set forth in 10 CFR 2.309(c)(1)(I)–(viii).

Those permitted to intervene become parties to the proceeding, subject to any limitations in the Order granting leave to intervene, and have the opportunity to participate fully in the conduct of the hearing. A request for hearing or a petition for leave to intervene must be filed in accordance with the NRC E-Filing rule, which the NRC promulgated in August, 2007, 72 FR 49139 (Aug. 28, 2007). The E-Filing process requires participants to submit and serve documents over the internet or in some cases to mail copies on electronic storage media. Participants may not submit paper copies of their filings unless they seek a waiver in accordance with the procedures described below.

To comply with the procedural requirements of E-Filing, at least five (5) days prior to the filing deadline, the petitioner/requestor must contact the Office of the Secretary by e-mail at *HEARINGDOCKET@NRC.GOV*, or by calling (301) 415–1677, to request (1) a digital ID certificate, which allows the participant (or its counsel or representative) to digitally sign documents and access the E-Submittal server for any proceeding in which it is participating; and/or (2) creation of an electronic docket for the proceeding (even in instances in which the petitioner/requestor (or its counsel or representative) already holds an NRC-issued digital ID certificate). Each petitioner/requestor will need to download the Workplace Forms Viewer™ to access the Electronic Information Exchange (EIE), a component of the E-Filing system. The Workplace Forms Viewer™ is free and is available at *http://www.nrc.gov/site-help/e-submittals/install-viewer.html.* Information about applying for a digital ID certificate is available on NRC's public Web site at *http://www.nrc.gov/*

site-help/e-submittals/apply-certificates.html.

Once a petitioner/requestor has obtained a digital ID certificate, had a docket created, and downloaded the EIE viewer, it can then submit a request for hearing or petition for leave to intervene. Submissions should be in Portable Document Format (PDF) in accordance with NRC guidance available on the NRC public Web site at *http://www.nrc.gov/site-help/e-submittals.html.* A filing is considered complete at the time the filer submits its documents through EIE. To be timely, an electronic filing must be submitted to the EIE system no later than 11:59 p.m., Eastern Time on the due date. Upon receipt of a transmission, the E-Filing system time-stamps the document and sends the submitter an e-mail notice confirming receipt of the document. The EIE system also distributes an e-mail notice that provides access to the document to the NRC Office of the General Counsel and any others who have advised the Office of the Secretary that they wish to participate in the proceeding, so that the filer need not serve the documents on those participants separately. Therefore, applicants and other participants (or their counsel or representative) must apply for and receive a digital ID certificate before a hearing request/petition to intervene is filed so that they can obtain access to the document via the E-Filing system.

A person filing electronically may seek assistance through the ''Contact Us'' link located on the NRC Web site at *http://www.nrc.gov/site-help/e-submittals.html* or by calling the NRC technical help line, which is available between 8:30 a.m. and 4:15 p.m., Eastern Time, Monday through Friday. The help line number is (800) 397–4209 or locally, (301) 415–4737.

Participants who believe that they have a good cause for not submitting documents electronically must file a motion, in accordance with 10 CFR 2.302(g), with their initial paper filing requesting authorization to continue to submit documents in paper format. Such filings must be submitted by: (1) First-class mail addressed to the Office of the Secretary of the Commission, U.S. Nuclear Regulatory Commission, Washington, DC 20555–0001, Attention: Rulemaking and Adjudications Staff; or (2) courier, express mail, or expedited delivery service to the Office of the Secretary, Sixteenth Floor, One White Flint North, 11555 Rockville Pike, Rockville, Maryland 20852, Attention: Rulemaking and Adjudications Staff. Participants filing a document in this manner are responsible for serving the document on all other participants. Filing is considered complete by first-class mail as of the time of deposit in the mail, or by courier, express mail, or expedited delivery service upon depositing the document with the provider of the service.

Non-timely requests and/or petitions and contentions will not be entertained absent a determination by the Commission, the presiding officer, or the Atomic Safety and Licensing Board that the petition and/or request should be granted and/or the contentions should be admitted based on a balancing of the factors specified in 10 CFR 2.309(c)(1)(i)–(viii). To be timely, filings must be submitted no later than 11:59 p.m., Eastern Time on the due date.

Documents submitted in adjudicatory proceedings will appear in NRC's electronic hearing docket which is available to the public at *http://ehd.nrc.gov/EHD_Proceeding/home.asp*, unless excluded pursuant to an Order of the Commission, an Atomic Safety and Licensing Board, or a Presiding Officer. Participants are requested not to include personal privacy information, such as social security numbers, home addresses, or home phone numbers in their filings. With respect to copyrighted works, except for limited excerpts that serve the purpose of the adjudicatory filings and would constitute a Fair Use application, participants are requested not to include copyrighted materials in their works.

The Commission will issue a notice or Order granting or denying a hearing request or intervention petition, designating the issues for any hearing that will be held and designating the Presiding Officer. A notice granting a hearing will be published in the **Federal Register** and served on the parties to the hearing.

As an alternative to requests for hearing and petitions to intervene, within 30 days from the date of publication of this notice, persons may submit written comments regarding the license transfer application, as provided for in 10 CFR 2.1305. The Commission will consider and, if appropriate, respond to these comments, but such comments will not otherwise constitute part of the decisional record. Comments should be submitted to the Secretary, U.S. Nuclear Regulatory Commission, Washington, DC 20555–0001, *Attention:* Rulemakings and Adjudications Staff, and should cite the publication date and page number of this **Federal Register** notice.

For further details with respect to this action, see the application dated July 30, 2007, as supplemented by letter dated December 5, 2007, available for public inspection at the Commission's Public Document Room (PDR), located at One White Flint North, Public File Area O1 F21, 11555 Rockville Pike (first floor), Rockville, Maryland. Publicly available records will be accessible electronically from the Agencywide Documents Access and Management System's (ADAMS) Public Electronic Reading Room on the Internet at the NRC Web site, *http://www.nrc.gov/reading-rm/adams.html.* Persons who do not have access to ADAMS or who encounter problems in accessing the documents located in ADAMS should contact the NRC PDR Reference staff by telephone at 1–800–397–4209, or 301–415–4737 or by e-mail to *pdr@nrc.gov.*

Dated at Rockville, Maryland this 3rd day of January 2008.

For the Nuclear Regulatory Commission.

Douglas V. Pickett,

Senior Project Manager, Plant Licensing Branch I–1, Division of Operating Reactor Licensing, Office of Nuclear Reactor Regulation.

[FR Doc. E8–635 Filed 1–15–08; 8:45 am]

BILLING CODE 7590–01–P

NUCLEAR REGULATORY COMMISSION

[Docket No. 50–293]

Entergy Nuclear Operations, Inc., Entergy Nuclear Generation Company, Pilgrim Nuclear Power Station; Notice of Consideration of Approval of Application Regarding Proposed Corporate Restructuring and Opportunity for a Hearing

The U.S. Nuclear Regulatory Commission (the Commission) is considering the issuance of an Order under 10 CFR 50.80 approving the indirect transfer of the Facility Operating License No. DPR–35 for the Pilgrim Nuclear Power Station currently held by Entergy Nuclear Generation Company, as owner and Entergy Nuclear Operations, Inc. as the licensed operator of Pilgrim Nuclear Power Station.

According to an application for approval filed by Entergy Nuclear Operations, Inc. (ENOI) on behalf of itself and the owners, certain planned corporate restructuring transactions will involve the creation of new intermediary holding companies and/or changes in the intermediary holding companies within the ownership structure for the foregoing licensees. Entergy Nuclear Operations, Inc. will continue to operate the facility and Entergy Nuclear Generation Company

will continue to own the facility. There will be no direct transfer of the license. However, the corporate restructuring transactions will result in an indirect transfer of control of the license.

No physical changes to the Pilgrim Nuclear Power Station or operational changes are being proposed in the application.

The Board of Directors of Entergy Corporation has proposed that the wholesale nuclear business segment be organized under a publicly owned holding company, referred to as ''NewCo,'' that will be the indirect parent company of Entergy Nuclear Generation Company.

ENOI will be owned by a parent company referred to as ENOI Holdings, LLC, which, in turn, will be owned 50 percent by Entergy Corporation and 50 percent by NewCo. Each of these 50 percent interests will be held by wholly owned subsidiaries of Entergy Corporation and NewCo.

ENOI will also be converted from a corporation to a limited liability company and its name will be changed to ENOI LLC. Under Delaware law, ENOI LLC will assume all of the rights and responsibilities of ENOI and it will be the same company (legal entity) both before and after the conversion and name change. ENOI will separately submit a request for license amendments to make the administrative changes as a result of ENOI's name change from ''Entergy Nuclear Operations, Inc.'' to ''ENOI LLC.''

Pursuant to 10 CFR 50.80, no license, or any right thereunder, shall be transferred, directly or indirectly, through transfer of control of the license, unless the Commission shall give its consent in writing. The Commission will approve an application for the indirect transfer of a license, if the Commission determines that the proposed corporate restructuring will not affect the qualifications of the licensee to hold the license, and that the transfer is otherwise consistent with applicable provisions of law, regulations, and Orders issued by the Commission pursuant thereto.

The filing of requests for hearing and petitions for leave to intervene, and written comments with regard to the license transfer application, are discussed below.

Within 20 days from the date of publication of this notice, any person whose interest may be affected by the Commission's action on the application may request a hearing and, if not the applicant, may petition for leave to intervene in a hearing proceeding on the Commission's action. Requests for a hearing and petitions for leave to intervene should be filed in accordance with the Commission's rules of practice set forth in Subpart C, ''Rules of General Applicability: Hearing Requests, Petitions to Intervene, Availability of Documents, Selection of Specific Hearing Procedures, Presiding Officer Powers, and General Hearing Management for NRC Adjudicatory Hearings,'' of 10 CFR Part 2 and the NRC E-Filing rule discussed below. In particular, such requests and petitions must comply with the requirements set forth in 10 CFR 2.309. Untimely requests and petitions may be denied, as provided in 10 CFR 2.309(c)(1), unless good cause for failure to file on time is established. In addition, an untimely request or petition should address the factors that the Commission will also consider, in reviewing untimely requests or petitions, set forth in 10 CFR 2.309(c)(1)(I)–(viii).

Those permitted to intervene become parties to the proceeding, subject to any limitations in the Order granting leave to intervene, and have the opportunity to participate fully in the conduct of the hearing. A request for hearing or a petition for leave to intervene must be filed in accordance with the NRC E-Filing rule, which the NRC promulgated in August, 2007, 72 FR 49139 (Aug. 28, 2007). The E-Filing process requires participants to submit and serve documents over the internet or in some cases to mail copies on electronic storage media. Participants may not submit paper copies of their filings unless they seek a waiver in accordance with the procedures described below.

To comply with the procedural requirements of E-Filing, at least five (5) days prior to the filing deadline, the petitioner/requestor must contact the Office of the Secretary by e-mail at *HEARINGDOCKET@NRC.GOV,* or by calling (301) 415–1677, to request (1) a digital ID certificate, which allows the participant (or its counsel or representative) to digitally sign documents and access the E-Submittal server for any proceeding in which it is participating; and/or (2) creation of an electronic docket for the proceeding (even in instances in which the petitioner/requestor (or its counsel or representative) already holds an NRC-issued digital ID certificate). Each petitioner/requestor will need to download the Workplace Forms Viewer™ to access the Electronic Information Exchange (EIE), a component of the E-Filing system. The Workplace Forms Viewer™ is free and is available at *http://www.nrc.gov/site-help/e-submittals/install-viewer.html.* Information about applying for a digital ID certificate is available on NRC's public Web site at *http://www.nrc.gov/site-help/e-submittals/apply-certificates.html.*

Once a petitioner/requestor has obtained a digital ID certificate, had a docket created, and downloaded the EIE viewer, it can then submit a request for hearing or petition for leave to intervene. Submissions should be in Portable Document Format (PDF) in accordance with NRC guidance available on the NRC public Web site at *http://www.nrc.gov/site-help/e-submittals.html.* A filing is considered complete at the time the filer submits its documents through EIE. To be timely, an electronic filing must be submitted to the EIE system no later than 11:59 p.m. Eastern Time on the due date. Upon receipt of a transmission, the E-Filing system time-stamps the document and sends the submitter an e-mail notice confirming receipt of the document. The EIE system also distributes an e-mail notice that provides access to the document to the NRC Office of the General Counsel and any others who have advised the Office of the Secretary that they wish to participate in the proceeding, so that the filer need not serve the documents on those participants separately. Therefore, applicants and other participants (or their counsel or representative) must apply for and receive a digital ID certificate before a hearing request/petition to intervene is filed so that they can obtain access to the document via the E-Filing system.

A person filing electronically may seek assistance through the ''Contact Us'' link located on the NRC Web site at *http://www.nrc.gov/site-help/e-submittals.html* or by calling the NRC technical help line, which is available between 8:30 a.m. and 4:15 p.m., Eastern Time, Monday through Friday. The help line number is (800) 397–4209 or locally, (301) 415–4737.

Participants who believe that they have a good cause for not submitting documents electronically must file a motion, in accordance with 10 CFR 2.302(g), with their initial paper filing requesting authorization to continue to submit documents in paper format. Such filings must be submitted by: (1) First class mail addressed to the Office of the Secretary of the Commission, U.S. Nuclear Regulatory Commission, Washington, DC 20555–0001, Attention: Rulemaking and Adjudications Staff; or (2) courier, express mail, or expedited delivery service to the Office of the Secretary, Sixteenth Floor, One White Flint North, 11555 Rockville, Pike, Rockville, Maryland, 20852, Attention: Rulemaking and Adjudications Staff.

Participants filing a document in this manner are responsible for serving the document on all other participants. Filing is considered complete by first-class mail as of the time of deposit in the mail, or by courier, express mail, or expedited delivery service upon depositing the document with the provider of the service.

Non-timely requests and/or petitions and contentions will not be entertained absent a determination by the Commission, the presiding officer, or the Atomic Safety and Licensing Board that the petition and/or request should be granted and/or the contentions should be admitted based on a balancing of the factors specified in 10 CFR 2.309(c)(1)(i)–(viii). To be timely, filings must be submitted no later than 11:59 p.m. Eastern Time on the due date.

Documents submitted in adjudicatory proceedings will appear in NRC's electronic hearing docket which is available to the public at *http://ehd.nrc.gov/EHD_Proceeding/home.asp,* unless excluded pursuant to an Order of the Commission, an Atomic Safety and Licensing Board, or a Presiding Officer. Participants are requested not to include personal privacy information, such as social security numbers, home addresses, or home phone numbers in their filings. With respect to copyrighted works, except for limited excerpts that serve the purpose of the adjudicatory filings and would constitute a Fair Use application, participants are requested not to include copyrighted materials in their works.

The Commission will issue a notice or Order granting or denying a hearing request or intervention petition, designating the issues for any hearing that will be held and designating the Presiding Officer. A notice granting a hearing will be published in the **Federal Register** and served on the parties to the hearing.

As an alternative to requests for hearing and petitions to intervene, within 30 days from the date of publication of this notice, persons may submit written comments regarding the license transfer application, as provided for in 10 CFR 2.1305. The Commission will consider and, if appropriate, respond to these comments, but such comments will not otherwise constitute part of the decisional record. Comments should be submitted to the Secretary, U.S. Nuclear Regulatory Commission, Washington, DC 20555–0001, Attention: Rulemakings and Adjudications Staff, and should cite the publication date and page number of this **Federal Register** notice.

For further details with respect to this action, see the application dated July 30, 2007, as supplemented by letter dated December 5, 2007, available for public inspection at the Commission's Public Document Room (PDR), located at One White Flint North, Public File Area O1 F21, 11555 Rockville Pike (first floor), Rockville, Maryland. Publicly available records will be accessible electronically from the Agencywide Documents Access and Management System's (ADAMS) Public Electronic Reading Room on the Internet at the NRC Web site, *http://www.nrc.gov/reading-rm/adams.html.* Persons who do not have access to ADAMS or who encounter problems in accessing the documents located in ADAMS should contact the NRC PDR Reference staff by telephone at 1–800–397–4209, or 301–415–4737 or by e-mail to *pdr@nrc.gov.*

Dated at Rockville, Maryland, this 3rd day of January 2008.

For the Nuclear Regulatory Commission.

Douglas V. Pickett,

Senior Project Manager, Plant Licensing Branch I–1, Division of Operating Reactor Licensing, Office of Nuclear Reactor Regulation.

[FR Doc. E8–637 Filed 1–15–08; 8:45 am]

BILLING CODE 7590–01–P

NUCLEAR REGULATORY COMMISSION

[Docket No. 50–271]

Entergy Nuclear Operations, Inc., Entergy Nuclear Vermont Yankee, LLC, Vermont Yankee Nuclear Power Station; Notice of Consideration of Approval of Application Regarding Proposed Corporate Restructuring and Opportunity for a Hearing

The U.S. Nuclear Regulatory Commission (the Commission) is considering the issuance of an Order under 10 CFR 50.80 approving the indirect transfer of the Facility Operating License No. DPR–28 for the Vermont Yankee Nuclear Power Station currently held by Entergy Nuclear Vermont Yankee, LLC, as owner and Entergy Nuclear Operations, Inc., as the licensed operator of Vermont Yankee Nuclear Power Station.

According to an application for approval filed by Entergy Nuclear Operations, Inc. (ENOI) on behalf of itself and the owners, certain planned corporate restructuring transactions will involve the creation of new intermediary holding companies and/or changes in the intermediary holding companies within the ownership structure for the foregoing licensees. Entergy Nuclear Operations, Inc., will continue to operate the facility and Entergy Nuclear Vermont Yankee, LLC will continue to own the facility. There will be no direct transfer of the license. However, the corporate restructuring transactions will result in an indirect transfer of control of the license.

No physical changes to the Vermont Yankee Nuclear Power Station or operational changes are being proposed in the application.

The Board of Directors of Entergy Corporation has proposed that the wholesale nuclear business segment be organized under a publicly owned holding company, referred to as ''NewCo,'' that will be the indirect parent company of Entergy Nuclear Vermont Yankee, LLC.

ENOI will be owned by a parent company referred to as ENOI Holdings, LLC, which, in turn, will be owned 50 percent by Entergy Corporation and 50 percent by NewCo. Each of these 50 percent interests will be held by wholly owned subsidiaries of Entergy Corporation and NewCo.

ENOI will also be converted from a corporation to a limited liability company and its name will be changed to ENOI LLC. Under Delaware law, ENOI LLC will assume all of the rights and responsibilities of ENOI and it will be the same company (legal entity) both before and after the conversion and name change. ENOI will separately submit a request for license amendments to make the administrative changes as a result of ENOI's name change from ''Entergy Nuclear Operations, Inc.'' to ''ENOI LLC.''

Pursuant to 10 CFR 50.80, no license, or any right thereunder, shall be transferred, directly or indirectly, through transfer of control of the license, unless the Commission shall give its consent in writing. The Commission will approve an application for the indirect transfer of a license, if the Commission determines that the proposed corporate restructuring will not affect the qualifications of the licensee to hold the license, and that the transfer is otherwise consistent with applicable provisions of law, regulations, and Orders issued by the Commission pursuant thereto.

The filing of requests for hearing and petitions for leave to intervene, and written comments with regard to the license transfer application, are discussed below.

Within 20 days from the date of publication of this notice, any person whose interest may be affected by the Commission's action on the application may request a hearing and, if not the

applicant, may petition for leave to intervene in a hearing proceeding on the Commission's action. Requests for a hearing and petitions for leave to intervene should be filed in accordance with the Commission's rules of practice set forth in Subpart C ''Rules of General Applicability: Hearing Requests, Petitions to Intervene, Availability of Documents, Selection of Specific Hearing Procedures, Presiding Officer Powers, and General Hearing Management for NRC Adjudicatory Hearings,'' of 10 CFR part 2 and the NRC E-Filing rule discussed below. In particular, such requests and petitions must comply with the requirements set forth in 10 CFR 2.309. Untimely requests and petitions may be denied, as provided in 10 CFR 2.309(c)(1), unless good cause for failure to file on time is established. In addition, an untimely request or petition should address the factors that the Commission will also consider, in reviewing untimely requests or petitions, set forth in 10 CFR 2.309(c)(1)(i)–(viii).

Those permitted to intervene become parties to the proceeding, subject to any limitations in the Order granting leave to intervene, and have the opportunity to participate fully in the conduct of the hearing. A request for hearing or a petition for leave to intervene must be filed in accordance with the NRC E-Filing rule, which the NRC promulgated in August, 2007, 72 FR 49139 (Aug. 28, 2007). The E-Filing process requires participants to submit and serve documents over the internet or in some cases to mail copies on electronic storage media. Participants may not submit paper copies of their filings unless they seek a waiver in accordance with the procedures described below.

To comply with the procedural requirements of E-Filing, at least five (5) days prior to the filing deadline, the petitioner/requestor must contact the Office of the Secretary by e-mail at *HEARINGDOCKET@NRC.GOV,* or by calling (301) 415–1677, to request (1) a digital ID certificate, which allows the participant (or its counsel or representative) to digitally sign documents and access the E-Submittal server for any proceeding in which it is participating; and/or (2) creation of an electronic docket for the proceeding (even in instances in which the petitioner/requestor (or its counsel or representative) already holds an NRC-issued digital ID certificate). Each petitioner/requestor will need to download the Workplace Forms Viewer™ to access the Electronic Information Exchange (EIE), a component of the E-Filing system. The Workplace Forms Viewer™ is free and is available at *http://www.nrc.gov/site-help/e-submittals/install-viewer.html.* Information about applying for a digital ID certificate is available on NRC's public Web site at *http://www.nrc.gov/site-help/e-submittals/apply-certificates.html.*

Once a petitioner/requestor has obtained a digital ID certificate, had a docket created, and downloaded the EIE viewer, it can then submit a request for hearing or petition for leave to intervene. Submissions should be in Portable Document Format (PDF) in accordance with NRC guidance available on the NRC public Web site at *http://www.nrc.gov/site-help/e-submittals.html.* A filing is considered complete at the time the filer submits its documents through EIE. To be timely, an electronic filing must be submitted to the EIE system no later than 11:59 p.m. Eastern Time on the due date. Upon receipt of a transmission, the E-Filing system time-stamps the document and sends the submitter an e-mail notice confirming receipt of the document. The EIE system also distributes an e-mail notice that provides access to the document to the NRC Office of the General Counsel and any others who have advised the Office of the Secretary that they wish to participate in the proceeding, so that the filer need not serve the documents on those participants separately. Therefore, applicants and other participants (or their counsel or representative) must apply for and receive a digital ID certificate before a hearing request/petition to intervene is filed so that they can obtain access to the document via the E-Filing system.

A person filing electronically may seek assistance through the ''Contact Us'' link located on the NRC Web site at *http://www.nrc.gov/site-help/e-submittals.html* or by calling the NRC technical help line, which is available between 8:30 a.m. and 4:15 p.m., Eastern Time, Monday through Friday. The help line number is (800) 397–4209 or locally, (301) 415–4737.

Participants who believe that they have a good cause for not submitting documents electronically must file a motion, in accordance with 10 CFR 2.302(g), with their initial paper filing requesting authorization to continue to submit documents in paper format. Such filings must be submitted by: (1) First class mail addressed to the Office of the Secretary of the Commission, U.S. Nuclear Regulatory Commission, Washington, DC 20555–0001, *Attention:* Rulemaking and Adjudications Staff; or (2) courier, express mail, or expedited delivery service to the Office of the Secretary, Sixteenth Floor, One White Flint North, 11555 Rockville, Pike, Rockville, Maryland, 20852, *Attention:* Rulemaking and Adjudications Staff. Participants filing a document in this manner are responsible for serving the document on all other participants. Filing is considered complete by first-class mail as of the time of deposit in the mail, or by courier, express mail, or expedited delivery service upon depositing the document with the provider of the service.

Non-timely requests and/or petitions and contentions will not be entertained absent a determination by the Commission, the presiding officer, or the Atomic Safety and Licensing Board that the petition and/or request should be granted and/or the contentions should be admitted based on a balancing of the factors specified in 10 CFR 2.309(c)(1)(i)–(viii). To be timely, filings must be submitted no later than 11:59 p.m. Eastern Time on the due date.

Documents submitted in adjudicatory proceedings will appear in NRC's electronic hearing docket which is available to the public at *http://ehd.nrc.gov/EHD_Proceeding/home.asp,* unless excluded pursuant to an Order of the Commission, an Atomic Safety and Licensing Board, or a Presiding Officer. Participants are requested not to include personal privacy information, such as social security numbers, home addresses, or home phone numbers in their filings. With respect to copyrighted works, except for limited excerpts that serve the purpose of the adjudicatory filings and would constitute a Fair Use application, participants are requested not to include copyrighted materials in their works.

The Commission will issue a notice or Order granting or denying a hearing request or intervention petition, designating the issues for any hearing that will be held and designating the Presiding Officer. A notice granting a hearing will be published in the **Federal Register** and served on the parties to the hearing.

As an alternative to requests for hearing and petitions to intervene, within 30 days from the date of publication of this notice, persons may submit written comments regarding the license transfer application, as provided for in 10 CFR 2.1305. The Commission will consider and, if appropriate, respond to these comments, but such comments will not otherwise constitute part of the decisional record. Comments should be submitted to the Secretary, U.S. Nuclear Regulatory Commission, Washington, DC 20555–0001, *Attention:* Rulemakings and Adjudications Staff, and should cite the publication date and

page number of this **Federal Register** notice.

For further details with respect to this action, see the application dated July 30, 2007, as supplemented by letter dated December 5, 2007, available for public inspection at the Commission's Public Document Room (PDR), located at One White Flint North, Public File Area O1 F21, 11555 Rockville Pike (first floor), Rockville, Maryland. Publicly available records will be accessible electronically from the Agencywide Documents Access and Management System's (ADAMS) Public Electronic Reading Room on the Internet at the NRC Web site, *http://www.nrc.gov/reading-rm/adams.html.* Persons who do not have access to ADAMS or who encounter problems in accessing the documents located in ADAMS should contact the NRC PDR Reference staff by telephone at 1–800–397–4209, or 301–415–4737 or by e-mail to *pdr@nrc.gov.*

Dated at Rockville, Maryland this 3rd day of January 2008.

For The Nuclear Regulatory Commission.

Douglas V. Pickett,

Senior Project Manager, Plant Licensing Branch I–1, Division of Operating Reactor Licensing, Office of Nuclear Reactor Regulation.

[FR Doc. E8–638 Filed 1–15–08; 8:45 am]

BILLING CODE 7590–01–P

NUCLEAR REGULATORY COMMISSION

[Docket Nos. 50–003, 50–247, and 50–286]

Entergy Nuclear Operations, Inc.; Entergy Nuclear Indian Point 2, LLC; Entergy Nuclear Indian Point 3, LLC; Indian Point Nuclear Generating Unit Nos. 1, 2, and 3; Notice of Consideration of Approval of Application Regarding Proposed Corporate Restructuring and Opportunity for a Hearing

The U.S. Nuclear Regulatory Commission (the Commission) is considering the issuance of an Order under 10 CFR 50.80 approving the indirect transfer of the Facility Operating Licenses, which are numbered DPR–5, DPR–26, and DPR–64, for the Indian Point Nuclear Generating Unit Nos. 1, 2, and 3 currently held by Entergy Nuclear Indian Point 2, LLC (for Units 1 and 2) and Entergy Nuclear Indian Point 3, LLC (for Unit 3) as owners and Entergy Nuclear Operations, Inc. as the licensed operator of the Indian Point Nuclear Generating Unit Nos. 1, 2, and 3.

According to an application for approval filed by Entergy Nuclear Operations, Inc. (ENOI) on behalf of itself and the owners, certain planned corporate restructuring transactions will involve the creation of new intermediary holding companies and/or changes in the intermediary holding companies within the ownership structure for the foregoing licensees. ENOI will continue to operate the facilities and Entergy Nuclear Indian Point 2, LLC and Entergy Nuclear Indian Point 3, LLC will continue to own the facilities. There will be no direct transfer of the licenses. However, the corporate restructuring transaction will result in an indirect transfer of control of the licenses.

No physical changes to the Indian Point Nuclear Generating Unit Nos. 1, 2, and 3 or operational changes are being proposed in the application.

The Board of Directors of Entergy Corporation has proposed that the wholesale nuclear business segment be organized under a publicly owned holding company, referred to as ''NewCo,'' that will be the indirect parent company of Entergy Nuclear Indian Point 2, LLC, and Entergy Nuclear Indian Point 3, LLC.

ENOI will be owned by a parent company referred to as ENOI Holdings, LLC, which, in turn, will be owned 50 percent by Entergy Corporation and 50 percent by NewCo. Each of these 50 percent interests will be held by wholly owned subsidiaries of Entergy Corporation and NewCo.

ENOI will also be converted from a corporation to a limited liability company and its name will be changed to ENOI LLC. Under Delaware law, ENOI LLC will assume all of the rights and responsibilities of ENOI and it will be the same company (legal entity) both before and after the conversion and name change. ENOI will separately submit a request for license amendments to make the administrative changes as a result of ENOI's name change from ''Entergy Nuclear Operations, Inc.'' to ''ENOI LLC.''

Pursuant to 10 CFR 50.80, no license, or any right thereunder, shall be transferred, directly or indirectly, through transfer of control of the license, unless the Commission shall give its consent in writing. The Commission will approve an application for the indirect transfer of a license, if the Commission determines that the proposed corporate restructuring will not affect the qualifications of the licensee to hold the license, and that the transfer is otherwise consistent with applicable provisions of law, regulations, and Orders issued by the Commission pursuant thereto.

The filing of requests for hearing and petitions for leave to intervene, and written comments with regard to the license transfer application, are discussed below.

Within 20 days from the date of publication of this notice, any person whose interest may be affected by the Commission's action on the application may request a hearing and, if not the applicant, may petition for leave to intervene in a hearing proceeding on the Commission's action. Requests for a hearing and petitions for leave to intervene should be filed in accordance with the Commission's rules of practice set forth in Subpart C ''Rules of General Applicability: Hearing Requests, Petitions to Intervene, Availability of Documents, Selection of Specific Hearing Procedures, Presiding Officer Powers, and General Hearing Management for NRC Adjudicatory Hearings,'' of 10 CFR part 2 and the NRC E–Filing rule discussed below. In particular, such requests and petitions must comply with the requirements set forth in 10 CFR 2.309. Untimely requests and petitions may be denied, as provided in 10 CFR 2.309(c)(1), unless good cause for failure to file on time is established. In addition, an untimely request or petition should address the factors that the Commission will also consider, in reviewing untimely requests or petitions, set forth in 10 CFR 2.309(c)(1)(I)–(viii). Those permitted to intervene become parties to the proceeding, subject to any limitations in the Order granting leave to intervene, and have the opportunity to participate fully in the conduct of the hearing. A request for hearing or a petition for leave to intervene must be filed in accordance with the NRC E–Filing rule, which the NRC promulgated in August, 2007, 72 FR 49139 (Aug. 28, 2007). The E–Filing process requires participants to submit and serve documents over the internet or in some cases to mail copies on electronic storage media. Participants may not submit paper copies of their filings unless they seek a waiver in accordance with the procedures described below.

To comply with the procedural requirements of E-Filing, at least five (5) days prior to the filing deadline, the petitioner/requestor must contact the Office of the Secretary by e-mail at *HEARINGDOCKET@NRC.GOV,* or by calling (301) 415–1677, to request (1) a digital ID certificate, which allows the participant (or its counsel or representative) to digitally sign documents and access the E-Submittal server for any proceeding in which it is participating; and/or (2) creation of an electronic docket for the proceeding

(even in instances in which the petitioner/requestor (or its counsel or representative) already holds an NRC-issued digital ID certificate). Each petitioner/requestor will need to download the Workplace Forms Viewer™ to access the Electronic Information Exchange (EIE), a component of the E-Filing system. The Workplace Forms Viewer™ is free and is available at *http://www.nrc.gov/site-help/e-submittals/install-viewer.html.* Information about applying for a digital ID certificate is available on NRC's public Web site at *http://www.nrc.gov/site-help/e-submittals/apply-certificates.html.*

Once a petitioner/requestor has obtained a digital ID certificate, had a docket created, and downloaded the EIE viewer, it can then submit a request for hearing or petition for leave to intervene. Submissions should be in Portable Document Format (PDF) in accordance with NRC guidance available on the NRC public Web site at *http://www.nrc.gov/site-help/e-submittals.html.* A filing is considered complete at the time the filer submits its documents through EIE. To be timely, an electronic filing must be submitted to the EIE system no later than 11:59 p.m. Eastern Time on the due date. Upon receipt of a transmission, the E-Filing system time-stamps the document and sends the submitter an e-mail notice confirming receipt of the document. The EIE system also distributes an e-mail notice that provides access to the document to the NRC Office of the General Counsel and any others who have advised the Office of the Secretary that they wish to participate in the proceeding, so that the filer need not serve the documents on those participants separately. Therefore, applicants and other participants (or their counsel or representative) must apply for and receive a digital ID certificate before a hearing request/petition to intervene is filed so that they can obtain access to the document via the E-Filing system.

A person filing electronically may seek assistance through the ''Contact Us'' link located on the NRC Web site at *http://www.nrc.gov/site-help/e-submittals.html* or by calling the NRC technical help line, which is available between 8:30 a.m. and 4:15 p.m., Eastern Time, Monday through Friday. The help line number is (800) 397–4209 or locally, (301) 415–4737.

Participants who believe that they have a good cause for not submitting documents electronically must file a motion, in accordance with 10 CFR 2.302(g), with their initial paper filing requesting authorization to continue to submit documents in paper format. Such filings must be submitted by: (1) First class mail addressed to the Office of the Secretary of the Commission, U.S. Nuclear Regulatory Commission, Washington, DC 20555–0001, Attention: Rulemaking and Adjudications Staff; or (2) courier, express mail, or expedited delivery service to the Office of the Secretary, Sixteenth Floor, One White Flint North, 11555 Rockville Pike, Rockville, Maryland 20852, Attention: Rulemaking and Adjudications Staff. Participants filing a document in this manner are responsible for serving the document on all other participants. Filing is considered complete by first-class mail as of the time of deposit in the mail, or by courier, express mail, or expedited delivery service upon depositing the document with the provider of the service.

Non-timely requests and/or petitions and contentions will not be entertained absent a determination by the Commission, the presiding officer, or the Atomic Safety and Licensing Board that the petition and/or request should be granted and/or the contentions should be admitted based on a balancing of the factors specified in 10 CFR 2.309(c)(1)(i)–(viii). To be timely, filings must be submitted no later than 11:59 p.m. Eastern Time on the due date.

Documents submitted in adjudicatory proceedings will appear in NRC's electronic hearing docket which is available to the public at *http://ehd.nrc.gov/EHD_Proceeding/home.asp*, unless excluded pursuant to an Order of the Commission, an Atomic Safety and Licensing Board, or a Presiding Officer. Participants are requested not to include personal privacy information, such as social security numbers, home addresses, or home phone numbers in their filings. With respect to copyrighted works, except for limited excerpts that serve the purpose of the adjudicatory filings and would constitute a Fair Use application, participants are requested not to include copyrighted materials in their works.

The Commission will issue a notice or Order granting or denying a hearing request or intervention petition, designating the issues for any hearing that will be held and designating the Presiding Officer. A notice granting a hearing will be published in the **Federal Register** and served on the parties to the hearing.

As an alternative to requests for hearing and petitions to intervene, within 30 days from the date of publication of this notice, persons may submit written comments regarding the license transfer application, as provided for in 10 CFR 2.1305. The Commission will consider and, if appropriate, respond to these comments, but such comments will not otherwise constitute part of the decisional record. Comments should be submitted to the Secretary, U.S. Nuclear Regulatory Commission, Washington, DC 20555–0001, Attention: Rulemakings and Adjudications Staff, and should cite the publication date and page number of this **Federal Register** notice.

For further details with respect to this action, see the application dated July 30, 2007, as supplemented by letter dated December 5, 2007, available for public inspection at the Commission's Public Document Room (PDR), located at One White Flint North, Public File Area O1 F21, 11555 Rockville Pike (first floor), Rockville, Maryland. Publicly available records will be accessible electronically from the Agencywide Documents Access and Management System's (ADAMS) Public Electronic Reading Room on the Internet at the NRC Web site, *http://www.nrc.gov/reading-rm/adams.html.* Persons who do not have access to ADAMS or who encounter problems in accessing the documents located in ADAMS should contact the NRC PDR Reference staff by telephone at 1–800–397–4209 or 301–415–4737, or by e-mail to *pdr@nrc.gov.*

Dated at Rockville, Maryland this 3rd day of January 2008.

For the Nuclear Regulatory Commission.

Douglas V. Pickett,

Senior Project Manager, Plant Licensing Branch I–1, Division of Operating Reactor Licensing, Office of Nuclear Reactor Regulation.

[FR Doc. E8–639 Filed 1–15–08; 8:45 am]

BILLING CODE 7590–01–P

NUCLEAR REGULATORY COMMISSION

[Docket Nos. 50–155 and 72–43]

Entergy Nuclear Operations, Inc., Entergy Nuclear Palisades, LLC; Big Rock Point; Notice of Consideration of Approval of Application Regarding Proposed Corporate Restructuring and Opportunity for a Hearing

The U.S. Nuclear Regulatory Commission (the Commission) is considering the issuance of an Order under 10 CFR 50.80 and 72.50 approving the indirect transfer of the Facility Operating License No. DPR–06 for Big Rock Point currently held by Entergy Nuclear Palisades, LLC, as owner and Entergy Nuclear Operations, Inc. as the licensed operator of Big Rock Point.

According to an application for approval filed by Entergy Nuclear Operations, Inc. (ENOI) on behalf of itself and the owners, certain planned corporate restructuring transactions will involve the creation of new intermediary holding companies and/or changes in the intermediary holding companies within the ownership structure for the foregoing licensees. Entergy Nuclear Operations, Inc. will continue to operate the facility and Entergy Nuclear Palisades, LLC will continue to own the facility. There will be no direct transfer of the license. However, the corporate restructuring transactions will result in an indirect transfer of control of the license.

No physical changes to the Big Rock Point facility or operational changes are being proposed in the application.

The Board of Directors of Entergy Corporation has proposed that the wholesale nuclear business segment be organized under a publicly owned holding company, referred to as ''NewCo,'' that will be the indirect parent company of Entergy Nuclear Palisades, LLC.

ENOI will be owned by a parent company referred to as ENOI Holdings, LLC, which, in turn, will be owned 50 percent by Entergy Corporation and 50 percent by NewCo. Each of these 50 percent interests will be held by wholly owned subsidiaries of Entergy Corporation and NewCo.

ENOI will also be converted from a corporation to a limited liability company and its name will be changed to ENOI LLC. Under Delaware law, ENOI LLC will assume all of the rights and responsibilities of ENOI and it will be the same company (legal entity) both before and after the conversion and name change. ENOI will separately submit a request for license amendments to make the administrative changes as a result of ENOI's name change from ''Entergy Nuclear Operations, Inc.'' to ''ENOI LLC.''

Pursuant to 10 CFR 50.80, no license, or any right thereunder, shall be transferred, directly or indirectly, through transfer of control of the license, unless the Commission shall give its consent in writing. The Commission will approve an application for the indirect transfer of a license, if the Commission determines that the proposed corporate restructuring will not affect the qualifications of the licensee to hold the license, and that the transfer is otherwise consistent with applicable provisions of law, regulations, and Orders issued by the Commission pursuant thereto.

The filing of requests for hearing and petitions for leave to intervene, and written comments with regard to the license transfer application, are discussed below.

Within 20 days from the date of publication of this notice, any person whose interest may be affected by the Commission's action on the application may request a hearing and, if not the applicant, may petition for leave to intervene in a hearing proceeding on the Commission's action. Requests for a hearing and petitions for leave to intervene should be filed in accordance with the Commission's rules of practice set forth in Subpart C ''Rules of General Applicability: Hearing Requests, Petitions to Intervene, Availability of Documents, Selection of Specific Hearing Procedures, Presiding Officer Powers, and General Hearing Management for NRC Adjudicatory Hearings,'' of 10 CFR part 2 and the NRC E-filing rule discussed below. In particular, such requests and petitions must comply with the requirements set forth in 10 CFR 2.309. Untimely requests and petitions may be denied, as provided in 10 CFR 2.309(c)(1), unless good cause for failure to file on time is established. In addition, an untimely request or petition should address the factors that the Commission will also consider in reviewing untimely requests or petitions, set forth in 10 CFR 2.309(c)(1)(i)–(viii). Those permitted to intervene become parties to the proceeding, subject to any limitations in the Order granting leave to intervene, and have the opportunity to participate fully in the conduct of the hearing. A request for hearing or a petition for leave to intervene must be filed in accordance with the NRC E-Filing rule, which the NRC promulgated in August, 2007, 72 FR 49139 (Aug. 28, 2007). The E-Filing process requires participants to submit and serve documents over the internet or in some cases to mail copies on electronic storage media. Participants may not submit paper copies of their filings unless they seek a waiver in accordance with the procedures described below.

To comply with the procedural requirements of E-Filing, at least five (5) days prior to the filing deadline, the petitioner/requestor must contact the Office of the Secretary by e-mail at *HEARINGDOCKET@NRC.GOV,* or by calling (301) 415–1677, to request (1) a digital ID certificate, which allows the participant (or its counsel or representative) to digitally sign documents and access the E-Submittal server for any proceeding in which it is participating; and/or (2) creation of an electronic docket for the proceeding (even in instances in which the petitioner/requestor (or its counsel or representative) already holds an NRC-issued digital ID certificate). Each petitioner/requestor will need to download the Workplace Forms Viewer™ to access the Electronic Information Exchange (EIE), a component of the E-Filing system. The Workplace Forms Viewer™ is free and is available at *http://www.nrc.gov/site-help/e-submittals/install-viewer.html.* Information about applying for a digital ID certificate is available on NRC's public Web site at *http://www.nrc.gov/site-help/e-submittals/apply-certificates.html.*

Once a petitioner/requestor has obtained a digital ID certificate, had a docket created, and downloaded the EIE viewer, it can then submit a request for hearing or petition for leave to intervene. Submissions should be in Portable Document Format (PDF) in accordance with NRC guidance available on the NRC public Web site at *http://www.nrc.gov/site-help/e-submittals.html.* A filing is considered complete at the time the filer submits its documents through EIE. To be timely, an electronic filing must be submitted to the EIE system no later than 11:59 p.m. Eastern Time on the due date. Upon receipt of a transmission, the E–Filing system time-stamps the document and sends the submitter an e-mail notice confirming receipt of the document. The EIE system also distributes an e-mail notice that provides access to the document to the NRC Office of the General Counsel and any others who have advised the Office of the Secretary that they wish to participate in the proceeding, so that the filer need not serve the documents on those participants separately. Therefore, applicants and other participants (or their counsel or representative) must apply for and receive a digital ID certificate before a hearing request/petition to intervene is filed so that they can obtain access to the document via the E–Filing system.

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Participants who believe that they have a good cause for not submitting documents electronically must file a motion, in accordance with 10 CFR 2.302(g), with their initial paper filing requesting authorization to continue to

submit documents in paper format. Such filings must be submitted by: (1) First class mail addressed to the Office of the Secretary of the Commission, U.S. Nuclear Regulatory Commission, Washington, DC 20555–0001, Attention: Rulemaking and Adjudications Staff; or (2) courier, express mail, or expedited delivery service to the Office of the Secretary, Sixteenth Floor, One White Flint North, 11555 Rockville Pike, Rockville, Maryland 20852, Attention: Rulemaking and Adjudications Staff. Participants filing a document in this manner are responsible for serving the document on all other participants. Filing is considered complete by first-class mail as of the time of deposit in the mail, or by courier, express mail, or expedited delivery service upon depositing the document with the provider of the service.

Non-timely requests and/or petitions and contentions will not be entertained absent a determination by the Commission, the presiding officer, or the Atomic Safety and Licensing Board that the petition and/or request should be granted and/or the contentions should be admitted based on a balancing of the factors specified in 10 CFR 2.309(c)(1)(i)–(viii). To be timely, filings must be submitted no later than 11:59 p.m. Eastern Time on the due date.

Documents submitted in adjudicatory proceedings will appear in NRC's electronic hearing docket which is available to the public at *http://ehd.nrc.gov/EHD_Proceeding/home.asp*, unless excluded pursuant to an Order of the Commission, an Atomic Safety and Licensing Board, or a Presiding Officer. Participants are requested not to include personal privacy information, such as social security numbers, home addresses, or home phone numbers in their filings. With respect to copyrighted works, except for limited excerpts that serve the purpose of the adjudicatory filings and would constitute a Fair Use application, participants are requested not to include copyrighted materials in their works.

The Commission will issue a notice or Order granting or denying a hearing request or intervention petition, designating the issues for any hearing that will be held and designating the Presiding Officer. A notice granting a hearing will be published in the **Federal Register** and served on the parties to the hearing.

As an alternative to requests for hearing and petitions to intervene, within 30 days from the date of publication of this notice, persons may submit written comments regarding the license transfer application, as provided for in 10 CFR 2.1305. The Commission will consider and, if appropriate, respond to these comments, but such comments will not otherwise constitute part of the decisional record. Comments should be submitted to the Secretary, U.S. Nuclear Regulatory Commission, Washington, DC 20555–0001, Attention: Rulemakings and Adjudications Staff, and should cite the publication date and page number of this **Federal Register** notice.

For further details with respect to this action, see the application dated July 30, 2007, as supplemented by letter dated December 5, 2007, available for public inspection at the Commission's Public Document Room (PDR), located at One White Flint North, Public File Area O1 F21, 11555 Rockville Pike (first floor), Rockville, Maryland. Publicly available records will be accessible electronically from the Agencywide Documents Access and Management System's (ADAMS) Public Electronic Reading Room on the Internet at the NRC Web site, *http://www.nrc.gov/reading-rm/adams.html.* Persons who do not have access to ADAMS or who encounter problems in accessing the documents located in ADAMS should contact the NRC PDR Reference staff by telephone at 1–800–397–4209, or 301–415–4737 or by e-mail to *pdr@nrc.gov.*

Dated at Rockville, Maryland this 3rd day of January 2008.

For the Nuclear Regulatory Commission.

Douglas V. Pickett,

Senior Project Manager, Plant Licensing Branch I–1, Division of Operating Reactor Licensing, Office of Nuclear Reactor Regulation.

[FR Doc. E8–640 Filed 1–15–08; 8:45 am]

BILLING CODE 7590–01–P

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Special 301: Identification of Countries Under Section 182 of the Trade Act of 1974: Request for Public Comment

AGENCY: Office of the United States Trade Representative.

ACTION: Request for Written Submissions From the Public.

SUMMARY: Section 182 of the Trade Act of 1974 (Trade Act) (19 U.S.C. 2242) requires the United States Trade Representative (USTR) to identify countries that deny adequate and effective protection of intellectual property rights or deny fair and equitable market access to U.S. persons who rely on intellectual property protection. (Section 182 is commonly referred to as the ''Special 301'' provisions of the Trade Act.) In addition, the USTR is required to determine which of these countries should be identified as Priority Foreign Countries. Acts, policies, or practices that are the basis of a country's identification as a Priority Foreign Country are normally the subject of an investigation under the section 301 provisions of the Trade Act. Section 182 of the Trade Act contains a special rule for the identification of actions by Canada affecting United States cultural industries.

USTR requests written submissions from the public concerning foreign countries' acts, policies, and practices that are relevant to the decision whether particular trading partners should be identified under section 182 of the Trade Act.

DATES: Submissions from the general public must be received on or before *10 a.m. on Monday, February 11, 2008. Foreign governments who choose to make written submissions may do so on or before 10 a.m. on Friday, February 29, 2008.*

ADDRESSES: All comments should be addressed to Jennifer Choe Groves, Director for Intellectual Property and Innovation and Chair of the Special 301 Committee, Office of the United States Trade Representative, and sent (i) electronically, to *FR0606@ustr.eop.gov* (please note, ''FR0606'' consists of the *numbers* ''zero-six-zero-six'') with ''Special 301 Review'' in the subject line, or (ii) by fax, to (202) 395–9458, with a confirmation copy sent electronically to the e-mail address above.

FOR FURTHER INFORMATION CONTACT: Jennifer Choe Groves, Director for Intellectual Property and Innovation and Chair of the Special 301 Committee, Office of the United States Trade Representative at (202) 395–4510.

SUPPLEMENTARY INFORMATION: Pursuant to section 182 of the Trade Act, USTR must identify those countries that deny adequate and effective protection for intellectual property rights or deny fair and equitable market access to U.S. persons who rely on intellectual property protection. Those countries that have the most onerous or egregious acts, policies, or practices and whose acts, policies, or practices have the greatest adverse impact (actual or potential) on relevant U.S. products are to be identified as Priority Foreign Countries. Acts, policies, or practices that are the basis of a country's designation as a Priority Foreign Country are normally the subject of an investigation under the section 301 provisions of the Trade Act.

USTR may not identify a country as a Priority Foreign Country if it is entering into good faith negotiations, or making significant progress in bilateral or multilateral negotiations, to provide adequate and effective protection of intellectual property rights.

USTR requests that, where relevant, submissions mention particular regions, provinces, states, or other subdivisions of a country in which an act, policy, or practice deserves special attention in this year's report. Such mention may be positive or negative. For example, submissions may address China's IPR protection and enforcement at the provincial level, including, where relevant, with respect to areas that were the focus of the Special Provincial Review of China conducted in 2007 (2007 Special 301 Report, pp. 42–52).

Section 182 contains a special rule regarding actions of Canada affecting United States cultural industries. The USTR must identify any act, policy, or practice of Canada that affects cultural industries, is adopted or expanded after December 17, 1992, and is actionable under Article 2106 of the North American Free Trade Agreement (NAFTA). Any act, policy, or practice so identified shall be treated the same as an act, policy, or practice which was the basis for a country's identification as a Priority Foreign Country under section 182(a)(2) of the Trade Act, unless the United States has already taken action pursuant to Article 2106 of the NAFTA.

USTR must make the above-referenced identifications within 30 days after publication of the National Trade Estimate (NTE) report, i.e., approximately April 30, 2008.

Requirements for comments: Comments should include a description of the problems experienced and the effect of the acts, policies, and practices on U.S. industry. Comments should be as detailed as possible and should provide all necessary information for assessing the effect of the acts, policies, and practices. Any comments that include quantitative loss claims should be accompanied by the methodology used in calculating such estimated losses.

Comments must be in English. No submissions will be accepted via postal service mail. Documents should be submitted as either WordPerfect, MS Word, .pdf, or text (.TXT) files. Supporting documentation submitted as spreadsheets are acceptable as Quattro Pro or Excel files. A submitter requesting that information contained in a comment be treated as confidential business information must certify that such information is business confidential and would not customarily be released to the public by the submitter. A non-confidential version of the comment must also be provided. For any document containing business confidential information, the file name of the business confidential version should begin with the characters ''BC-'', and the file name of the public version should begin with the character ''P-''. The ''P-'' or ''BC-'' should be followed by the name of the submitter. Submissions should not include separate cover letters; information that might appear in a cover letter should be included in the submission itself. To the extent possible, any attachments to the submission should be included in the same file as the submission itself, and not as separate files.

All comments should be addressed to Jennifer Choe Groves, Director for Intellectual Property and Innovation and Chair of the Special 301 Committee, Office of the United States Trade Representative, and sent (i) electronically, to *FR0606@ustr.eop.gov* (please note, ''FR0606'' consists of the *numbers* ''zero-six-zero-six'') with ''Special 301 Review'' in the subject line, or (ii) by fax, to (202) 395–9458, with a confirmation copy sent electronically to the e-mail address above.

Public inspection of submissions: (1) Within one business day of receipt, non-confidential submissions will be placed in a public file open for inspection and copying at the USTR reading room, Office of the United States Trade Representative, Annex Building, 1724 F Street, NW., Room 1, Washington, DC. An appointment to review the file must be scheduled at least 48 hours in advance and may be made by calling Jacqueline Caldwell at (202) 395–6186. The USTR reading room is open to the public from 10 a.m. to noon and from 1 p.m. to 4 p.m., Monday through Friday; or (2) non-confidential submissions received in electronic form may be made available on USTR's Web site at *http://www.ustr.gov.* Non-confidential written submissions by the general public and foreign governments will be made available for copying, distribution, or other dissemination to the public.

Stanford McCoy,

Acting Assistant USTR for Intellectual Property and Innovation.

[FR Doc. E8–678 Filed 1–15–08; 8:45 am]

BILLING CODE 3190–W8–P

SECURITIES AND EXCHANGE COMMISSION

Submission for OMB Review; Comment Request

Upon written request, copies available from: Securities and Exchange Commission, Office of Investor Education and Advocacy, Washington, DC 20549–0213.

New Collection: Individual Investor Plain English Survey Project; SEC File No. 270–570. OMB Control No. 3235–XXXX.

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*) the Securities and Exchange Commission (''SEC'' or ''Commission'') has submitted to the Office of Management and Budget (''OMB'') a request for a new collection of information discussed below.

The SEC's Office of Investor Education and Advocacy seeks to commence a collection of information. The title of this collection is the Individual Investor Plain English Survey Project. This project will conduct focus groups and telephone surveys of individual investors in SEC registered securities. The project will seek to gauge the level of individual investor satisfaction with current and potential future SEC-mandated disclosures, to learn whether investors believe such disclosures are written in plain English and are reader-friendly, and to ask individual investors how such disclosures might be improved. The Commission will use this information in order to gain a comprehensive understanding of a range of views. The SEC intends to hire a professional survey firm to conduct the focus groups and telephone surveys. The total annual reporting and recordkeeping burden of this collection of information is estimated to be less than 1,000 burden hours.

There are no recordkeeping requirements brought about by this project. Participation in any interview will be wholly voluntary. Information collected during the study will not be kept confidential, except that the identity of a study participant, and information that would identify a participant to anyone outside the study, will not be disclosed without the participant's consent, except as provided by law.

An agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a currently valid control number.

Please direct general comments regarding the above information to the following persons: (i) Desk Officer for

the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, Room 10102, New Executive Office Building, Washington, DC 20503 or e-mail to: *Alexander_T._Hunt@omb.eop.gov*; and (ii) R. Corey Booth, Director/Chief Information Officer, Securities and Exchange Commission, C/O Shirley Martinson, 6432 General Green Way, Alexandria, Virginia 22312; or send an e-mail to: *PRA_Mailbox@sec.gov*. Comments must be submitted to OMB within 30 days of this notice.

Dated: January 11, 2008.

Florence E. Harmon,

Deputy Secretary.

[FR Doc. E8–652 Filed 1–15–08; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–57121; File No. SR–Amex–2007–89]

Self-Regulatory Organizations; American Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Sections 132(e), 211, and 1003(d) of the Company Guide To Clarify That the Exchange May Delist or Deny Initial Listing to an Issuer for Misrepresenting, or Omitting To Provide, Material Information to the Exchange or for Failing To Provide Requested Information Within a Reasonable Period of Time

January 10, 2008.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on December 18, 2007, the American Stock Exchange LLC (''Amex'' or ''Exchange'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I and II below, which Items have been substantially prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend sections 132(e), 211 and 1003(d) of the Amex Company Guide in order to clarify that the Amex may delist or deny initial listing to an issuer for misrepresenting material information or omitting to provide material information to the Amex or for failing to provide the Amex with requested information within a reasonable period of time. The text of the proposed rule change is available on the Amex's Web site at *http://www.amex.com*, the Office of the Secretary, the Amex, and at the Commission's Public Reference Room.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The self-regulatory organization has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change

1. Purpose

The purpose of the proposed rule change is to amend sections 132(e), 211 and 1003(d) (collectively, the ''sections'') of the Company Guide. The Exchange is proposing to amend the Sections in order to clarify that the Amex may delist or deny initial listing to an issuer if it fails to provide information[3] within a reasonable period of time or if any communication (including communications made in connection with an initial listing application) to the Exchange contains a material misrepresentation or omits material information necessary to make the communication to the Exchange not misleading.

Sections 132(e) and 211 of the Company Guide currently require listed companies to furnish to the Exchange such information concerning the company as the Exchange may reasonably request. Section 1003(f)(iii) of the Company Guide provides the Exchange with authority to prohibit initial or continued listing of a security if the issuer or its management engages in operations which, in the opinion of the Exchange, are contrary to the public interest. However, the Company Guide does not explicitly state that the Amex may delist or deny initial listing to a company that (1) makes a material misrepresentation to the Amex or omits material information, in a communication that would be necessary to make the communication to the Amex not misleading or (2) fails to provide the Amex with requested information within a reasonable period of time.

The Exchange submits that the proposed amendments will provide greater certainty and transparency in connection with the sections of the Company Guide. Further, the proposed rule change will provide greater uniformity among markets because it is identical to Rule 4330 of the Nasdaq Stock Market LLC (''Nasdaq''). Although the Amex believes that the existing listing standards allow for delisting or denial of listing in these situations, the Exchange proposes to modify the existing listing standards in order to codify its current existing practice.

2. Statutory Basis

The proposed rule change is consistent with section 6(b) of the Act[4] in general and furthers the objectives of section 6(b)(5) of the Act,[5] in particular in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to and perfect the mechanisms of a free and open market, and, in general, to protect investors and the public interest.

B. Self-Regulatory Organization's Statement on Burden on Competition

The proposed rule change will impose no burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants or Others

No written comments were solicited or received by the Exchange on this proposal.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to section 19(b)(3)(A)

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] The proposed rule change will specify that the Exchange may request any additional information or documentation, public or non-public, deemed necessary to make a determination regarding a security's initial listing eligibility or continued listing, including but not limited to, any material provided to or received from the Commission or other appropriate regulatory authority.

[4] 15 U.S.C. 78f(b).

[5] 15 U.S.C. 78f(b)(5).

of the Act[6] and Rule 19b–4(f)(6)[7] thereunder because the proposal does not: (i) Significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) by its terms, become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest.

A proposed rule change filed under Rule 19b–4(f)(6) normally may not become operative prior to 30 days after the date of filing. However, Rule 19b–4(f)(6)(iii)[8] permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has requested that the Commission waive the 30-day operative delay period. The Commission believes that waiver of the 30-day operative delay period is consistent with the protection of investors and the public interest. Specifically, the Commission believes that the proposal would clarify to issuers the Exchange's existing interpretation of the Sections and codify the interpretation in the Exchange's rules. Further, the Commission notes that the proposed rule change is identical to Nasdaq Rule 4330.[9]

At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate such proposed rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.[10]

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's Internet comment form (*http://www.sec.gov/rules/sro.shtml*); or
- Send an e-mail to *rule-comments@sec.gov.* Please include File Number SR–Amex–2007–89 on the subject line.

Paper Comments

- Send paper comments in triplicate to Nancy M. Morris, Secretary, Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549–1090.

All submissions should refer to File Number SR–Amex–2007–89. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (*http://www.sec.gov/rules/sro.shtml*). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room, 100 F Street, NE., Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of such filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR–Amex–2007–89 and should be submitted on or before February 6, 2008.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[11]

Florence E. Harmon,

Deputy Secretary.

[FR Doc. E8–627 Filed 1–15–08; 8:45 am]

BILLING CODE 8011–01–P

[6] 15 U.S.C. 78s(b)(3)(A).

[7] 17 CFR 240.19b–4(f)(6).

[8] 17 CFR 240.19b–4(f)(6)(iii).

[9] For purposes only of waiving the operative delay for this proposal, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. *See* 15 U.S.C. 78c(f).

[10] 15 U.S.C. 78s(b)(3)(C).

[11] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

Release No. 34–57114; File No. SR-BSE–2008–01]

Self-Regulatory Organizations; Boston Stock Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to BOX's Licensing Fees

January 8, 2008.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'')[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on January 2, 2008, the Boston Stock Exchange, Inc. (''BSE'' or ''Exchange'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I and II below, which Items have been substantially prepared by the Exchange. The Exchange has designated this proposal as one establishing or changing a due, fee, or other charge applicable only to a member, pursuant to section 19(b)(3)(A)(ii) of the Act[3] and Rule 19b–4(f)(2) thereunder,[4] which renders the proposal effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The BSE is proposing to amend the Fee Schedule of the Boston Options Exchange (''BOX''). The proposed amendment will increase the fees for transactions in options on certain indices effected by a broker-dealer through its proprietary accounts.

The text of the proposed rule change is available at the Exchange, on the Exchange's Web site at *http://www.bostonstock.com/Regulatory/effective.aspx,* and at the Commission's Public Reference Room.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of, and basis for the proposed rule change, and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] 15 U.S.C. 78s(b)(3)(A)(ii).

[4] 17 CFR 240.19b–4(f)(2).

Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

On November 13, 2006, the Exchange entered into a licensing agreement (''Agreement'') with The NASDAQ Stock Market, Inc. (''Nasdaq'') to use various indices and trademarks in connection with the listing and trading of index options on the full value Nasdaq-100® Index (''NDX'')[5] and the reduced value Nasdaq-100® Index (Mini-NDX® Index (MNX)).[6] The Agreement established a license fee, payable by BOX to Nasdaq, of $0.15 per NDX and MNX contracts traded on BOX. On November 14, 2006, the Exchange established a $0.15 surcharge fee for transactions in options on NDX and MNX.[7] As with certain other licensed options, the Exchange adopted a surcharge fee for trading in these options to defray the licensing costs. The Exchange believes that charging the BOX Options Participants that trade these instruments is the most equitable means of recovering the costs of the license.

The Agreement between the Exchange and Nasdaq was set to expire on December 31, 2007. The Exchange has recently entered into an extension of the Agreement for the listing and trading of NDX and MNX options. The extension imposes a one cent ($0.01) increase in the per contract license fees charged to BOX by Nasdaq. The proposed rule change would increase the current surcharge fee for transactions in NDX and MNX options by one cent (($0.01), to 16 cents ($0.16). This increase will correspondingly offset the costs incurred by BOX.

2. Statutory Basis

The Exchange believes that the proposal is consistent with the requirements of section 6(b) of the Act,[8] in general, and section 6(b)(4) of the Act,[9] in particular, which requires that an exchange provide for the equitable allocation of reasonable dues, fees, and other charges among its members and issuers and other persons using its facilities.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

The Exchange has neither solicited nor received comments on the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing rule change is establishing or changing a due, fee, or other charge applicable only to a member, it has become effective pursuant to section 19(b)(3)(A)(ii) of the Act[10] and Rule 19b–4(f)(2) thereunder.[11] At any time within 60 days of the filing of such proposed rule change the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's Internet comment form (*http://www.sec.gov/rules/sro.shtml*); or
- Send an e-mail to *rule-comments@sec.gov.* Please include File Number SR–BSE–2008–01 on the subject line.

Paper Comments

- Send paper comments in triplicate to Nancy M. Morris, Secretary, Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549–1090.

All submissions should refer to File Number SR–BSE–2008–01. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (*http://www.sec.gov/rules/sro.shtml*). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room, 100 F Street, NE., Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of such filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR–BSE–2008–01 and should be submitted on or before February 6, 2008.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[12]

Florence E. Harmon,

Deputy Secretary.

[FR Doc. E8–628 Filed 1–15–08; 8:45 am]

BILLING CODE 8011–01–P

[5] Nasdaq®, Nasdaq-100® and Nasdaq-100 Index® are registered trademarks of The Nasdaq Stock Market, Inc. (which with its affiliates are the ''Corporations'') and are licensed for use by the Boston Options Exchange Group in connection with the trading of options products based on the Nasdaq-100 Index®. The product(s) have not been passed on by the Corporations as to their legality or suitability. The product(s) are not issued, endorsed, sold, or promoted by the Corporations. The Corporations make no warranties and bear no liability with respect to the product(s). The Corporations do not guarantee the accuracy and/or uninterrupted calculation of the Nasdaq-100 Index® or any data included therein. The Corporations make no warranty, express or implied, as to results to be obtained by licensee, owners of the product(s), or any other person or entity from the use of the Nasdaq-100 Index® or any data included therein. The Corporations make no express or implied warranties, and expressly disclaim all warranties of merchantability or fitness for a particular purpose or use with respect to the Nasdaq-100 Index or any data included therein. Without limiting any of the foregoing, in no event shall the Corporations have any liability for any lost profits or special, incidental, punitive, indirect or consequential damages, even if notified of the possibility of such damages.

[6] *See id.*

[7] On December 20, 2006, BSE filed Amendment No. 1 to that proposed rule change. *See* Securities Exchange Act Release No. 55000 (December 21, 2006), 71 FR 78479 (December 29, 2006) (SR–BSE–2006–47).

[8] 15 U.S.C. 78f(b).

[9] 15 U.S.C. 78f(b)(4).

[10] 15 U.S.C. 78s(b)(3)(A)(ii).

[11] 17 CFR 240.19b–4(f)(2).

[12] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–57129; File No. SR–ISE–2008–01]

Self-Regulatory Organizations; International Securities Exchange, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Fee Changes

January 10, 2008.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on January 2, 2008, the International Securities Exchange, LLC (''Exchange'' or ''ISE'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I, II, and III below, which Items have been substantially prepared by the ISE. The ISE has designated this proposal as one establishing or changing a due, fee, or other charge imposed by the ISE under Section 19(b)(3)(A)(ii) of the Act,[3] and Rule 19b–4(f)(2) thereunder,[4] which renders the proposal effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The ISE is proposing to amend its Schedule of Fees to adopt a fee cap for certain orders executed in the Exchange's Facilitation Mechanism. The text of the proposed rule change is available on the Exchange's Web site (*www.ise.com*), at the principal office of the Exchange, and at the Commission's Public Reference Room.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the ISE included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The ISE has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The purpose of this proposed rule change is to adopt a fee cap for orders executed in the Exchange's Facilitation Mechanism. Specifically, ISE proposes to adopt a fee discount for certain orders of 7,500 contracts or more that are executed in the Exchange's Facilitation Mechanism. Under this proposal, for orders that are executed in the Exchange's Facilitation Mechanism, ISE will waive (1) the execution and comparison fee on incremental volume above 7,500 contracts for Firm Proprietary orders, Non-ISE Market Maker orders, and Customer orders in Premium Products, and (2) the execution fee on incremental volume above 7,500 contracts for Customer orders in Second Market options.[5] The number of contracts at or under the threshold will be charged as per the Exchange's Schedule of Fees. The Exchange currently does not have any size-based discounts for single orders while other Exchanges do. For example, the Chicago Board Options Exchange (''CBOE'') has a large trade discount program under which it caps transaction fees after the first 7,500 contracts for orders in options on the S&P 500 Index, the first 5,000 contracts for orders in other index options, and the first 3,000 contracts for orders in ETF and HOLDRs options.[6] Further, the American Stock Exchange (''Amex'') also has a large trade discount program under which it caps transaction, comparison and floor brokerage fees after the first 2,000 contracts for orders in index, ETF and TIR options.[7] ISE believes that adopting a fee cap for large-sized orders executed in its Facilitation Mechanism will help strengthen its competitive position and encourage members to use the Exchange's Facilitation Mechanism.

The Exchange proposes to adopt the proposed fee discount on a pilot basis, until June 30, 2008. Further, the proposed cap would apply only to non-discounted volume, that is, it will not apply to orders previously discounted by other pricing incentives that currently appear on the Exchange's Schedule of Fees.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the objectives of Section 6 of the Act,[8] in general, and furthers the objectives of Section 6(b)(4),[9] in particular, in that it is designed to provide for the equitable allocation of reasonable dues, fees and other charges among its members and other persons using its facilities. In particular, the proposed fee caps will result in lower fees for certain large size orders executed in ISE's Facilitation Mechanism.

B. Self-Regulatory Organization's Statement on Burden on Competition

The proposed rule change does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

The Exchange has not solicited, and does not intend to solicit, comments on this proposed rule change. The Exchange has not received any unsolicited written comments from members or other interested parties.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing rule change establishes or changes a due, fee, or other charge imposed by the Exchange, it has become effective pursuant to Section 19(b)(3) of the Act[10] and Rule 19b–4(f)(2)[11] thereunder. At any time within 60 days of the filing of such proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] 15 U.S.C. 78s(b)(3)(A)(ii).

[4] 17 CFR 240.19b–4(f)(2).

[5] The Exchange clarified that there is no comparison fee for orders in Second Market options. Telephone conversation between Samir M. Patel, Assistant General Counsel, International Securities Exchange, LLC and Richard Holley III, Senior Special Counsel, Division of Trading and Markets, Commission (January 10, 2008).

[6] *See* CBOE Options Fee Schedule, Section 18.

[7] *See* Amex Options Fee Schedule, Section (9).

[8] 15 U.S.C. 78f(b).

[9] 15 U.S.C. 78f(b)(4).

[10] 15 U.S.C. 78s(b)(3)(A).

[11] 17 CFR 19b–4(f)(2).

Electronic Comments

- Use the Commission's Internet comment form *http://www.sec.gov/rules/sro.shtml)*; or
- Send an e-mail to rule-*comments@sec.gov.* Please include File No. SR–ISE–2008–01 on the subject line.

Paper Comments

- Send paper comments in triplicate to Nancy M. Morris, Secretary, Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549–1090.

All submissions should refer to File Number SR–ISE–2008–01. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (*http://www.sec.gov/rules/sro.shtml*). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room, 100 F Street, NE., Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of such filing also will be available for inspection and copying at the principal office of the ISE. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR–ISE–2008–01 and should be submitted on or before February 6, 2008.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[12]

Florence E. Harmon,

Deputy Secretary.

[FR Doc. E8–645 Filed 1–15–08; 8:45 am]

BILLING CODE 8011–01–P

[12] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–57115; File No. SR–ISE–2007–103]

Self-Regulatory Organizations; International Securities Exchange, LLC; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change, as Modified by Amendment No. 1 Thereto, To Permit Trading Pursuant to Unlisted Trading Privileges of Shares of Eight Funds of the ProShares Trust

January 8, 2008.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'')[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on October 26, 2007, the International Securities Exchange, LLC (''Exchange'' or ''ISE'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I and II below, which Items have been substantially prepared by the Exchange. On January 4, 20007, the Exchange filed Amendment No. 1 to the proposed rule change. This order provides notice of the proposed rule change, as amended, and approves the proposal on an accelerated basis.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to trade, pursuant to unlisted trading privileges (''UTP''), shares (''Shares'') of the following eight funds of the ProShares Trust (''Trust''): (1) Short MSCI Emerging Markets ProShares; (2) Short MSCI Japan ProShares; (3) Short MSCI EAFE ProShares; (4) Short FTSE/Xinhua China 25 ProShares; (5) UltraShort MSCI Emerging Markets ProShares; (6) UltraShort MSCI Japan ProShares; (7) UltraShort MSCI EAFE ProShares; and (8) UltraShort FTSE/Xinhua China 25 ProShares (collectively, ''Funds'').

The text of the proposed rule change is available at the Exchange's principal office, on the Exchange's Web site *(http://www.ise.com)*, and at the Commission's Public Reference Room.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, ISE included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item III below. The Exchange has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to trade the Shares pursuant to UTP. The Commission has approved a proposal by the American Stock Exchange LLC (''Amex'') to list and trade the funds.[3] The Exchange is submitting this filing because its current generic listing standards for exchange-traded funds (''ETFs'') do not extend to ETFs where the investment objective corresponds to a specified multiple of the performance, or the inverse performance, of an index that underlies a Fund (each such index is referred to below as an ''Underlying Index''), rather than merely mirroring the performance of the index. Currently, the Shares trade on the Amex and NYSE Arca.[4]

Short Funds. Certain Funds seek daily investment results, before fees and expenses, that correspond to the inverse or opposite of the daily performance (−100%) of the Underlying Indexes (''Short Funds''). If such a Fund is successful in meeting its objective, the net asset value (''NAV'')[5] of the corresponding Shares should increase approximately as much (on a percentage basis) as the Underlying Index loses when the prices of the securities in the Underlying Index decline on a given day or, alternatively, should decrease approximately as much as the Underlying Index gains when prices in the Underlying Index rise on a given day. The Short Funds are: (1) Short MSCI Emerging Markets ProShares; (2) Short MSCI Japan ProShares; (3) Short MSCI EAFE ProShares; and (4) Short FTSE/Xinhua China 25 ProShares.

UltraShort Funds

Certain Funds seek daily investment results, before fees and expenses, that correspond to twice the inverse

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] *See* Securities Exchange Act Release No. 56223 (August 8, 2007), 72 FR 45837 (August 15, 2007) (SR–Amex–2007–60).

[4] *See* Securities Exchange Act Release No. 56601 (October 2, 2007), 72 FR 51625 (October 10, 2007) (SR–NYSEArca–2007–79).

[5] NAV per Share of each Fund is computed by dividing the value of the net assets of such Fund (*i.e.*, the value of its total assets less total liabilities) by its total number of Shares outstanding. Expenses and fees are accrued daily and taken into account for purposes of determining NAV.

(−200%) of the daily performance of the Underlying Indexes (''UltraShort Funds''). If such a Fund is successful in meeting its objective, the NAV of the corresponding Shares should increase approximately twice as much (on a percentage basis) as the respective Underlying Index loses when the prices of the securities in the Underlying Index decline on a given day, or should decrease approximately twice as much as the respective Underlying Index gains when such prices rise on a given day. The UltraShort Funds are: (5) UltraShort MSCI Emerging Markets ProShares; (6) UltraShort MSCI Japan ProShares; (7) UltraShort MSCI EAFE ProShares; and (8) UltraShort FTSE/Xinhua China 25 ProShares.

Access to the current portfolio composition of each Fund is currently available through the Trust's Web site *(http://www.proshares.com).* [6]The Underlying Indexes are identified in the filing authorizing Amex to list and trade the Funds (''Original Filing'').[7] The Original Filing states that Amex would disseminate for each Fund on a daily basis by means of Consolidated Tape Association (''CTA'') and CQ High Speed Lines information with respect to an Indicative Intra-Day Value (''IIV''), quotations for and last-sale information concerning the Shares, the recent NAV, the number of Shares outstanding, and the estimated cash amount and total cash amount per Creation Unit. Amex will make available on its Web site the daily trading volume, closing price, NAV, and final dividend amounts, if any, to be paid for each Fund. The NAV of each Fund is calculated and determined each business day at the close of regular trading, typically 4 p.m. Eastern Time (''ET''). The NAV would be calculated and disseminated at the same time to all market participants.[8]

The Original Filing states that the daily closing index value and the percentage change in the daily closing index value for each Underlying Index would be publicly available on various Web sites such as *http://www.bloomberg.com.* The Original Filing further states that data regarding each Underlying Index is also available from the respective index provider to subscribers. According to the Original Filing, several independent data vendors package and disseminate index data in various value-added formats.

The Original Filing states that the value of each Underlying Index is updated intra-day on a real-time basis as its individual component securities change in price, and the intra-day value of each Underlying Index is disseminated at least every 15 seconds throughout Amex's trading day by Amex or another organization authorized by the relevant Underlying Index provider. The IIV is updated to reflect changes in currency exchange rates and is published via the facilities of the CTA on a 15-second delayed basis during ISE's trading hours.

To provide updated information relating to each Fund for use by investors, professionals, and persons wishing to create or redeem Shares, Amex disseminates through the facilities of the CTA and CQ High Speed Lines information: (1) Continuously throughout Amex's trading day, the market value of a Share; and (2) at least every 15 seconds throughout Amex's trading day, the IIV as calculated by Amex.

Shares would trade on ISE from 9:30 a.m. ET until 4:15 p.m. ET. ISE will halt trading in the Shares of a Fund under the conditions specified in ISE Rules 702, 703, and 2123. The conditions for a halt include a regulatory halt by the listing market. UTP trading in the Shares will also be governed by provisions of ISE Rule 2123 relating to temporary interruptions in the calculation or wide dissemination of the IIV or the value of the Underlying Index. Additionally, ISE may cease trading the Shares if other unusual conditions or circumstances exist which, in the opinion of ISE, makes further dealings on ISE detrimental to the maintenance of a fair and orderly market. ISE will also follow any procedures with respect to trading halts as set forth in ISE rules.

Prior to the commencement of trading, the Exchange will inform Equity Electronic Access Members (''Equity EAM'') in a Regulatory Information Circular (''RIC'') of the special characteristics and risks associated with trading the Shares. Specifically, the RIC will discuss the following: (1) The procedures for purchases and redemptions of Shares in Creation Unit Aggregations (and that Shares are not individually redeemable); (2) ISE Rule 2123(l), which imposes a duty of due diligence on Equity EAMs to learn the essential facts relating to every customer prior to trading the Shares; (3) how information regarding the IIV is disseminated; (4) the requirement that Equity EAMs deliver a written description to investors purchasing Shares prior to or concurrently with a transaction; and (5) trading information. In addition, the RIC will reference that the Fund is subject to various fees and expenses described in the Registration Statement. The RIC will also discuss any exemptive, no-action, and/or interpretive relief granted by the Commission from the Act and rules under the Act. The RIC will also disclose that the NAV for the Shares will be calculated after 4 p.m. ET each trading day.

The Exchange intends to utilize its existing surveillance procedures applicable to equities to monitor trading in the Shares. The Exchange represents that these procedures are adequate to properly monitor Exchange trading of the Shares in all trading sessions and to deter and detect violations of Exchange rules. The Exchange's current trading surveillance focuses on detecting securities trading outside their normal patterns. When such situations are detected, surveillance analysis follows and investigations are opened, where appropriate, to review the behavior of all relevant parties for all relevant trading violations. Additionally, the Exchange may obtain information via the Intermarket Surveillance Group (''ISG'') from other exchanges that are members or affiliates of the ISG.[9] The Exchange also has a general policy prohibiting the distribution of material, non-public information by employees.

2. Statutory Basis

The statutory basis under the Act for this proposed rule change is found in Section 6(b)(5),[10] in that the proposed rule change is designed to promote just and equitable principles of trade, remove impediments to and perfect the mechanisms of a free and open market and a national market system, and, in general, to protect investors and the public interest.

[6]The Trust's Web site is publicly accessible at no charge and contains the following information for each Fund's Shares: (1) *The* prior business day's closing NAV, the reported closing price, and a calculation of the premium or discount of such price in relation to the closing NAV; (2) data for a period covering at least the current and three immediately preceding calendar quarters (or the life of a Fund, if shorter) indicating how frequently each Fund's Shares traded at a premium or discount to NAV based on the daily closing price and the closing NAV, and the magnitude of such premiums and discounts; (3) its prospectus and product description; and (4) other quantitative information such as daily trading volume. The prospectus and/or product description for each Fund informs investors that the Trust's Web site has information about the premiums and discounts at which the Fund's Shares have traded.

[7] *See* supra note 3.

[8] The Original Filing states that if the IIV is not disseminated as required, Amex would halt trading in the Shares of the Funds. If Amex halts trading for this reason, then ISE would halt trading in the Shares immediately, as set forth in ISE Rule 2123(e).

[9] For a list of the current members and affiliate members of ISG, *see http://www.isgportal.com.*

[10] 15 U.S.C. 78f(b)(5).

B. Self-Regulatory Organization's Statement on Burden on Competition

The proposed rule change does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants or Others

The Exchange has not solicited, and does not intend to solicit, comments on this proposed rule change. The Exchange has not received any unsolicited written comments from members or other interested parties.

III. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's Internet comment form (*http://www.sec.gov/rules/sro.shtml*); or
- Send an e-mail to *rule-comments@sec.gov*. Please include File Number SR–ISE–2007–103 on the subject line.

Paper Comments

- Send paper comments in triplicate to Nancy M. Morris, Secretary, Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549–1090.

All submissions should refer to File Number SR–ISE–2007–103. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (*http://www.sec.gov/rules/sro.shtml*). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room, 100 F Street, NE., Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of such filing also will be available for inspection and copying at the principal office of ISE. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR–ISE–2007–103 and should be submitted on or before February 6, 2008.

IV. Commission's Findings and Order Granting Accelerated Approval of the Proposed Rule Change

After careful review, the Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange.[11] In particular, the Commission finds that the proposed rule change is consistent with Section 6(b)(5) of the Act,[12] which requires that an exchange have rules designed, among other things, to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and in general to protect investors and the public interest. The Commission believes that this proposal should benefit investors by increasing competition among markets that trade the Shares.

In addition, the Commission finds that the proposal is consistent with Section 12(f) of the Act,[13] which permits an exchange to trade, pursuant to UTP, a security that is listed and registered on another exchange.[14] The Commission notes that it previously approved the listing and trading of the Shares on Amex.[15] The Commission also finds that the proposal is consistent with Rule 12f–5 under the Act,[16] which provides that an exchange shall not extend UTP to a security unless the exchange has in effect a rule or rules providing for transactions in the class or type of security to which the exchange extends UTP. The Exchange has represented that it meets this requirement because it deems the Shares to be equity securities, thus rendering trading in the Shares subject to the Exchange's existing rules governing the trading of equity securities.

Further, the Commission believes that the proposal is consistent with Section 11A(a)(1)(C)(iii) of the Act,[17] which sets forth Congress' finding that it is in the public interest and appropriate for the protection of investors and the maintenance of fair and orderly markets to assure the availability to brokers, dealers, and investors of information with respect to quotations for and transactions in securities. Quotations for and last-sale information regarding the Shares are disseminated continuously throughout ISE's trading day through the facilities of the CTA. Furthermore, the IIV, updated to reflect changes in currency exchange rates, is calculated by Amex and published via the facilities of the CTA and the Consolidated Quotation System on a 15-second delayed basis throughout ISE's trading hours. As mentioned above, Amex's Web site provides information relating to the value of the Shares such as the prior business day's closing NAV, the reported closing price, and the daily trading volume. The Commission also believes that the Exchange's trading halt rules are reasonably designed to prevent trading in the Shares when transparency is impaired. If the listing market halts trading when the IIV is not being calculated or disseminated, the Exchange would halt trading in the Shares pursuant to ISE Rule 2123(e). The Exchange has represented that it would follow the procedures with respect to trading halts set forth in ISE Rules 702, 703, and 2123.

The Commission notes that, if the Shares should be delisted by the listing exchange, the Exchange would no longer have authority to trade the Shares pursuant to this order.

In support of this proposal, the Exchange has made the following representations:

1. The Exchange believes that its surveillance procedures are adequate to properly monitor Exchange trading of the Shares in all trading sessions and to deter and detect violations of Exchange rules.

2. Prior to the commencement of trading, the Exchange would inform EAMs in a RIC of the special characteristics and risks associated with trading the Shares.

[11] In approving this rule change, the Commission notes that it has considered the proposal's impact on efficiency, competition, and capital formation. *See* 15 U.S.C. 78c(f).

[12] 15 U.S.C. 78f(b)(5).

[13] 15 U.S.C. 78*l*(f).

[14] Section 12(a) of the Act, 15 U.S.C. 78*l*(a), generally prohibits a broker-dealer from trading a security on a national securities exchange unless the security is registered on that exchange pursuant to Section 12 of the Act. Section 12(f) of the Act excludes from this restriction trading in any security to which an exchange ''extends UTP.'' When an exchange extends UTP to a security, it allows its members to trade the security as if it were listed and registered on the exchange even though it is not so listed and registered.

[15] *See supra* note 3.

[16] 17 CFR 240.12f–5.

[17] 15 U.S.C. 78k–1(a)(1)(C)(iii).

3. ISE would require its members to deliver a prospectus or product description to investors purchasing the Shares prior to or concurrently with a transaction in the Shares.

This approval order is based on these representations.

The Commission finds good cause for approving this proposal before the 30th day after the publication of notice thereof in the **Federal Register**. As noted previously, the Commission previously found that the listing and trading of the Shares on Amex is consistent with the Act. Additionally, the Commission has approved the trading of the Shares pursuant to UTP on another national securities exchange.[18] The Commission presently is not aware of any regulatory issue that should cause it to revisit those findings or would preclude the trading of the Shares on the Exchange pursuant to UTP. Therefore, accelerating approval of this proposal should benefit investors by creating, without undue delay, additional competition in the market for the Shares.

V. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,[19] that the proposed rule change (SR–ISE–2007–103), as modified by Amendment No. 1 thereto, be, and it hereby is, approved on an accelerated basis.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[20]

Florence E. Harmon,

Deputy Secretary.

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[18] *See* Securities Exchange Act Release No. 56601 (October 2, 2007), 72 FR 51625 (October 10, 2007) (SR–NYSEArca–2007–79).

[19] *Id.*

[20] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–57127; File No. SR–ISE–2007–112]

Self-Regulatory Organizations; International Securities Exchange, LLC; Notice of Filing of a Proposed Rule Change, as Modified by Amendment No. 1 Thereto, Relating to Obvious Errors

January 10, 2008.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on November 29, 2007, the International Securities Exchange, LLC (''ISE'' or ''Exchange'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I, II, and III below, which Items have been substantially prepared by the Exchange. On January 4, 2008, the ISE submitted Amendment No. 1 to the proposed rule change. The Commission is publishing this notice to solicit comments on the proposed rule change, as amended, from interested persons.

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend its Obvious Error rule to address ''Catastrophic Errors.'' The text of the proposed rule change is available at the Exchange, the Commission's Public Reference Room, and *http://www.ise.com.*

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange states that the purpose of the proposed rule change is to amend ISE Rule 720 (the ''Obvious Error Rule'') to address certain extreme circumstances. In particular, the Exchange proposes to add criteria for identifying ''Catastrophic Errors'' and making adjustments when Catastrophic Errors occur, as well as a streamlined procedure for reviewing actions taken in these extreme circumstances.

The Exchange notes that, currently under the Obvious Error Rule, trades that result from an Obvious Error may be adjusted or busted according to objective standards. Under the rule, whether an Obvious Error has occurred is determined by comparing the execution price to the theoretical price of the option. The rule requires that members notify ISE Market Control within a short time period following the execution of a trade (five minutes for market makers and 20 minutes for Electronic Access Members (''EAMs'')) if they believe the trade qualifies as an Obvious Error. Trades that qualify for adjustment are adjusted under the rule to a price that matches the theoretical price plus or minus an adjustment value, which is $.15 if the theoretical value is under $3 and $.30 if the theoretical value is at or above $3. By adjusting trades above or below the theoretical price, the rule assesses a ''penalty'' in that the adjustment price is not as favorable as what the party making the error would have received had it not made the error.

In formulating the Obvious Error Rule, the Exchange has weighed carefully the need to assure that one market participant is not permitted to receive a wind-fall at the expense of another market participant that made an Obvious Error, against the need to assure that market participants are not simply being given an opportunity to reconsider poor trading decisions. The Exchange states that, while it believes that the Obvious Error Rule strikes the correct balance in most situations, in some extreme situations, members may not be aware of errors that result in very large losses within the time periods required under the rule. In this type of extreme situation, ISE believes members should be given more time to seek relief so that there is a greater opportunity to mitigate very large losses and reduce the corresponding large wind-falls. However, to maintain the appropriate balance, the Exchange believes members should only be given more time when the execution price is much further away from the theoretical price than is required for Obvious Errors, and that the adjustment ''penalty'' should be much greater, so that relief is only provided in extreme circumstances.[3]

Accordingly, the Exchange proposes to amend the Obvious Error Rule to address ''Catastrophic Errors.'' Under the proposed rule, Members will have until 8:30 a.m. Eastern Time on the day following the trade to notify Market Control of a potential Catastrophic Error. For trades that take place in an expiring series on expiration Friday, Members must notify Market Control of a potential Catastrophic Error by 5 p.m. Eastern Time that same day. Once a

[3] The Exchange does not believe the type of extreme situation that is covered by the proposed rule would occur in the normal course of trading. Rather, this type of situation could potentially occur as a result of, for example, an error in a member's quotation system that causes a market maker to severely misprice an option.

member has notified Market Control of a Catastrophic Error within the required time period, a tribunal comprised of two representatives from market makers and two representatives from EAMs that are unrelated to the transaction in question (the ''Tribunal'') will review the Catastrophic Error claim. In the event the Tribunal determines that a Catastrophic Error did not occur, the member that initiated the review will be charged $5,000 to reimburse the Exchange for the costs associated with reviewing the claim.

A Catastrophic Error would be deemed to have occurred when the execution price of a transaction is higher or lower than the theoretical price for the option by an amount equal to at least the amount shown in the second column of the chart below (the ''Minimum Amount''), and the adjustment would be made plus or minus the amount shown in column three of the chart below (the ''Adjustment Value''). At all price levels, the Minimum Amount and the Adjustment Value for Catastrophic Errors would be significantly higher than for Obvious Errors, which the Exchange believes, would limit the application of the proposed rule to situations where the losses are very large.

Theoretical price	Minimum amount	Adjustment value
Below $2	$1	$1
$2 to $5	$2	$2
Above $5 to $10	$5	$3
Above $10 to $50	$10	$5
Above $50 to $100	$20	$7
Above $100	$30	$10

The following example demonstrates how the proposed Catastrophic Error provisions would operate within the Obvious Error framework. Assume a member notifies ISE Market Control within 2 minutes of a trade where 100 contracts of an option with a theoretical price of $9 were purchased for $17, resulting in an $80,000 error.[4] The trade would qualify as an Obvious Error because the purchase price is more than $.50 above the theoretical price and the member notified ISE Market Control within the required time period. Market Control would review the trade and either bust it or adjust it to a purchase price of $9.30,[5] which reduces the cost of the error to $3,000.[6] If, however, the member failed to identify the same error and notify Market Control until four hours after the trade, it could not be reviewed under the current Obvious Error Rule. Under the proposal, this trade would qualify as a Catastrophic Error because the purchase price is more than $5 above the theoretical price. Under the proposal, the Tribunal would review the trade and adjust the purchase price to $12, which reduces the cost of the error to $30,000.[7]

The Exchange believes that the proposed longer time period is appropriate to allow members to discover, and seek relief from, trading errors that result in extreme losses. At the same time, the Exchange believes that the proposed Minimum Amounts required for a trade to qualify as a Catastrophic Error, in combination with the large Adjustment Values, assures that only those transactions where the price of the execution results in very high losses will be eligible for adjustment under the new provisions. While the Exchange believes it is important to identify and resolve trading errors quickly, it also believes it is important to the integrity of the marketplace to have the authority to mitigate extreme losses resulting from errors. In this respect, the Exchange believes that the above example illustrates how market participants would continue to be encouraged to identify errors quickly, as losses will be significantly lower if the erroneous trades are busted or adjusted under the Obvious Error provisions of the rule.

In consideration of the extreme nature of situations that will be addressed under the proposed Catastrophic Error provisions, the Exchange proposes a streamlined procedure for making determinations and adjustments. Under the current rule for Obvious Errors, ISE Market Control makes determinations that can then be appealed to a panel of member representatives. For Catastrophic Errors, the Exchange proposes to have a one-step process where the Tribunal makes determinations and adjustments. Additionally, given the burden that reviews under the Catastrophic Error provisions of the rule will have on exchange staff and member representatives, the Exchange proposes to include a $5000 fee in the event that the Tribunal determines that a Catastrophic Error did not occur. The Exchange believes that this is reasonable to encourage Members to requests reviews only in appropriate situations, particularly given the objective criteria used to determine whether a Catastrophic Error occurred and the considerable amount of time members are given under the proposal to assess whether a trade falls within that criteria.

The Exchange also amended Supplementary Material .02, .03, and .04 to ISE Rule 720 to reflect the proposed creation of the Tribunal.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with Section 6(b) of the Act,[8] in general, and furthers the objectives of Section 6(b)(5) of the Act,[9] in particular, in that it is designed to prevent fraudulent and manipulative acts, remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. In particular, the proposal will allow members a longer opportunity to seek relief from errors that result in large losses.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants or Others

No written comments were solicited or received by the Exchange with respect to the proposed rule change.

[4] One hundred contracts equal 10,000 shares, and the purchase price is $8 per share above the theoretical price. Therefore, the purchaser paid $80,000 over the theoretical value.

[5] ISE Rule 720(c)(2).

[6] 10,000 shares at $.30 per share over the theoretical value.

[7] 10,000 shares at $3.00 per share over the theoretical value.

[8] 15 U.S.C. 78f(b).

[9] 15 U.S.C. 78f(b)(5).

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within 35 days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding, or (ii) as to which the Exchange consents, the Commission will:

A. By order approve the proposed rule change or

B. Institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's Internet comment form (*http://www.sec.gov/rules/sro.shtml*); or
- Send an e-mail to *rule-comments@sec.gov*. Please include File Number SR–ISE–2007–112 on the subject line.

Paper Comments

- Send paper comments in triplicate to Nancy M. Morris, Secretary, Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549–1090.

All submissions should refer to File Number SR–ISE–2007–112. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (*http://www.sec.gov/rules/sro.shtml*). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public Accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room, 100 F Street, NE., Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of such filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR–ISE–2007–112 and should be submitted on or before February 6, 2008.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[10]

Florence E. Harmon,

Deputy Secretary.

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[10] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–57128; File No. SR–ISE–2008–02]

Self-Regulatory Organizations; International Securities Exchange, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Fee Changes

January 10, 2008.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on January 2, 2008, the International Securities Exchange, LLC (''Exchange'' or ''ISE'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I, II, and III below, which Items have been substantially prepared by the ISE. The ISE has designated this proposal as one establishing or changing a due, fee, or other charge imposed by the ISE under section 19(b)(3)(A)(ii) of the Act,[3] and Rule 19b–4(f)(2) thereunder,[4] which renders the proposal effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The ISE is proposing to amend its Schedule of Fees to increase the surcharge fee for transactions in options on the Nasdaq–100® Stock Index. The text of the proposed rule change is available on the Exchange's Web site (*www.ise.com*), at the principal office of the Exchange, and at the Commission's Public Reference Room.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the ISE included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The ISE has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange is proposing to amend its Schedule of Fees to increase the surcharge fee for transactions in options on the Nasdaq–100 Stock Index, both full value (''NDX'') and 1/10 value (''MNX'').[5] The Exchange currently charges an execution fee and a comparison fee for all transactions in options on NDX and MNX.[6] Specifically, the amount of the execution fee and comparison fee for transactions in options on NDX and MNX is $0.15 and $0.03 per contract, respectively, for all Public Customer Orders[7] and Firm Proprietary orders. The current amount of the execution fee and comparison fee for all ISE Market Maker transactions in options on NDX and MNX is equal to the execution fee and comparison fee currently charged by the Exchange for ISE Market Maker

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] 15 U.S.C. 78s(b)(3)(A)(ii).

[4] 17 CFR 240.19b–4(f)(2).

[5] *See* Securities Exchange Act Release No. 51121 (February 1, 2005), 70 FR 6476 (February 7, 2005), (SR–ISE–2005–01) (Order approving the trading of options on full and reduced values of the Nasdaq–100 Stock Index).

[6] *See* Securities Exchange Act Release No. 51397 (March 18, 2005), 70 FR 15372 (March 25, 2005), (SR–ISE–2005–13) (Notice of Filing and Immediate Effectiveness of proposed fee changes related to NDX and MNX options). These fees are charged only to Exchange members. Under a pilot program that is set to expire on July 31, 2008, these fees will also be charged to Linkage Orders (as defined in ISE Rule 1900). *See* Securities Exchange Act Release No. 56128 (July 24, 2007), 72 FR 42161 (August 1, 2007) (SR–ISE–2007–55).

[7] Public Customer Order is defined in Exchange Rule 100(a)(39) as an order for the account of a Public Customer. Public Customer is defined in Exchange Rule 100(a)(38) as a person that is not a broker or dealer in securities.

transactions in equity options.[8] Finally, the current amount of the execution fee and comparison fee for all non-ISE Market Maker transactions is $0.37 and $0.03 per contract, respectively.[9]

Pursuant to a license agreement between the Exchange and the Nasdaq Stock Market, Inc., (''Nasdaq''), the Exchange currently charges a surcharge fee of $0.15 per contract for trading in options on NDX and MNX. The Exchange recently renewed its license agreement with Nasdaq pursuant to which the Exchange is now being charged a higher license fee. Accordingly, to defray the increased licensing costs, the Exchange proposes to increase the surcharge fee by $0.01 per contract to $0.16 per contract for trading in options on NDX and MNX. The Exchange believes charging the participants that trade these instruments is the most equitable means of recovering the costs of the license. However, because of competitive pressures in the industry, the Exchange proposes to continue excluding Public Customer Orders [10] from this surcharge fee.

Accordingly, this surcharge fee will only be charged to Exchange members with respect to non-Public Customer Orders (*i.e.*, Market Maker, Non-ISE Market Maker and Firm Proprietary orders).

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the objectives of section 6 of the Act,[11] in general, and furthers the objectives of section 6(b)(4),[12] in particular, in that it is designed to provide for the equitable allocation of reasonable dues, fees and other charges among its members and other persons using its facilities.

B. Self-Regulatory Organization's Statement on Burden on Competition

The proposed rule change does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

The Exchange has not solicited, and does not intend to solicit, comments on this proposed rule change. The Exchange has not received any unsolicited written comments from members or other interested parties.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing rule change establishes or changes a due, fee, or other charge imposed by the Exchange, it has become effective pursuant to Section 19(b)(3)(A) of the Act [13] and Rule 19b–4(f)(2) [14] thereunder. At any time within 60 days of the filing of such proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's Internet comment form *http://www.sec.gov/rules/sro.shtml*); or
- Send an e-mail to *rule-comments@sec.gov.* Please include File No. SR–ISE–2008–02 on the subject line.

Paper Comments

- Send paper comments in triplicate to Nancy M. Morris, Secretary, Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549–1090.

All submissions should refer to File Number SR–ISE–2008–02. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (*http://www.sec.gov/rules/sro.shtml*). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room, 100 F Street, NE., Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of such filing also will be available for inspection and copying at the principal office of the ISE. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR–ISE–2008–02 and should be submitted on or before February 6, 2008.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[15]

Florence E. Harmon,

Deputy Secretary.

[FR Doc. E8–648 Filed 1–15–08; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–57118; File No. SR–OCC–2007–19]

Self-Regulatory Organizations; The Options Clearing Corporation; Notice of Filing and Order Granting Accelerated Approval of a Proposed Rule Change Relating to Cross-Margining With ICE Clear U.S., Inc.

January 9, 2008.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] notice is hereby given that on December 12, 2007, The Options Clearing Corporation (''OCC'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I and II below, which items have been prepared primarily by OCC. The Commission is publishing this notice and order to solicit comments on the proposed rule change from interested persons and to grant accelerated approval of the proposal.

[8] The execution fee is currently between $0.21 and $0.12 per contract side, depending on the Exchange Average Daily Volume, and the comparison fee is currently $0.03 per contract side.

[9] The amount of the execution and comparison fee for non-ISE Market Maker transactions executed in the Exchange's Facilitation and Solicitation Mechanisms is $0.16 and $0.03 per contract, respectively.

[10] Public Customer Order is defined in Exchange Rule 100(a)(39) as an order for the account of a Public Customer. Public Customer is defined in Exchange Rule 100(a)(38) as a person that is not a broker or dealer in securities.

[11] 15 U.S.C. 78f.

[12] 15 U.S.C. 78f(b)(4).

[13] 15 U.S.C. 78s(b)(3)(A).

[14] 17 CFR 19b–4(f)(2).

[15] 17 CFR 200.30–3(a)(12).

[1] 15 U.S.C. 78s(b)(1).

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The proposed rule change would facilitate the establishment of a program with ICE Clear U.S., Inc. (''ICE Clear'') for the cross-margining of certain securities options contracts cleared by OCC in its capacity as a clearing agency registered with the Commission with certain futures and options on such futures cleared by ICE Clear in its capacity as a derivatives clearing organization registered with the Commodities Futures Trading Commission (''CFTC'').

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, OCC included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. OCC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.[2]

(A) Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

The principal purpose of the proposed rule change is to facilitate the establishment of a program with ICE Clear for the cross-margining of certain securities options contracts cleared by OCC in its capacity as an Commission-registered clearing agency with certain futures and options on such futures cleared by ICE Clear in its capacity as a CFTC-registered derivatives clearing organization.

To establish the program, OCC and ICE Clear have entered into a Cross-Margining Agreement (''XM Agreement''), a copy of which is set forth as Exhibit 5A to SR–OCC–2007–19. The XM Agreement is based on and is substantially similar to the XM Agreement between OCC and the Chicago Mercantile Exchange Inc. (''CME'') as it relates to bilateral cross-margining.[3] The following highlights the principal differences between the OCC–ICE Clear XM Agreement and the OCC–CME XM Agreement for bilateral cross-margining.

Section 1 of the XM Agreement contains definitional provisions. Certain definitions have been amended, and others have been deleted as unnecessary. The definition of ''Business Day'' (section 1(b)) has been revised to delete the specific reference to Good Friday as a Business Day leaving it up to OCC and ICE Clear to mutually agree on days that may be deemed to be Business Days for purposes of the Agreement. The definition of ''Eligible Contract'' (section 1(k)) has been revised to permit the removal of a Contract as an Eligible Contract within 30 days of the written request of the Clearing Organization, which is defined as either OCC or ICE Clear, that clears such contract. The 30 day period may be extended if necessary to provide appropriate protection for the market place, existing open positions, and the holders thereof. The definition of ''Market Professional'' (section 1(p)) has been revised to reflect that a market professional includes any member of ICE Futures US, Inc. to the extent such member is trading Eligible Contracts for his or its own account. The terms ''Pair of Non-Proprietary X–M Accounts'' and ''Pair of Proprietary X–M Accounts'' have replaced the terms ''Sets of Non-Proprietary X–M Accounts'' and ''Sets of Non-Proprietary X–M Accounts'' (sections 1(r) and (v)) in order to reflect the bilateral nature of the OCC–ICE Clear XM program. This change has been made throughout the XM Agreement, as applicable. The terms ''Carrying Clearing Organization'' ''X–M Pledge Account'' have been deleted throughout the XM Agreement as unnecessary given the deletion of section 3 as described below.

Section 2 of the OCC–ICE Clear XM Agreement governs establishment of X–M Accounts and contains no substantive changes from the OCC–CME XM Agreement other than referencing pairs of cross-margined accounts instead of sets of cross-margined accounts.

Section 3 of the OCC/CME XM Agreement concerns the establishment of X–M Pledge Accounts. The terms of section 3, however, have been deleted from the OCC–ICE Clear XM Agreement. No X–M Pledge Accounts have been established in cross-margining programs operated by OCC and other commodity clearing organizations, and OCC and ICE Clear do not expect such accounts to be established in connection with their cross-margining program.

No changes have been made to section 4 of the OCC–ICE Clear XM Agreement.

Section 5 relates to the calculation of margin. OCC and ICE Clear have agreed not to apply Super Margins to pairs of cross-margined accounts established under the OCC–ICE Clear XM Agreement. Accordingly, provisions of the OCC–CME XM Agreement relating to Super Margins, including Exhibit B to that agreement, the Super Margins Schedule, have been eliminated. References to Base Margin have been eliminated as it is no longer necessary to identify Base Margin and Super Margin as being the components of the total Margin Requirement. Other provisions, including the fact that OCC will calculate the Margin Requirement with respect to each pair of cross-margined accounts, have been reordered and clarified. Nevertheless, ICE Clear will have the right to elect to calculate margin requirements with prior notice to OCC. Finally, the requirement that oral agreements be made on a recorded telephone line has been deleted as OCC understands that ICE Clear does not utilize such lines.

Section 6 relates to the forms and method of holding initial margin. As revised, section 6 permits the Clearing Organizations to agree to value collateral as provided under the rules of one Clearing Organization, but if no such agreement is reached, collateral would be valued at the lowest value given under the rules of both Clearing Organizations. This change accommodates OCC's and ICE Clear's current agreement to use OCC's valuations for deposits of Government securities, which valuations are substantially similar to but not exactly the same as those specified by ICE Clear.[4] Further, OCC and ICE Clear have agreed that the Clearing Organizations shall be joint beneficiaries. To the extent that a letter of credit permits draws by only one of the beneficiaries, one Clearing Organization may make such draws by providing notice to but without obtaining consent of the other beneficiary. However, as in other cross-margining programs, the proceeds of any demand for payment under a letter of credit must be deposited by the issuer of the letter of credit directly into the applicable joint bank account of the Clearing Organizations. Section 6 also has been modified to refer explicitly to the standard practice of equal sharing of

[2] The Commission has modified parts of these statements.

[3] Securities Exchange Act No. 38584 (May 8, 1997), 62 FR 26602 (May 14, 1997) (File No. SR–OCC–97–04). From 1997 to 2004, ICE Clear U.S. participated in a trilateral cross-margining program with OCC and CME under its prior names, ''Commodity Clearing Corporation'' and ''New York Clearing Corporation.'' The agreement governing the trilateral cross-margining program also sets forth the terms and conditions governing the current bilateral cross-margining program between OCC and CME.

[4] OCC implemented a comparable change in its cross-margining program with The Clearing Corporation. Securities Exchange Act Release No. 34–51291 (March 2, 2005), 70 FR 11295 (March 8, 2005) (File No. SR–OCC–2005–01).

interest income earned from overnight investments by the Clearing Organizations. In addition, investments of customer segregated funds may be made only in ''permitted investments'' as defined in CFTC Regulation 1.25.

Section 7 describes daily settlement procedures, which are subject to joint coordination and authorization of the Clearing Organizations. For initial morning settlements, the initiating Clearing Organization will send settlement instructions to the other Clearing Organization by 6 a.m. (for clearing member debits) and by 9 a.m. (for clearing member credits). If approved, the non-initiating Clearing Organization will then send such instruction to the applicable XM clearing bank by the designated time frames. Final settlement for clearing member debits is to occur at or before 8 a.m. (ICE Clear's standard settlement time) and for clearing member credits at or before 10 a.m. (OCC's standard settlement time for such credits). Section 7 further has been modified to update the times at which certain files (*e.g.*, prices, positions, and settlement amounts) are to be transmitted and collateral transactions may be effected by clearing members to reflect current processing cycles. In addition, section 7 has been amended to clarify that instructions to transfer funds to or from the bank accounts of a cross-margining clearing members or to or from the joint settlement accounts of the clearing organizations are subject to the provisions of section 7(a). Other changes to section 7 include additional references to the term ''Business Day'' and provisions clarifying that requests to the Designated Clearing Organization (''DCO'') to generate settlement instructions are to be made during normal business hours except as the DCO may otherwise agree. Finally, section 7 has been amended to eliminate the requirement that oral agreements to alter the time frames specified in section 7 be made over a recorded telephone line. Rather, such agreements will be confirmed by e-mail and in a subsequent written document.

Section 8 concerns the suspension and liquidation of a cross-margining clearing member. Section 8 has been modified to generally provide that the Clearing Organizations will use good faith efforts to transfer or liquidate contracts to minimize risk rather than to more specifically require best efforts to close out legs of hedged positions simultaneously. This change is principally intended to provide a small measure of additional flexibility and is not reflective of any substantive difference in the level of coordination expected to occur between OCC and ICE Clear with respect to the liquidation of cross-margining accounts. Section 8 also has been modified to provide that the Clearing Organizations will issue a demand for immediate payment under any letter of credit deposited as margin unless they agree not to take such action. Provisions that permitted the Clearing Organizations to defer drawing on a letter of credit on receipt of satisfactory written assurances from the issuing bank extending its irrevocable commitment under the letter have been deleted in favor of the formulation described in the preceding sentence. Provisions relating to X–M Pledge Accounts have been deleted for the reasons described above.

No substantive changes have been made to sections 9 through 12.

Section 13 concerns termination of the OCC–ICE Clear XM agreement. Section 13 has been modified to provide that on termination of the OCC–ICE Clear XM agreement any common stock deposited as margin would be transferred from the applicable joint custody account to the custody account of either of the Clearing Organizations at the direction of the depositing clearing member. This change has been made for clarity.

No change has been made to Section 14.

Section 15 concerns information sharing between the Clearing Organizations. No substantive change has been made to section 15 other than to reflect that ICE Clear will notify OCC if ICE Futures has applied any special surveillance procedures to any Clearing Member participating in OCC–ICE Clear cross-margining program. For the reason previously identified, section 15 has been further amended to eliminate the requirement that a recorded line be used for purposes of providing notices issued pursuant to section 15.

Section 16 contains general provisions relating to the OCC–ICE Clear XM Agreement. A new paragraph (m) has been added to section 16, which sets forth the acknowledgment of each Clearing Organization that it does not have any intellectual property rights with respect to Eligible Contracts, including with respect to contract prices, settlement prices, open interest, trading volume, or any other data related to the Eligible Contracts cleared by the other Clearing Organization. However, paragraph (m) permits the use of such data by a Clearing Organization as necessary to carry out its functions under the OCC–ICE Clear XM Agreement. Remedies for any alleged violation of the paragraph are limited to equitable relief. Furthermore, the terms of paragraph (m) make it clear that the paragraph is in no way intended to limit or adversely affect the security interest of either Clearing Organization in Eligible Contracts or margin collateral.

Section 17, which provides for arbitration of disputes, has been amended to provide an additional office where an arbitration proceeding may be held.

Any other differences between the OCC–ICE Clear XM Agreement and the OCC–CME XM Agreement not specifically described above are not material in nature.

Exhibit A to the OCC–ICE Clear XM Agreement contains the list of Eligible Contracts initially to be included in the OCC–ICE Clear cross-margining program. Previously when approving cross-margining programs, the Commission required OCC to provide notice to the Commission when proposing to add new options classes to a cross-margining program. OCC now requests that the Commission terminate this notice requirement for all OCC cross-margining programs. OCC believes that such notification should no longer be required because of its substantial experience in safely operating various cross-margining programs since 1988 and because the addition of new options classes to cross-margining programs will be expedited by eliminating the notice requirement. Except for changes to the list of Eligible Contracts, OCC would continue to submit other modifications to the various XM agreements pursuant to the section 19(b) rule filing process.

In addition to the OCC–ICE Clear XM Agreement, attached as Exhibit 5A, the following are attached as exhibits to SR–OCC–2007–19:

Exhibit	Name
Exhibit 5B ...	Proprietary Cross-Margin Account Agreement and Security Agreement (Joint Clearing Member).
Exhibit 5C ...	Proprietary Cross-Margin Account Agreement and Security Agreement (Affiliated Clearing Members).
Exhibit 5D ...	Non-Proprietary Cross-Margin Account Agreement and Security Agreement (Joint Clearing Member).
Exhibit 5E ...	Non-Proprietary Cross-Margin Account Agreement and Security Agreement (Affiliated Clearing Members).
Exhibit 5F ...	Market Professional's Agreement for Cross-Margining (Joint Clearing Member).
Exhibit 5G ...	Market Professional's Agreement for Cross-Margining (Affiliated Clearing Members).

These agreements are also based on the comparable agreements used in OCC–CME cross-margining program with slight modifications as appropriate. Those modifications include: (i) Identifying the cross-margining program as being a bilateral program between OCC and ICE Clear; (ii) making other non-substantive, technical changes (*e.g.*, eliminating the term ''Carrying Clearing Organization,'' which was a concept needed only in the trilateral program); (iii) reflecting the revised definition of ''Market Professional'' as used in the OCC–ICE Clear XM Agreement; and (iv) eliminating the requirement that clearing members and market professionals furnish the Clearing Organizations with financing statements relating to positions, collateral, and property maintained with respect to accounts subject to the OCC–ICE Clear cross-margining program. The adoption by all fifty states of revisions to Articles 8 and 9 of the Uniform Commercial Code (''UCC'') has eliminated the need to obtain financing statements that were required to perfect security interests in futures and options under earlier versions of those Articles.

The Commission has previously found that cross-margining programs are consistent with clearing agency responsibilities under section 17A of the Act.[5] In so finding, the Commission noted that cross-margining enhances clearing member liquidity and systemic liquidity both in times of normal trading and in times of market stress.[6] Accordingly, the proposed rule change is consistent with section 17A of the Act in that it implements another cross-margining program which will facilitate the removal of impediments to and help perfect the mechanism of a national system for the prompt and accurate clearance and settlement of securities transactions.

The proposed rule change is not inconsistent with the existing rules of OCC, including any other rules proposed to be amended.

(B) Self-Regulatory Organization's Statement on Burden on Competition

OCC does not believe that the proposed rule change would impose any burden on competition.

(C) Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

Written comments were not and are not intended to be solicited with respect to the proposed rule change, and none have been received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Section 17A(b)(3)(F) of the Act requires that the rules of a clearing agency be designed to assure the safeguarding of securities and funds which are in the custody and control of the clearing agency or for which it is responsible.[7] The proposed rule change to establish a cross margining program between OCC and ICE Clear is substantially similar to other cross-margining programs to which OCC is a party that have been previously approved by the Commission. The Commission views cross-margining programs as a significant risk reduction method because they provide a means whereby individual clearing organizations do not have to independently manage the risk associated with some components (*i.e.*, the futures or options component) of a clearing member's total portfolio. Accordingly, the Commission finds that the proposed rule change is designed to assure the safeguarding of securities and funds which are in OCC's custody or control or for which it is responsible.

OCC also requested that the Commission eliminate its requirement that OCC provide the Commission notice when proposing to add new options classes to a cross-margining program. Given OCC's long experience with operating cross-margining programs as well as its demonstrated ability to evaluate and manage any risks associated with adding new options classes, we find that the requirement to provide the Commission notice of the addition of new options classes is no longer either necessary or required.

OCC has requested that the Commission find good cause for approving the proposed rule change prior to the thirtieth day after publication of the notice of filing. The Commission finds good cause for approving the proposed rule change prior to the thirtieth day after publication of the notice of the filing because the proposed OCC–ICE Clear cross-margining program is based on and is substantially similar to the existing OCC–CME cross-margining program, which was previously approved by the Commission and because such approval will allow OCC to implement the OCC–ICE Clear cross-margining program in early January pursuant to its implementation schedule.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's Internet comment form (*http://www.sec.gov/rules/sro.shtml*) or
- Send an e-mail to *rule-comments@sec.gov.* Please include File Number SR–OCC–2007–19 on the subject line.

Paper Comments

- Send paper comments in triplicate to Nancy M. Morris, Secretary, Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549–1090.

All submissions should refer to File Number SR–OCC–2007–19. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (*http://www.sec.gov/rules/sro.shtml*). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room, 100 F Street, NE., Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of such filing also will be available for inspection and copying at the principal office of OCC. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR–OCC–2007–19 and should be submitted on or before February 6, 2008.

V. Conclusion

On the basis of the foregoing, the Commission finds that the proposed rule change is consistent with the

[5] *See, e.g.*, Securities Exchange Act Release No. 38584.

[6] *Id.*

[7] 15 U.S.C. 78q–1(b)(3)(F).

requirements of the Act and in particular section 17A of the Act and the rules and regulations thereunder.[8]

It is therefore ordered, pursuant to section 19(b)(2) of the Act, that the proposed rule change (File No. SR–OCC–2007–19) be and hereby is approved.

For the Commission by the Division of Trading and Markets, pursuant to delegated authority.[9]

Florence E. Harmon,

Deputy Secretary.

[FR Doc. E8–630 Filed 1–15–08; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–57116; File No. SR–Phlx–2007–95]

Self-Regulatory Organizations; Philadelphia Stock Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Securities With Restricted Trading Sessions on XLE

January 9, 2008.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'') [1] and Rule 19b–4 thereunder,[2] notice is hereby given that on December 31, 2007, the Philadelphia Stock Exchange, Inc. (''Phlx'' or ''Exchange'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I and II below, which Items have been substantially prepared by Phlx. The Exchange filed the proposal as a ''non-controversial'' proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act [3] and Rule 19b–4(f)(6) thereunder,[4] which renders it effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

Phlx proposes to update the list in Phlx Rule 101 of securities eligible to trade in one or more, but not all three, of the Exchange's trading sessions. The securities to be added are: (1) iShares® S&P Global 100 Index Fund; (2) iShares® S&P Global Consumer Discretionary Sector Index Fund; (3) iShares® S&P Global Consumer Staples Sector Index Fund; (4) iShares® S&P Global Energy Sector Index Fund; (5) iShares® S&P Global Financials Sector Index Fund; (6) iShares® S&P Global Healthcare Sector Index Fund; (7) iShares® S&P Global Industrials Sector Index Fund; (8) iShares® S&P Global Materials Sector Index Fund; (9) iShares® S&P Global Technology Sector Index Fund; (10) iShares® S&P Global Telecommunications Sector Index Fund; (11) iShares® S&P Global Utilities Sector Index Fund; (12) WisdomTree International Basic Materials Sector Fund; (13) WisdomTree International Communications Sector Fund; (14) WisdomTree International Consumer Cyclical Sector Fund; (15) WisdomTree International Consumer Non-Cyclical Sector Fund; (16) WisdomTree International Energy Sector Fund; (17) WisdomTree International Financial Sector Fund; (18) WisdomTree International Health Care Sector Fund; (19) WisdomTree International Industrial Sector Fund; (20) WisdomTree International Technology Sector Fund; and (21) WisdomTree International Utilities Sector Fund.[5] The text of the proposed rule change is available at Phlx's principal office, the Commission's Public Reference Room, and *http://www.phlx.com.*

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, Phlx included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of those statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in Sections A, B, and C below, of the most significant parts of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change

1. Purpose

The purpose of the proposed rule change is to accommodate the trading of the securities listed above that may not trade during all three trading sessions on XLE. Phlx Rule 101 provides that XLE shall have three trading sessions each day: A Pre Market Session (8 a.m. Eastern Time (''ET'') to 9:30 a.m. ET), a Core Session (9:30 a.m. ET to 4 p.m. or 4:15 p.m. ET), and a Post Market Session (end of Core Session to 6 p.m. ET). Phlx Rule 101 includes a list of those securities that are eligible to trade in one or more, but not all three, of XLE's trading sessions. The Exchange maintains on its Web site (*www.phlx.com*) a list that identifies all securities traded on XLE that do not trade for the duration of each of the three sessions specified in Phlx Rule 101. The Exchange proposes to add the above-listed securities to this list. These securities are traded on the Exchange pursuant to unlisted trading privileges and are Index Fund Shares described in Phlx Rule 803(*l*).

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act [6] in general, and furthers the objectives of Section 6(b)(5) of the Act [7] in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and in general to protect investors and the public interest.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No written comments were either solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing proposed rule change does not: (1) Significantly affect

[8] In approving the proposed rule change, the Commission considered the proposal's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

[9] 17 CFR 200.30–3(a)(12).

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] 15 U.S.C. 78s(b)(3)(A)(iii).

[4] 17 CFR 240.19b–4(f)(6).

[5] NYSEArca, Inc. filed and received approval for a proposed rule change to expand the trading hours of the securities of certain exchange-traded funds (''ETFs'') traded on the NYSE Arca Marketplace to include all three trading sessions. *See* Securities Exchange Act Release No. 56627 (October 5, 2007), 72 FR 58145 (October 12, 2007) (SR–NYSEArca–2007–75). Phlx is not proposing to adopt a similar rule change at this time. Prior to this, NYSEArca restricted the trading of certain ETFs, including those referred to in this proposed rule change, to one or two, but not all three, of its trading sessions. In this proposed rule change, Phlx is proposing to adopt the same restricted sessions that NYSEArca had for the named ETFs prior to the approval of SR–NYSEArca–2007–75.

[6] 15 U.S.C. 78f(b).

[7] 15 U.S.C. 78f(b)(5).

the protection of investors or the public interest; (2) impose any significant burden on competition; and (3) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest, it has become effective pursuant to Section 19(b)(3)(A) of the Act[8] and Rule 19b–4(f)(6) thereunder.[9]

Phlx has requested that the Commission waive the 30-day operative delay and designate the proposed rule change to become operative immediately. The Commission believes that granting this request is consistent with the protection of investors and the public interest because the Exchange is merely clarifying which securities do not trade in all three of its trading sessions when such trading hours have been established pursuant to other proposed rule changes. Therefore, the Commission designates the proposed rule change as operative upon filing.[10]

At any time within 60 days of the filing of such proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in the furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's Internet comment form (*http://www.sec.gov/rules/sro.shtml*); or
- Send an e-mail to *rule-comments@sec.gov.* Please include File Number SR–Phlx–2007–95 on the subject line.

Paper Comments

- Send paper comments in triplicate to Nancy M. Morris, Secretary, Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549–1090.

All submissions should refer to File Number SR–Phlx–2007–95. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (*http://www.sec.gov/rules/sro.shtml*). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room, 100 F Street, NE., Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of such filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR–Phlx–2007–95 and should be submitted on or before February 6, 2008.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[11]

Florence E. Harmon,

Deputy Secretary.

[FR Doc. E8–629 Filed 1–15–08; 8:45 am]

BILLING CODE 8011–01–P

[8] 15 U.S.C. 78s(b)(3)(A).

[9] 17 CFR 240.19b–4(f)(6). In addition, Phlx has given the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date on which the Exchange filed the proposed rule change. *See* 17 CFR 240.19b–4(f)(6)(iii).

[10] For the purposes only of waiving the operative date of this proposal, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. *See* 15 U.S.C. 78c(f).

[11] 17 CFR 200.30–3(a)(12).

SMALL BUSINESS ADMINISTRATION

Committee Management; Notice of Establishment

The Administrator of the U.S. Small Business Administration (SBA) has determined that the renewal of the Washington, DC District Advisory Council is necessary and in the public interest in connection with the performance of duties imposed upon the Administrator, U.S. Small Business Administration by 15 U.S.C. 633. This determination follows consultation with the Office of Management and Budget and with the Management Secretariat, General Services Administration.

Name of Committee: Washington, DC District Advisory Council.

Purpose and Objective: The Council provides advice and opinions regarding the effectiveness of and need for SBA programs, particularly within the local districts which members represent. Its members provide an essential connection between SBA, SBA program participants, and the local small business community.

Balanced Membership Plans: The required minimum membership is 9 members. SBA selects members predominantely from the private sector, including people from such industries as retail, manufacturing, and financial services. Members also include representatives from academia, the media, and appropriate Federal, State and local agencies.

Duration: Continuing.

Responsible SBA Officials: Antonio Doss, Acting District Director, Washington, DC District Office, U.S. Small Business Administration, 740 15th Street, NW., Washington, DC 20005.

Meredith Davis,

Committee Management Officer.

[FR Doc. 08–111 Filed 1–15–08; 8:45 am]

BILLING CODE 8025–01–M

SMALL BUSINESS ADMINISTRATION

Committee Management; Notice of Renewal

The Administrator of the U.S. Small Business Administration (SBA) has determined that the renewal of the Audit and Financial Management Advisory Committee is necessary and in the public interest in connection with the performance of duties imposed upon the Administrator, U.S. Small Business Administration by 15 U.S.C. 633. This determination follows consultation with the Management Secretariat, General Services Administration.

Name of Committee: Audit and Financial Management Advisory Committee.

Purpose and Objective: The committee provides recommendations and advice regarding the Agency's financial management, including the financial reporting process, systems of internal controls, audit process and process for monitoring compliance with relevant laws and regulations.

Balanced Membership Plans: The committee consists of at least three (3) members including one Chairperson. Committee membership must be fairly

balanced and diverse in terms of occupational background and type of financial expertise.

Duration: Continuing.

Responsible SBA Officials: Jennifer Main, Chief Financial Officer, Office of Chief Financial Officer, U.S. Small Business Administration, 409 3rd Street, SW., Washington, DC 20416.

Meredith Davis,

Committee Management Officer.

[FR Doc. E8–619 Filed 1–15–08; 8:45 am]

BILLING CODE 8025–01–P

SMALL BUSINESS ADMINISTRATION

Committee Management; Notice of Renewal

The Administrator of the U.S. Small Business Administration (SBA) has determined that the renewal of the Buffalo, New York District Advisory Council is necessary and in the public interest in connection with the performance of duties imposed upon the Administrator, U.S. Small Business Administration by 15 U.S.C. 633. This determination follows consultation with the Management Secretariat, General Services Administration.

Name of Committee: Buffalo, New York District Advisory Council.

Purpose and Objective: The Council provides advice and opinions regarding the effectiveness of and need for SBA programs, particularly within the local districts which members represent. Its members provide an essential connection between SBA, SBA program participants, and the local small business community.

Balanced Membership Plans: The required minimum membership is 9 members. SBA selects members predominately from the private sector, including people from such industries as retail, manufacturing, and financial services. Members also include representatives from academia, the media, and appropriate federal, state and local agencies.

Duration: Continuing.

Responsible SBA Officials: Franklin Sciortino, District Director, Buffalo District Office, U.S. Small Business Administration, 111 West Huron Street, Room 1311, Buffalo, NY 14202.

Meredith Davis,

Committee Management Officer.

[FR Doc. E8–618 Filed 1–15–08; 8:45 am]

BILLING CODE 8025–01–P

SMALL BUSINESS ADMINISTRATION

Committee Management; Notice of Renewal

The Administrator of the U.S. Small Business Administration (SBA) has determined that the renewal of the Houston, Texas District Advisory Council is necessary and in the public interest in connection with the performance of duties imposed upon the Administrator, U.S. Small Business Administration by 15 U.S.C. 633. This determination follows consultation with the Management Secretariat, General Services Administration.

Name of Committee: Houston, Texas District Advisory Council.

Purpose and Objective: The Council provides advice and opinions regarding the effectiveness of and need for SBA programs, particularly within the local districts which members represent. Its members provide an essential connection between SBA, SBA program participants, and the local small business community.

Balanced Membership Plans: The required minimum membership is 9 members. SBA selects members predominately from the private sector, including people from such industries as retail, manufacturing, and financial services. Members also include representatives from academia, the media, and appropriate federal, state and local agencies.

Duration: Continuing.

Responsible SBA Officials: Manuel Gonzalez, District Director, Houston District Office, U.S. Small Business Administration, 8701 South Gessner Drive, Suite 1200, Houston, TX 77074.

Meredith Davis,

Committee Management Officer.

[FR Doc. E8–611 Filed 1–15–08; 8:45 am]

BILLING CODE 8025–01–P

SMALL BUSINESS ADMINISTRATION

Committee Management; Notice of Renewal

The Administrator of the U.S. Small Business Administration (SBA) has determined that the renewal of the National Advisory Council is necessary and in the public interest in connection with conducting agency business and with the performance of duties imposed upon the Administrator, U.S. Small Business Administration by 15 U.S.C. 633. This determination follows consultation with the Management Secretariat, U.S. General Services Administration.

Name of Committee: National Advisory Council.

Purpose and Objective: The council provides advice, ideas and opinions on SBA programs and small business issues. The Council's scope of activities includes reviewing SBA programs and informing SBA of current small business issues.

Balanced Membership Plans: The council consists of no more than forty members consisting of four (4) representatives from each of SBA's 10 regions. Although a majority of the members are business owners, there is also a complement of members from key trade associations, academic institutions, and public sector organizations devoted to the promotion of small businesses.

Duration: Continuing.

Responsible SBA Officials: Mina Wales, Director, National Advisory Council, U.S. Small Business Administration, 409 3rd Street, SW., Washington, DC 20416.

Meredith Davis,

Committee Management Officer.

[FR Doc. E8–621 Filed 1–15–08; 8:45 am]

BILLING CODE 8025–01–P

SMALL BUSINESS ADMINISTRATION

Committee Management; Notice of Renewal

The Administrator of the U.S. Small Business Administration (SBA) has determined that the renewal of the National Small Business Development Center Advisory Board is necessary and in the public interest in connection with the performance of duties imposed upon the Administrator, U.S. Small Business Administration by 15 U.S.C. 633. This determination follows consultation with the Management Secretariat, General Services Administration.

Name of Committee: National Small Business Development Center Advisory Board.

Purpose and Objective: The goals and objectives of the Board are to advise, counsel, and confer with the Associate Administrator, Office of Small Business Development Centers (SBDCs) in carrying out her/his duties. The scope of the Board's activities covers the entire SBDC program.

Balanced Membership Plans: The board consists of nine members. Every effort is made to select board members who are known to be familiar and sympathetic with small business needs and problems.

Duration: Continuing.

Responsible SBA Officials: Wilma Goldstein, Acting Associate

Administrator, Office of Small Business Development Centers, U.S. Small Business Administration, 409 3rd Street, SW., Washington, DC 20416.

Meredith Davis,

Committee Management Officer.

[FR Doc. 08–142 Filed 1–15–08; 8:45 am]

BILLING CODE 8025–01–M

SMALL BUSINESS ADMINISTRATION

Committee Management; Notice of Renewal

The Administrator of the U.S. Small Business Administration (SBA) has determined that the renewal of the National Women's Business Council is necessary and in the public interest in connection with the performance of duties imposed upon the Administrator, U.S. Small Business Administration by 15 U.S.C. 633. This determination follows consultation with the Management Secretariat, General Services Administration.

Name of Committee: National Women's Business Council.

Purpose and Objective: The Council shall make annual recommendations on policies and programs to promote the establishment and growth of women's business enterprise. The Council shall also provide reports on its activities and make such other recommendations as it deems appropriate to the Interagency Committee, the President, the SBA Administrator and to Congress.

Balanced Membership Plans: The Council consists of 15 members, including the Chairman. The Administrator, after receiving recommendations from the chair and ranking Members of the House and Senate Small Business Committees, shall, in consultation with the Council Chairman appoint remaining 14 members which, to the extent possible, reflect geographic (both urban and rural), racial, economic, and sectional diversity.

Duration: Continuing.

Responsible SBA Officials: Margaret Barton, Executive Director, National Women's Business Council, U.S. Small Business Administration, 409 3rd Street, SW., Washington, DC 20416.

Meredith Davis,

Committee Management Officer.

[FR Doc. 08–112 Filed 1–15–08; 8:45 am]

BILLING CODE 8025–01–M

SMALL BUSINESS ADMINISTRATION

Committee Management; Notice of Renewal

The Administrator of the U.S. Small Business Administration (SBA) has determined that the renewal of the North Florida District Advisory Council is necessary and in the public interest in connection with the performance of duties imposed upon the Administrator, U.S. Small Business Administration by 15 U.S.C. 633. This determination follows consultation with the Management Secretariat, General Services Administration.

Name of Committee: North Florida District Advisory Council.

Purpose and Objective: The Council provides advice and opinions regarding the effectiveness of and need for SBA programs, particularly within the local districts which members represent. Its members provide an essential connection between SBA, SBA program participants, and the local small business community.

Balanced Membership Plans: The required minimum membership is 9 members. SBA selects members predominately from the private sector, including people from such industries as retail, manufacturing, and financial services. Members also include representatives from academia, the media, and appropriate federal, state and local agencies.

Duration: Continuing.

Responsible SBA Officials: Wilfredo Gonzalez, District Director, North Florida District Office, U.S. Small Business Administration, 7825 Baymeadows Way, Suite 100–B, Jacksonville, FL 32256.

Meredith Davis,

Committee Management Officer.

[FR Doc. E8–613 Filed 1–15–08; 8:45 am]

BILLING CODE 8025–01–P

SMALL BUSINESS ADMINISTRATION

Committee Management; Notice of Renewal

The Administrator of the U.S. Small Business Administration (SBA) has determined that the renewal of the Regional Small Business Regulatory Fairness Boards is necessary and in the public interest in connection with the performance of duties imposed upon the Administrator, U.S. Small Business Administration by 15 U.S.C. 633. This determination follows consultation with the Management Secretariat, General Services Administration.

Name of Committee: Regional Small Business Regulatory Fairness Boards.

Purpose and Objective: The board reports on matters of concern to small businesses relating to the enforcement and compliance activities of agencies, substantiated instances of excessive enforcement or compliance actions of agencies against small businesses, and any findings or recommendations of the Board regarding agency enforcement policy or practice.

Balanced Membership Plans: Each of the 10 Regional boards has 5 members from that region, no more than 3 of which are from the same political party. Members must be owners, operators or officers of small businesses.

Duration: Continuing.

Responsible SBA Officials: Nicholas Owens, National Ombudsman, Office of the Ombudsman, U.S. Small Business Administration, 409 3rd Street, SW., Washington, DC 20416.

Meredith Davis,

Committee Management Officer.

[FR Doc. E8–608 Filed 1–15–08; 8:45 am]

BILLING CODE 8025–01–P

SMALL BUSINESS ADMINISTRATION

Committee Management; Notice of Renewals

The Administrator of the U.S. Small Business Administration (SBA) has determined that the renewal of the Advisory Committee on Veterans Affairs is necessary and in the public interest in connection with the performance of duties imposed upon the Administration, U.S. Small Business Administration by 15 U.S.C. 633. This determination follows consultation with the Management Secretariat, General Services Administration.

Name of Committee: Advisory Committee on Veterans Business Affairs.

Purpose and Objective: The committee provides recommendations and advice regarding the Agency's financial management, including the financial reporting process, systems of internal controls, audit process and process for monitoring compliance with relevant laws and regulations.

Balanced Membership Plans: The committee consists of at least three (3) members including one Chairperson. Committee membership must be fairly balanced and diverse in terms of occupational backgroup and type of financial expertise.

Duration: Continuing.

Responsible SBA Officials: William Elmore, Assistant Administrator, Office of Veterans Business Development, U.S.

Small Business Administration, 409 3rd Street, SW., Washington, DC 20416.

Meredith Davis,

Committee Management Officer.

[FR Doc. 08–141 Filed 1–15–08; 8:45 am]

BILLING CODE 8025–01–M

DEPARTMENT OF STATE

[Public Notice 6019]

Announcement of Meetings of the International Telecommunication Advisory Committee

SUMMARY: This notice announces meetings of the International Telecommunication Advisory Committee (ITAC) to prepare advice on U.S. positions for the April 2008 meeting of the Organization of American States (OAS) Inter-American Telecommunication Commission (CITEL) Permanent Consultative Committee II (Radiocommunication including broadcasting) (PCC.II) and on various matters associated with the Asia-Pacific Economic Cooperation (APEC).

The ITAC will meet to prepare advice for the U.S. on positions for the April 2008 meeting of the OAS CITEL PCC.II on Tuesday February 5, 10 a.m.–noon EST in Room 6B516 at the Federal Communications Commission, 445 12th Street, SW., Washington DC. Meeting details and detailed agendas will be posted on the mailing list *pcc.ii-citel@eblist.state.gov.* People desiring to participate on this list may apply to the secretariat at *minardje@state.gov.*

The ITAC will meet to elicit private sector and industry input on the Asia-Pacific Economic Cooperation (APEC) Telecommunications Ministerial in April 2008 and on the APEC Telecommunications Working Group future work goals and planning. The meeting will be held on Thursday February 7, 2–4 p.m. EST hosted by Verizon Communications, 1300 Eye Street, Washington, DC. Meeting details and detailed agendas will be posted on the mailing list *iccp-ps@eblist.state.gov.* People desiring to participate on this list may apply to the secretariat at *minardje@state.gov.*

The meetings are open to the public.

Dated: January 9, 2008.

Doreen F. McGirr,

International Communications & Information Policy, Department of State.

[FR Doc. E8–727 Filed 1–15–08; 8:45 am]

BILLING CODE 4710–07–P

DEPARTMENT OF TRANSPORTATION

Federal Highway Administration

Notice of Final Federal Agency Actions on Proposed Highway in California

AGENCY: Federal Highway Administration (FHWA), DOT.

ACTION: Notice of Limitation on Claims for Judicial Review of Actions by FHWA.

SUMMARY: This notice announces actions taken by the FHWA that are final within the meaning of 23 U.S.C. 139(*l*)(1). The actions relate to a proposed highway project on Interstate 5 from State Route 91 in Orange County to Interstate 605 in Los Angeles County. Those actions grant licenses, permits, and approvals for the project.

DATES: By this notice, the FHWA is advising the public of final agency action subject to 23 U.S.C. 139(*l*)(1). A claim seeking judicial review of the Federal agency actions on the highway project will be barred unless the claim is filed on or before July 14, 2008. If the Federal law that authorizes judicial review of a claim provides a time period of less than 180 days for filing such claim, then that shorter time period still applies.

FOR FURTHER INFORMATION CONTACT: Steve Healow, Project Development Engineer, Federal Highway Administration, 650 Capitol Mall #4–100, Sacramento, CA 95814, telephone (916) 498–5849, e-mail: *Steve.Healow@fhwa.dot.gov*, or Ron Kosinski, Division of Environmental Planning, California Department of Transportation, District 7, 100 S. Main Street, Los Angeles, CA 90012, telephone (213) 897–0703, e-mail: *Ron_Kosinski@dot.ca.gov.*

SUPPLEMENTARY INFORMATION: Notice is hereby given that the FHWA has taken final agency actions subject to 23 U.S.C. 139*(l)*(1) by issuing a Record of Decision (ROD) constituting approval pursuant to the National Environmental Policy Act for the Interstate 5 Corridor Improvement Project in Los Angeles and Orange Counties, California. The primary purpose of the proposed project is to reduce existing and forecast traffic congestion. This project will widen Interstate 5 (I–5) from State Route 91 (SR 91) in Orange County north to Interstate 605 (I–605) in Los Angeles County. The new facility will have four mixed flow lanes and one High Occupancy Vehicle (HOV) lane in each direction.

The actions by the Federal agency and the laws under which such actions were taken are described in the Final Environmental Impact Statement (FEIS) for the project, approved on August 18, 2007, in the FHWA Record of Decision (ROD) issued on December 31, 2007, and in other documents in the FHWA project records. The FEIS, ROD, and other project records are available by contacting FHWA or the California Department of Transportation at the addresses provided above.

This notice applies to all Federal agency decisions as of the issuance date of this notice and all laws under which such actions were taken, including but not limited to:

1. General: National Environmental Policy Act (NEPA) [42 U.S.C. 4321–4351].

2. Air: Clean Air Act [42 U.S.C. 7401–7671(q)].

3. Migratory Bird Treaty Act [16 U.S.C. 703–712].

4. Historic and Cultural Resources: Section 106 of the National Historic Preservation Act of 1966, as amended [16 U.S.C. 470(f) et seq.].

5. Clean Water Act (section 401) [33 U.S.C. 1251–1377].

6. Federal Actions to Address Environmental Justice in Minority Populations and Low Income Populations.

7. E.O. 13112 Invasive Species.

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

Authority: 23 U.S.C. 139(*l*)(1).

Issued on: January 8, 2008.

Maiser Khaled,

Director, National Programs, Sacramento, California.

[FR Doc. E8–672 Filed 1–15–08; 8:45 am]

BILLING CODE 4910–RY–P

DEPARTMENT OF TRANSPORTATION

Federal Railroad Administration

Petition for Waiver of Compliance

In accordance with Part 211 of Title 49 Code of Federal Regulations (CFR), notice is hereby given that the Federal Railroad Administration (FRA) received a request for a waiver of compliance with certain requirements of its safety standards. The individual petition is described below, including the party seeking relief, the regulatory provisions involved, the nature of the relief being requested, and the petitioner's arguments in favor of relief.

Electro-Motive Diesels, Inc.

(Waiver Petition Docket Number FRA–2007–0031)

The Electric-Motive Diesels, Inc. (EMD) seeks a temporary waiver of compliance from certain provisions of 49 CFR Part 232, *Brake System Safety Standards for Freight and Other Non-Passenger Trains and Equipment.* Specifically, the requirements for equipping new locomotives with the ability to display in ''real-time'' in the cab of the controlling (lead) locomotive the total train dynamic brake retarding force available in the train, as prescribed in § 232.309(g)(2).

EMD is making this request due to a shortage of a critical component required for the system. This will affect up to 40 locomotives that EMD will be delivering to BNSF Railway during January and February, 2008, that will not have the ability to communicate dynamic brake status with other locomotives in the consist. EMD states that this non-compliant condition will be corrected within 184 days, at the locomotive's second quarterly inspection. EMD states that they will provide the specific locomotive road numbers to FRA after the locomotives are shipped and will follow-up with notification when they are brought into compliance. In support of the waiver request, EMD notes that all of these units are equipped to display the train deceleration rate presently allowed as an alternative for rebuilt locomotives as prescribed in § 232.109(h)(2).

Communications received within 15 days of the date of this notice will be considered by FRA before final action is taken. Comments received after that date will be considered as far as practicable. Since this portion of the regulations did not become effective until late 2007, and only applies to new locomotives placed in service after October 2007, FRA reserves the right to grant temporary relief prior to the expiration of the comment period so that EMD may meet existing contracts. FRA expects the railroads to operate these non-compliant locomotives under the same requirements as prescribed in § 232.109, *Dynamic Brake Requirements,* for locomotives not equipped with the ability to display this real-time dynamic brake information to the locomotive engineer.

Interested parties are invited to participate in these proceedings by submitting written views, data, or comments. FRA does not anticipate scheduling a public hearing in connection with these proceedings since the facts do not appear to warrant a hearing. If any interested party desires an opportunity for oral comment, they should notify FRA, in writing, before the end of the comment period and specify the basis for their request.

All communications concerning these proceedings should identify the appropriate docket number (e.g., Waiver Petition Docket Number FRA–2007–0031) and may be submitted by any of the following methods:

Web site: http://www.regulations.gov. Follow the online instructions for submitting comments.

Fax: 202–493–2251.

Mail: Docket Operations Facility, U.S. Department of Transportation, 1200 New Jersey Avenue, SE., W12–140, Washington, DC 20590.

Hand Delivery: 1200 New Jersey Avenue, SE., Room W12–140, Washington, DC 20590, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

All written communications concerning these proceedings are available for examination during regular business hours (9 a.m.–5 p.m.) at the above facility. All documents in the public docket are also available for inspection and copying on the Internet at the docket facility's Web site at *http://www.regulations.gov.*

Anyone is able to search the electronic form of any written communications and comments received into any of our dockets by the name of the individual submitting the comment (or signing the comment, if submitted on behalf of an association, business, labor union, etc.). You may review DOT's complete Privacy Act Statement in the **Federal Register** published on April 11, 2000 (Volume 65, Number 70; Pages 19477–78).

Issued in Washington, DC, on January 9, 2008.

Grady C. Cothen, Jr.,

Deputy Associate Administrator for Safety Standards and Program Development.

[FR Doc. E8–685 Filed 1–15–08; 8:45 am]

BILLING CODE 4910–06–P

DEPARTMENT OF TRANSPORTATION

National Highway Traffic Safety Administration

[U.S. DOT Docket Number NHTSA–2007–0034]

Reports, Forms, and Recordkeeping Requirements

AGENCY: National Highway Traffic Safety Administration (NHTSA), Department of Transportation.

ACTION: Correction notice.

SUMMARY: This document corrects the OMB Control Number of the notice published December 6, 2007 (72 FR 68955) for Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*, OMB Control Number 2127–0506).

DATES: Comments must be received on or before February 4, 2008.

FOR FURTHER INFORMATION CONTACT: Mr. Markus Price at the National Highway Traffic Safety Administration, Office of Crash Avoidance Standards, 1200 New Jersey Avenue, SE., West Building, Room W43–472, Washington, DC 20590. Mr. Price's telephone number is (202–366–0098). Please identify the relevant collection of information by referring to its OMB Control Number.

SUPPLEMENTARY INFORMATION: The National Highway Traffic Safety Administration is correcting the OMB Control Number 2127–0505 to reflect the correct OMB Control Number 2127–0506 in the December 6, 2007 notice. All previous information associated with the notice published December 6, 2007 remains the same.

Issued on: January 11, 2008.

Stephen R. Kratzke,

Associate Administrator for Rulemaking.

[FR Doc. E8–731 Filed 1–15–08; 8:45 am]

BILLING CODE 4910–59–P

DEPARTMENT OF THE TREASURY

Submission for OMB Review; Comment Request

January 9, 2008.

The Department of the Treasury will submit the following public information collection requirement(s) to OMB for review and clearance under the Paperwork Reduction Act of 1995, Public Law 104–13 on or after the date of publication of this notice. Copies of the submission(s) may be obtained by calling the Treasury Bureau Clearance Officer listed. Comments regarding this information collection should be addressed to the OMB reviewer listed and to the Treasury Department Clearance Officer, Department of the Treasury, Room 11000, 1750 Pennsylvania Avenue, NW., Washington, DC 20220.

DATES: Written comments should be received on or before February 15, 2008 to be assured of consideration.

Internal Revenue Service (IRS)

OMB Number: 1545–1925.

Type of Review: Revision.

Title: REG–125628–01 (Final) Revision of Income Tax Regulations under Sections 358, 367, 884, and 6038B dealing with statutory mergers or

consolidations under section 368(a)(1)(A).

Description: The regulations provide rules regarding the merger or consolidation of domestic or foreign corporations.

Respondents: Businesses or other for-profit institutions.

Estimated Total Burden Hours: 50 hours.

OMB Number: 1545–0200.

Type of Review: Extension.

Title: Application for Determination for Adopters of Master or Prototype or Volume Submitter Plans.

Form: 5307.

Description: This form is filed by employers or plan administrators who have adopted a prototype plan approved by the IRS National Office or a regional prototype plan approved by the IRS District Director to obtain a ruling that the plan adopted is qualified under IRC sections 401(a) and 501(a). It may not be used to request a letter for a multiple employer plan.

Respondents: Businesses or other for-profit institutions.

Estimated Total Burden Hours: 5,115,000 hours.

OMB Number: 1545–0229.

Type of Review: Extension.

Title: Short Form Application for Determination for Minor Amendment of Employee Benefit Plan.

Form: 6406.

Description: This form is used by certain employee plans who want a determination letter or an amendment to the plan. The information gathered will be used to decide whether the plan is qualified under section 401(a).

Respondents: Businesses and other for-profits.

Estimated Total Burden Hours: 538,250 hours.

OMB Number: 1545–1476.

Type of Review: Extension.

Title: INTL–3–95 (Final) Source of Income From Sales of Inventory and Natural Resources Produced in One Jurisdiction and Sold in Another Jurisdiction.

Description: The information requested is necessary for the Service to audit taxpayers' returns to ensure taxpayers have properly determined the source of income from sales of inventory produced in one country and sold in another.

Respondents: Businesses or other for-profit institutions.

Estimated Total Burden Hours: 1,125 hours.

OMB Number: 1545–0633.

Type of Review: Extension.

Title: Notices 437, 437–A, 438 and 466, Notice of Intention to Disclose.

Description: Notice is required by 26 U.S.C. 6110(f). A reply is necessary if the recipient disagrees with the Service's proposed deletions. The Service uses the reply to consider the propriety of making additional deletions to the public inspection version of written determinations or related background file documents.

Respondents: Individuals or households.

Estimated Total Burden Hours: 2,625 hours.

OMB Number: 1545–1384.

Type of Review: Extension.

Title: Taxpayer Statement Regarding Refund.

Form: 3911.

Description: If taxpayer inquires about their non-receipt of refund (or lost or stolen refund) and the refund has been issued, the information and taxpayer signature are needed to begin tracing action.

Respondents: Individuals or households.

Estimated Total Burden Hours: 46,160 hours.

OMB Number: 1545–1821.

Type of Review: Extension.

Title: REG–148867–03 (Final) Disclosure of Returns and Return Information in Connection with Written Contracts or Agreements for the Acquisition of Property and Services for Tax Administration.

Description: The regulations clarify that redisclosures of returns and return information by contractors to agents or subcontractors are permissible, and that the penalty provisions, written notification requirements, and safeguard requirements are applicable to these agents and subcontractors. Section 301.6103(n)–1(d) of the proposed regulations require that contractors, agents, and subcontractors who receive returns or return information under the proposed regulations must provide written notice to their officers and employees of the purposes for which returns or return information may be used and of the potential civil and criminal penalties for unauthorized inspections or disclosures, including informing them of the imposition of punitive damages in the case of a willful inspection or disclosure or an inspection or disclosure which is the result of gross negligence. Section 301.6103(n)–1(e)(3) of the proposed regulations require that before the execution of a contract or agreement for the acquisition of property or services under which returns or return information will be disclosed, the contract or agreement must be made available to the IRS.

Respondents: Businesses or other for-profit institutions.

Estimated Total Burden Hours: 250 hours.

OMB Number: 1545–1642.

Type of Review: Extension.

Title: REG–104072–97 (Final) Recharacterizing Financing Arrangements Involving Fast-Pay Stock.

Description: Section 1.7701(I)–3 recharacterizes fast-pay arrangements. Certain participants in such arrangements must file a statement that includes the name of the corporation that issued the fast-pay stock, and (to the extent the filing taxpayer knows or has reason to know) the terms of the fast-pay stock, the date on which it was issued, and the names and taxpayer identification numbers of any shareholders of any class of stock that is not traded on an established securities market.

Respondents: Businesses or other for-profit institutions.

Estimated Total Burden Hours: 50 hours.

OMB Number: 1545–2081.

Type of Review: Extension.

Title: Form 8879–EX, IRS e-file Signature Authorization for Forms 720, 2290, and 8849.

Form: 8879–EX.

Description: The Form 8879–EX, IRS e-file Signature Authorization for Forms 720, 2990, and 8849, will be used in the Modernized e-File program. Form 8879–EX authorizes an a taxpayer and an electronic return originator (ERO) to use a personal identification number (PIN) to electronically sign an electronic excise tax return and, if applicable, authorize an electronic funds withdrawal.

Respondents: Businesses or other for-profit institutions.

Estimated Total Burden Hours: 46,800 hours.

OMB Number: 1545–1349.

Type of Review: Extension.

Title: Cognitive and Psychological Research.

Description: This research improves the quality of the data collection by examining the psychological and cognitive aspects of methods and procedures such as: interviewing processes, forms redesign, survey and tax collection technology and operating procedures (internal and external in nature).

Respondents: Individuals or households.

Estimated Total Burden Hours: 37,500 hours.

Clearance Officer: Glenn P. Kirkland (202) 622–3428, Internal Revenue Service, Room 6516, 1111 Constitution Avenue, NW., Washington, DC 20224.

OMB Reviewer: Alexander T. Hunt (202) 395–7316, Office of Management and Budget, Room 10235, New Executive Office Building, Washington, DC 20503,

Robert Dahl,

Treasury PRA Clearance Officer.

[FR Doc. E8–620 Filed 1–15–08; 8:45 am]

BILLING CODE 4830–01–P

DEPARTMENT OF THE TREASURY

Submission for OMB Review; Comment Request

January 10, 2008.

The Department of the Treasury will submit the following public information collection requirement(s) to OMB for review and clearance under the Paperwork Reduction Act of 1995, Public Law 104–13 on or after the date of publication of this notice. Copies of the submission(s) may be obtained by calling the Treasury Bureau Clearance Officer listed. Comments regarding this information collection should be addressed to the OMB reviewer listed and to the Treasury Department Clearance Officer, Department of the Treasury, Room 11000, 1750 Pennsylvania Avenue, NW., Washington, DC 20220.

DATES: Written comments should be received on or before February 15, 2008 to be assured of consideration.

Internal Revenue Service (IRS)

OMB Number: 1545–2082.

Type of Review: Extension.

Title: Excise Tax Declaration for an IRS e-file Return.

Form: 8453–EX.

Description: The Form 8453–EX, Excise Tax Declaration for an IRS e-file Return, will be used in the Modernized e-File program. This form is necessary to enable the electronic filing of Forms 720, 2290, and 8849. The authority to e-file Form 2290 is Internal Revenue Code section 4481(e), as added by section 867(c) of Public Law 108–357.

Respondents: Businesses or other for-profit institutions.

Estimated Total Burden Hours: 42,600 hours.

OMB Number: 1545–1637.

Type of Review: Extension.

Title: REG–106177–98 (Final) Adequate Disclosure of Gifts.

Description: The information requested in regulation section 301.6501(c)–1(f) (2) that must be provided on a gift tax return is necessary to give the IRS a complete and accurate description of the transfer in order to begin the running of the statute of limitations on the gift. Prior to the expiration of the statute of limitations, a gift tax may be assessed and the value may be adjusted in order to determine the value of prior taxable gifts for estate and gift tax purposes.

Respondents: Individuals or households.

Estimated Total Burden Hours: 1 hour.

OMB Number: 1545–1916.

Type of Review: Extension.

Title: REG–159824–04 (NPRM) Regulations Governing Practice Before the Internal Revenue Service.

Description: These regulations set forth minimum standards for State or local bond options.

Respondents: Individuals or households.

Estimated Total Burden Hours: 30,000 hours.

OMB Number: 1545–1471.

Type of Review: Extension.

Title: REG–209626–93 (Final) Notice, Consent, and Election Requirements under sections 411(a)(11) and 417.

Description: These regulations concern the ability to make a distribution from a qualified plan within 30 days of giving the participant a written explanation of the distribution options provided the plan administrator informs the participant of the right to have at least 30 days to consider the options.

Respondents: Businesses or other for-profit institutions.

Estimated Total Burden Hours: 8,333 hours.

OMB Number: 1545–1462.

Type of Review: Extension.

Title: PS–268–82 (Final) Definitions Under Subchapter S of the Internal Revenue Code

Description: The regulations provide definitions and special rules under Code section 1377 which affect S corporations and their shareholders.

Respondents: Businesses or other for-profit institutions.

Estimated Total Burden Hours: 1,000 hours.

OMB Number: 1545–1628.

Type of Review: Extension.

Title: REG–118620–97 (Final) Communications Excise Tax; Prepaid Telephone Cards.

Form: 3911.

Description: Carriers must keep certain information documenting their sales of prepaid telephone cards to other carriers to avoid responsibility for collecting tax. The regulations provide rules for the application of the communication excise tax to prepaid telephone cards.

Respondents: Businesses or other for-profit institutions.

Estimated Total Burden Hours: 34 hours.

OMB Number: 1545–1612.

Type of Review: Extension.

Title: REG–209830–96 (Final) Estate and Gift Tax Marital Deduction.

Description: The information requested in regulation section 20.2056(b)–7(d)(3)(ii) is necessary to provide a method for estates of decedents whose estate tax returns were due on or before February 18, 1997, to obtain an extension of time to make the qualified terminable interest property (QTIP) election under section 2056(b)(7)(B)(v).

Respondents: Individuals or households.

Estimated Total Burden Hours: 1 hour.

Clearance Officer: Glenn P. Kirkland, (202) 622–3428, Internal Revenue Service, Room 6516 , 1111 Constitution Avenue, NW., Washington, DC 20224.

OMB Reviewer: Alexander T. Hunt, (202) 395–7316, Office of Management and Budget, Room 10235, New Executive Office Building, Washington, DC 20503.

Robert Dahl,

Treasury PRA Clearance Officer.

[FR Doc. E8–656 Filed 1–15–08; 8:45 am]

BILLING CODE 4830–01–P

DEPARTMENT OF THE TREASURY

Open Meeting of the Advisory Committee on the Auditing Profession

AGENCY: Office of the Undersecretary for Domestic Finance, Treasury.

ACTION: Notice of meeting.

SUMMARY: The Department of the Treasury's Advisory Committee on the Auditing Profession will convene a meeting on Monday, February 4, 2008, in the Town and Gown Room of the University of Southern California, 665 Exposition Boulevard, Los Angeles, California, beginning at 1:30 p.m. Pacific Time. The meeting will be open to the public.

DATES: The meeting will be held on Monday, February 4, 2008 at 1:30 p.m. Pacific Time.

ADDRESSES: The Advisory Committee will convene a meeting in the Town and Gown Room of the University of Southern California, 665 Exposition Boulevard, Los Angeles, California. The public is invited to submit written statements with the Advisory Committee by any of the following methods:

Electronic Statements

• Use the Department's Internet submission form (*http://www.treas.gov/offices/domestic-finance/acap/comments*); or

Paper Statements

• Send paper statements in triplicate to Advisory Committee on the Auditing Profession, Office of Financial Institutions Policy, Room 1418, Department of the Treasury, 1500 Pennsylvania Avenue, NW., Washington, DC 20220.

In general, the Department will post all statements on its Web site (*http://www.treas.gov/offices/domestic-finance/acap/comments*) without change, including any business or personal information provided such as names, addresses, e-mail addresses, or telephone numbers. The Department will also make such statements available for public inspection and copying in the Department's Library, Room 1428, Main Department Building, 1500 Pennsylvania Avenue, NW., Washington, DC 20220, on official business days between the hours of 10 a.m. and 5 p.m. Eastern Time. You can make an appointment to inspect statements by telephoning (202) 622–0990. All statements, including attachments and other supporting materials, received are part of the public record and subject to public disclosure. You should submit only information that you wish to make available publicly.

FOR FURTHER INFORMATION CONTACT: Kristen E. Jaconi, Senior Policy Advisor to the Under Secretary for Domestic Finance, Department of the Treasury, Main Department Building, 1500 Pennsylvania Avenue, NW., Washington, DC 20220, at (202) 927–6618.

SUPPLEMENTARY INFORMATION: In accordance with section 10(a) of the Federal Advisory Committee Act, 5 U.S.C. App. 2, section 10(a), and the regulations thereunder, David G. Nason, Designated Federal Officer of the Advisory Committee, has ordered publication of this notice that the Advisory Committee will convene a meeting on Monday, February 4, 2008, in the Town and Gown Room of the University of Southern California, 665 Exposition Boulevard, Los Angeles, California, beginning at 1:30 p.m. Pacific Time. The meeting will be open to the public. The agenda for this meeting consists of hearing oral testimony from witnesses and considering written statements that those witnesses have filed with the Advisory Committee in connection with the meeting. The oral testimony will focus on the issues impacting the sustainability of the auditing profession, including issues mentioned in the Discussion Outline, which was presented at the initial meeting of the Advisory Committee on October 15, 2007 (*http://www.treas.gov/offices/domestic-finance/acap/agendas/outline-10-15-07.pdf*), and published in the **Federal Register** for comment on October 31, 2007 (*http://a257.g.akamaitech.net/7/257/2422/01jan20071800/edocket.access.gpo.gov/2007/pdf/E7-21402.pdf*).

Dated: January 10, 2008.

Taiya Smith,

Executive Secretary.

[FR Doc. E8–655 Filed 1–15–08; 8:45 am]

BILLING CODE 4811–42–P

Federal Register

Wednesday,
January 16, 2008

Part II

Department of Energy

Federal Energy Regulatory Commission

18 CFR Part 37

Preventing Undue Discrimination and Preference in Transmission Service; Final Rule

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

18 CFR Part 37

[Docket Nos. RM05–17–001, 002 and RM05–25–001, 002; Order No. 890–A]

Preventing Undue Discrimination and Preference in Transmission Service

Issued December 28, 2007.

AGENCY: Federal Energy Regulatory Commission, DOE.

ACTION: Order on rehearing and clarification.

SUMMARY: The Federal Energy Regulatory Commission affirms its basic determinations in Order No. 890, granting rehearing and clarification regarding certain revisions to its regulations and the *pro forma* open-access transmission tariff, or OATT, adopted in Order Nos. 888 and 889 to ensure that transmission services are provided on a basis that is just, reasonable, and not unduly discriminatory. The reforms affirmed in this order are designed to: (1) Strengthen the *pro forma* OATT to ensure that it achieves its original purpose of remedying undue discrimination; (2) provide greater specificity to reduce opportunities for undue discrimination and facilitate the Commission's enforcement; and (3) increase transparency in the rules applicable to planning and use of the transmission system.

DATES: *Effective Date:* This rule will become effective March 17, 2008.

FOR FURTHER INFORMATION CONTACT:

W. Mason Emnett (Legal Information), Office of the General Counsel—Energy Markets, Federal Energy Regulatory Commission, 888 First Street, NE., Washington, DC 20426, (202) 502–6540.

Daniel Hedberg (Technical Information), Office of Energy Market Regulation, Federal Energy Regulatory Commission, 888 First Street, NE., Washington, DC 20426, (202) 502–6243.

Tony Ingram (Technical Information), Office of Energy Market Regulation, 888 First Street, NE., Washington, DC 20426, (202) 502–8938.

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Before Commissioners: Joseph T. Kelliher, Chairman; Suedeen G. Kelly, Marc Spitzer, Philip D. Moeller, and Jon Wellinghoff.

I. Introduction

1. On February 16, 2007, the Commission issued Order No. 890,[1] addressing and remedying opportunities for undue discrimination under the *pro forma* Open Access Transmission Tariff (OATT) adopted in Order No. 888.[2] The *pro forma* OATT was intended to foster greater competition in wholesale power markets by reducing barriers to entry in the provision of transmission service. In the ten years since Order No. 888, however, flaws in the *pro forma* OATT undermined its ability to realize the core objective of remedying undue discrimination. The Commission acted in Order No. 890 to correct these flaws by reforming the terms and conditions of the *pro forma* OATT in several critical areas, including the calculation of available transfer capability (ATC), the planning of transmission facilities, and the conditions of services offered by each transmission provider.

2. Many have expressed support of the Commission's reforms. Greater specificity regarding the transmission provider's obligations under its OATT will reduce opportunities for the exercise of undue discrimination, make undue discrimination easier to detect, and facilitate the Commission's enforcement of the tariff. Greater transparency in the rules applicable to the planning and use of the transmission system will help both transmission providers and customers comply with applicable tariff requirements. Although we grant rehearing and clarification below to address certain implementation issues raised by petitioners, we leave in place the fundamental reforms adopted in Order No. 890.

3. At the outset, we note that work is well underway to develop consistent practices governing the calculation of ATC, in coordination with the North American Electric Reliability Corporation (NERC) and the North American Energy Standards Board (NAESB). Eliminating the broad discretion that transmission providers currently have in calculating ATC will increase nondiscriminatory access to the grid and ensure that customers are treated fairly in seeking alternative power supplies. We commend transmission providers for the substantial resources they have dedicated to this process and NERC and NAESB for their leadership in guiding the standardization effort.

4. We also commend transmission providers for the substantial resources dedicated to the development of transmission planning processes in response to Order No. 890. Transmission providers and stakeholders recently submitted tariff proposals that will govern transmission planning under the *pro forma* OATT. Transmission planning is critical because it is the means by which customers consider and access new sources of energy and have an opportunity to explore the feasibility of non-transmission alternatives. It is therefore vital for each transmission provider to open its transmission planning process to customers, coordinate with customers regarding future system plans, and share necessary planning information with customers.

[1] *Preventing Undue Discrimination and Preference in Transmission Service,* Order No. 890, 72 FR 12,266 (March 15, 2007), FERC Stats. & Regs. ¶ 31,241 (2007) (Order No. 890).

[2] *Promoting Wholesale Competition Through Open Access Non-discriminatory Transmission Services by Public Utilities; Recovery of Stranded Costs by Public Utilities and Transmitting Utilities,* Order No. 888, 61 FR 21540 (May 10, 1996), FERC Stats. & Regs. ¶ 31,036 (1996), *order on reh'g,* Order No. 888–B, 81 FERC ¶ 61,248 (1997), *order on reh'g,* Order No. 888–C, 82 FERC ¶ 61,046 (1998), *aff'd in relevant part sub nom. Transmission Access Policy Study Group* v. *FERC,* 225 F.3d 667 (D.C. Cir. 2000) (*TAPS* v. *FERC*), *aff'd sub nom. New York* v. *FERC,* 535 U.S. 1 (2002).

5. In addition, transmission providers have implemented new service options for long-term firm point-to-point customers and adopted modifications to other services. Instead of denying a long-term request for point-to-point service because as little as one hour of service is unavailable, transmission providers must now consider their ability to offer a modified form of planning redispatch or a new conditional firm option to accommodate the request. This increases opportunities to efficiently utilize transmission by eliminating artificial barriers to use of the grid. Charges for energy and generation imbalances also have been standardized, including relaxed penalties for intermittent resources. This standardization reduces the potential for undue discrimination, increases transparency, and reduces confusion in the industry that resulted from the prior lack of consistency.

6. Taken together, these and other reforms adopted in Order No. 890 will better enable the *pro forma* OATT to achieve the core object of remedying undue discrimination in the provision of transmission service. The Commission therefore rejects requests to eliminate, or substantially modify, the various reforms adopted in Order No. 890.[3] We address each of the arguments made by petitioners in turn. We also address comments received in response to the technical conference held by Commission staff on July 30, 2007, regarding certain issues related to the designation and termination of network resources, in section III.D.5.[4]

II. Need for and Applicability of Order No. 888

A. The Need for Reform

7. As the Commission noted in Order No. 888, it is in the economic self-interest of transmission monopolists to deny transmission to competitors or to offer transmission on a basis that is inferior to that which they provide themselves.[5] The Commission sought to remedy that potential for discrimination through adoption of the pro forma OATT in Order No. 888. Despite the many accomplishments of Order No. 888, the Commission determined in Order No. 890 that the existing *pro forma* OATT continued to allow transmission providers substantial discretion in implementing some of its basic requirements. This discretion, in turn, created substantial opportunities for undue discrimination. Order No. 890 reformed the *pro forma* OATT to limit opportunities for undue discrimination and promote efficient use of the grid.

8. In Order No. 890, the Commission rejected arguments that it was relying on unsubstantiated allegations of discriminatory conduct to justify its reforms. Although certain commenters did allege discriminatory conduct in response to the Notice of Proposed Rulemaking (NOPR) initiating this proceeding,[6] the Commission made clear that it was not making specific factual findings of discrimination and that such specific findings were not required in order for it to promulgate a generic rule to eliminate undue discrimination.[7] The Commission explained that it had ample grounds to act as necessary to limit opportunities for undue discrimination that continue to exist under the pro forma OATT.

Requests for Rehearing and Clarification

9. Many petitioners agree with the Commission on rehearing that reforms to the *pro forma* OATT are needed because there continues to be both the opportunity and incentive for transmission providers to engage in undue discrimination.[8] Two petitioners, however, seek rehearing of that finding as sufficient justification for adopting the reforms set forth in Order No. 890.

10. E.ON U.S. argues that the Commission has not presented any actual evidence of discrimination or opportunities for undue discrimination. Without actual evidence of discrimination, E.ON U.S. argues that the Commission lacks reasoned support for its finding that the reforms adopted in Order No. 890 are necessary to remedy undue discrimination. E.ON U.S. states a particular concern for the cost of implementing these reforms. E.ON U.S. contends that, absent evidence of unduly discriminatory behavior, the burdensome nature of compliance with Order No. 890 outweighs the benefits of its reforms.

11. Southern expresses similar concern that Order No. 890 lacks actual findings of discrimination. Southern claims that the theoretical claims of discrimination relied upon by the Commission are attenuated and inconsistent with statements discouraging commenters from making sweeping generalizations regarding undue discrimination. Rather than predicating Order No. 890 on the Commission's authority to prevent undue discrimination, Southern suggests that the Commission clarify that it is promulgating these reforms pursuant to its authority to ensure just and reasonable rates and not to prevent undue discrimination.

12. Southern also argues that the Commission failed to acknowledge other legal requirements and processes adopted after issuance of Order No. 888 that mitigate a transmission provider's incentives to discriminate, such as the Standards of Conduct, enforcement audits, new civil penalty authority, and mandatory reliability standards. Southern contends that transmission providers have a pecuniary incentive to grant, rather than deny, customer requests since doing so provides additional OATT revenues. Southern argues that the Commission appears to equate discretion with opportunities for discrimination, yet in certain circumstances expressly acknowledges that the transmission provider retains discretion in certain activities.

Commission Determination

13. The Commission concluded in Order No. 890 that reforms to the *pro forma* OATT were necessary to address remaining opportunities for undue discrimination by transmission providers. Despite the efforts of Order No. 888 and our subsequent reforms, including those cited by Southern, opportunities for undue discrimination continued to exist. Under section 206 of the FPA, the Commission has a continuing obligation to ''determine whether any rule, regulation, practice or contract affecting rates for such transmission or sale for resale is unduly discriminatory or preferential, and must prevent those contracts and practices

[3] A list of petitioners filing requests for rehearing and/or clarification is provided in Appendix A. The requests for rehearing filed by American Transmission, Bonneville, EPSA, Pacific Northwest Parties, and REPIO are deficient because they fail to include a Statement of Issues section separate from the arguments made, as required by Rule 713 of the Commission's Rules of Practice and Procedure. *See* 18 CFR 385.713(c)(2). Consistent with Rule 713, we deem these petitioners to have waived the particular issues for which they seek rehearing. We also reject TranServ's request for rehearing for having been filed late, in violation of section 313(a) of the Federal Power Act (FPA). *See* 16 U.S.C. 8351(a). The Commission does consider, however, these petitioners' requests for clarification, to the extent they are not in fact requests for rehearing. We also address the merits of each request for rehearing to demonstrate that, had they been considered, our decision would be unchanged.

[4] A list of parties filing comments in response to the July 30, 2007 technical conference is provided in Appendix B.

[5] Order No. 888 at 31,682.

[6] *Preventing Undue Discrimination and Preference in Transmission Service,* Notice of Proposed Rulemaking, 71 FR 32,636 (Jun. 6, 2006), FERC Stats. & Regs. ¶ 32,603 (2006) (NOPR).

[7] *See* Order No. 890 at P 41 (citing *Transmission Access Policy Study Group* v. *FERC,* 225 F.3d 667 (D.C. Cir. 2000), *aff'd sub nom., New York* v. *FERC,* 535 U.S. 1 (2002); *National Fuel Gas Supply Corp* v. *FERC,* 468 F.3d 831 (D.C. Cir. 2006)).

[8] *See e.g.,* Constellation, MISO, NRECA, Powerex, PSEG, and TAPS.

that do no meet this standard.'' [9] The Commission's finding that continuing opportunities to discriminate exist therefore supports our action under FPA section 206 to adopt changes to the *pro forma* OATT. Upon review of the extensive record of this proceeding, including the support of a vast majority of commenters, the Commission remains convinced that the particular reforms adopted in Order No. 890 are appropriate to satisfy our obligation to remedy undue discrimination.

14. We reject E.ON U.S.' arguments that, without actual evidence of undue discrimination, Order No. 890 lacks reasoned support. As the Commission explained in Order No. 890, the courts have made clear that the Commission need not make specific factual findings of discrimination in order to promulgate a generic rule to eliminate undue discrimination. In *Associated Gas Distributors* v. *FERC*, the D.C. Circuit Court explained that the promulgation of generic rate criteria involves the determination of policy goals and the selection of the means to achieve them.[10] The court concluded that, just as courts do not insist on empirical data for every proposition upon which the selection depends, ''[a]gencies do not need to conduct experiments in order to rely on the prediction that an unsupported stone will fall.'' [11] The Commission exercised this authority in Order No. 890, discussing with particularity the concerns motivating each of the reforms adopted. As it did in Order No. 888, the Commission properly acted to limit continuing opportunities for undue discrimination, not to remedy actual instances of undue discrimination.

15. We acknowledge, as argued by Southern, that it is appropriate for transmission providers to retain discretion in some areas and that such discretion does not necessarily equate to discrimination. It is also true that some OATT revenues may increase as requests for service are granted (such as for point-to-point requests), rather than denied. This is not always or even predominantly the case, however, given that rates for network service are based on load-ratio shares and revenues do not increase with designations of network resources unless new facilities are constructed. Moreover, there are competing incentives for a transmission provider to deny or restrict service to customers in certain circumstances and allowing broad discretion in such areas is no longer appropriate. The Commission identified these areas in Order No. 890, including the calculation of ATC, planning for transmission needs, and the provision of certain transmission services, and acted to remedy potential discrimination in each area. Notwithstanding the other legal requirements and processes cited by Southern, the Commission concluded in Order No. 890 that the reforms adopted were necessary based on a decade of experience administering the *pro forma* OATT. While the Standards of Conduct, audit procedures, and enhanced authority under the Energy Policy Act of 2005 (EPAct 2005) [12] have aided the Commission in fulfilling its obligations under the FPA, the reforms adopted in Order No. 890 are also necessary to reduce opportunities for the exercise of undue discrimination, make undue discrimination easier to detect, and facilitate the Commission's enforcement of the open access requirements.

16. We appreciate that a significant amount of resources must be dedicated to implementation of the reforms adopted in Order No. 890 by transmission providers. We believe the burden of implementing these reforms is fully justified by the need to eliminate remaining opportunities for undue discrimination in the administration and implementation of open access requirements under the *pro forma* OATT. We note, moreover, that these reforms will benefit transmission providers seeking to comply with our regulations in good faith by providing more clarity regarding the requirements of the *pro forma* OATT previously left open to interpretation, thereby decreasing the possibility of disputes with transmission customers and enforcement actions by the Commission. The ability of transmission customers to misuse the tariffs to their own advantage, particularly in the scheduling process, has similarly been addressed. Taken together, we conclude that the benefits of our reforms outweigh the associated costs of implementation.

B. Core Elements of Order No. 888 That Are Retained

17. Although Order No. 890 introduced many important reforms, the Commission also retained many core elements from Order No. 888. As noted in the NOPR, many provisions of Order No. 888 enjoy broad support from many sectors of the industry and the Commission did not intend in this proceeding to pursue the same level of industry restructuring undertaken there. Rather, the Commission intended Order No. 890 to strengthen the *pro forma* OATT while retaining the fundamental structure articulated in Order No. 888.

18. The Commission thus retained the existing boundaries between wholesale and retail service drawn in Order No. 888. The Commission also retained the native load priority established in Order No. 888. The Commission stated that this priority continues to strike the appropriate balance between the transmission provider's need to meet its native load obligations and the needs of other entities to obtain service from the transmission provider to meet their own obligations. Order No. 890 also did not alter the types of services required under Order No. 888, *i.e.*, network service and point-to-point service. Finally, the Commission retained the functional unbundling requirement promulgated in Order No. 888.

Requests for Rehearing and Clarification

19. South Carolina E&G objects to the Commission's decision to retain the native load priority established in Order No. 888, arguing that FPA section 217 requires further protection for native load service. South Carolina E&G states that the native load priority adopted under Order No. 888 was implemented so that all customers, native load and non-native load, would be entitled to equivalent, nondiscriminatory service.[13] South Carolina E&G argues that FPA section 217(k) now entitles load-serving entities (LSEs) to use their transmission systems to meet their state-law imposed native load service obligations and that this entitlement can no longer be deemed discriminatory under the FPA. To the extent an OATT provision compromising native load service is grounded in a finding of undue discrimination, South Carolina E&G argues that it must yield to the need to meet native load service obligations.

20. Joined by South Carolina Regulatory Staff, South Carolina E&G objects in particular to the Commission's decision to retain equal curtailment priority for all firm service.[14] These petitioners argue that requiring transmission providers to curtail service to network and point-to-point customers on a basis comparable to the curtailment of service to native load customers unfairly exalts non-native customers at the expense of the

[9] Order No. 888 at 31,669.

[10] 824 F.2d 981 (D.C. Cir. 1987).

[11] *Id.* at 1008.

[12] Pub. L. No. 109–58, 119 Stat. 594 (to be codified in scattered titles of the U.S.C.).

[13] *Citing Louisville Gas & Elec. Co.*, 114 FERC ¶ 61,282 at P 125 (2006).

[14] South Carolina E&G and South Carolina Regulatory Staff also argue that reforms related to planning redispatch and conditional firm, rollover rights, and capacity reassignment are in violation of FPA section 217. We address those arguments in sections III.D.1, III.D.2, and III.C.3 respectively.

native load that financed the transmission system. They also contend the Commission's decision is inconsistent with *Northern States Power Co.* v. *FERC*,[15] which they argue prohibits mandating comparable curtailment priority among native load and non-native load services in the face of a state commission edict requiring a transmission provider to give its native load top curtailment priority. In their view, this precedent must be read broadly in light of enactment of FPA section 217(k), which they contend peremptorily counters any argument that priority for native load would be discriminatory.

21. E.ON LSE similarly argues that FPA section 217 categorically protects an LSE's use of firm transmission service to the extent that such transmission service is required to meet the LSE's service obligation. E.ON LSE asks the Commission to allow LSEs to deviate from the requirements of Order No. 890 in circumstances where, in the LSE's good faith judgment, compliance would adversely affect the provision of firm transmission service to native load protected by FPA section 217.

22. TDU Systems request clarification or rehearing to confirm that there is no preference under the reformed *pro forma* OATT for a public utility transmission provider's native load over the service obligations of other LSEs that use their transmission system. TDU Systems argue that section 217(a) of the FPA does not distinguish between the service obligations of transmission providers and the service obligations of their load serving customers and, therefore, neither should the *pro forma* OATT.

Commission Determination

23. The Commission affirms the decision to retain the native load protections embodied in Order No. 888, as enhanced by the reforms adopted in Order No. 890. In Order No. 888, the Commission gave public utilities the right to reserve existing transmission capacity needed for native load growth reasonably forecasted within the utility's current planning horizon.[16] The Commission also allowed transmission providers to restrict rollover rights based on reasonably forecasted need at the time the contract is executed.[17] Contrary to petitioner's assertions, the native load protections affirmed in Order No. 890 satisfy the requirements of FPA section 217. Section 217 applies not only to distribution utilities providing service to end-users, but also to electric utilities with long-term contracts to provide service to a distribution utility.[18] Congress placed each of these types of customers on equal footing, regardless of their status as a network or firm point-to-point customer under the *pro forma* OATT or a transmission provider serving its native load. We therefore disagree with petitioners that section 217 requires the Commission to give top curtailment priority solely to network customers or the transmission provider serving native load.

24. We decline to allow LSEs to deviate from the requirements of the *pro forma* OATT as they believe necessary to serve their native load, as suggested by E.ON LSE. Section 217 is intended to facilitate the ability of all utilities using firm transmission to meet their long-term service obligations, which the statute defines broadly to include not only service to end-users, but also distribution utilities serving end-users.[19] The requirements of the *pro forma* OATT and the reforms adopted in Order No. 890 appropriately balance the needs of these various classes of transmission customers, including the transmission provider's native load, LSE customers serving network load, and other firm users of the system. This is entirely consistent with, if not expressly required by, FPA section 217.

C. Scope and Applicability of Order No. 890

25. The reforms adopted in Order No. 890 apply to all transmission providers, including Commission-approved regional transmission organizations (RTOs) and independent system operators (ISOs), and non-public utility transmission providers with reciprocity obligations. The particular process for implementing certain of the reforms adopted in Order No. 890 varied depending on the type of transmission provider at issue.

26. For those transmission providers that have not been approved as ISOs or RTOs, and whose facilities are not under the control or within the footprint of an ISO or RTO, Order No. 890 established a two-tiered compliance process for adopting the non-rate terms and conditions of the revised *pro forma* OATT. These transmission providers were directed to submit FPA section 206 compliance filings that contain the revised non-rate terms and conditions of the revised *pro forma* OATT within 60 days after publication of the order in the **Federal Register**.[20] Any of these transmission providers that wished to retain a previously-approved variation from the Order No. 888 *pro forma* OATT that was substantively affected by a reform adopted in Order No. 890 were directed to submit, within 30 days after publication of Order No. 890 in the **Federal Register**, a request under FPA section 205 to retain those previously-approved variations, provided they continued to be consistent with or superior to the revised *pro forma* OATT adopted in Order No. 890.

27. ISO and RTO transmission providers were directed to submit FPA section 206 compliance filings, within 210 days after the publication of Order No. 890 in the **Federal Register**, that contain the non-rate terms and conditions set forth in Order No. 890 or that demonstrate that their existing tariff provisions are consistent with or superior to the revised provisions of the *pro forma* OATT. Transmission-owning members of ISOs and RTOs, and non-ISO/RTO transmission providers within the footprint of an ISO or RTO, were similarly directed to make any necessary tariff filings within 210 days of its publication in the **Federal Register**.

28. With regard to non-public utility transmission providers, the Commission retained the reciprocity language of the Order No. 888 *pro forma* OATT with a few modifications. First, the Commission updated the language to contain references to ISOs and RTOs, requiring transmission customers that are members of, or that take service from, an ISO/RTO to make comparable service available to other members of the ISO/RTO. As proposed in the NOPR, the Commission did not adopt a generic rule to implement FPA section 211A, which allows the Commission to require an unregulated transmitting utility to provide transmission services at rates that are comparable to those it charges itself and under non-rate terms and

[15] 176 F.3d 1090 (8th Cir. 1999).

[16] *See* Order No. 888 at 31,394.

[17] *See id.* at 31,745.

[18] *See* EPAct 2005 sec. 1233(a)(3) (to be codified at section 217(a)(3) of the FPA, 16 U.S.C. 824q(a)(3)). Petitioners' reliance on *Northern States Power Co.* v. *FERC*, 176 F.3d 1090 (8th Cir. 1999), is therefore misplaced. As the Commission has explained, the court upheld our authority to require *pro rata* curtailment of both network/native load and firm point-to-point service except in the limited circumstance when it would require the shedding of bundled retail load. Indeed, FPA section 217 could be read to grant electric utilities with long-term contracts to provide service to a distribution utility equal curtailment priority with other LSEs even in that limited situation, although we decline to address that argument here as it has not been raised on rehearing.

[19] *See* EPAct 2005 sec 1233(a) (to be codified at section 217(a) of the FPA, 16 U.S.C. 824q(a)).

[20] The Commission subsequently extended by 60 days the date on which the reforms adopted in Order No. 890 would have otherwise been effective. *See Preventing Undue Discrimination and Preference in Transmission Service*, 119 FERC ¶ 61,037 (2007) (April 11 Order).

conditions that are comparable to those it applies to itself, and are not unduly discriminatory or preferential. The Commission instead explained that it would follow a case-by-case approach to implementing FPA section 211A.

Requests for Rehearing and Clarification

29. Few petitioners question the applicability of Order No. 890, although some are concerned with the timing of the compliance actions required by the Commission. Southern asks the Commission to grant rehearing and extend the initial compliance deadlines by 60 days and to remain open to further requests for extension if the deadlines set forth in Order No. 890 cannot be met. MidAmerican asks the Commission to extend the effective date for the revisions to the *pro forma* OATT to the first day of the month following the effective date of these reforms. MidAmerican contends that it will be burdensome for transmission providers and confusing to transmission customers to implement the reforms adopted in Order No. 890 in the middle of a billing cycle.

30. TDU Systems express concern with the burden of reviewing section 205 filings by transmission providers seeking a determination from the Commission that a previously-approved variation from Order No. 888 continues to be consistent with or superior to the revised *pro forma* OATT. TDU Systems contend that reviewing and evaluating these filings will be a large and time-consuming process. TDU Systems ask the Commission to allow transmission customers 45 days to perform their own evaluation and comment upon these filings, while retaining a 90-day deadline for the Commission to process the filings. Alternatively, TDU Systems request rehearing of the Commission's decision not to stagger the due dates for the various compliance filings required in Order No. 890.

31. Although they recognize that Order No. 890 preserves existing waivers of the obligations to file an OATT, Unitil and Alcoa seek explicit confirmation that their waivers of the obligation to maintain an Open Access Same-Time Information System (OASIS) site are still valid. Unitil notes that the Commission has found that it does not operate or control an interstate transmission grid.[21] In addition, Unitil states that it voluntarily offers relevant information to ISO–NE for posting on its OASIS Web site. Similarly, Alcoa notes that the Commission has granted waiver of OASIS requirements to its Long Sault division, which owns five transmission lines in northern New York connecting Alcoa to its electric energy suppliers.[22] Thus, Unitil and Alcoa seek confirmation that the Commission did not intend the OASIS requirements outlined in Order No. 890 to apply to their operations.

32. NRECA requests clarification, or in the alternative rehearing, that the Commission did not intend in Order No. 890 to extend reciprocity obligations beyond transmission owning members of an ISO or RTO. NRECA contends that the Commission's modification to the *pro forma* OATT creates ambiguity by imposing the reciprocity obligation for all ''members'' of an ISO or RTO. NRECA points out that some members of ISOs and RTOs do not own transmission, such as transmission dependent utilities, state regulatory authorities and eligible end-use customers. NRECA argues that expanding the reciprocity obligation to require non-public utility transmission providers to provide service to non-transmission owning members of an ISO or RTO would contradict Commission precedent [23] and be unsupported by the record in this proceeding.

33. WSPP requests that the Commission establish a date by which it must submit a compliance filing containing the non-rate terms and conditions of the revised *pro forma* OATT. WSPP states that it is neither a transmission provider nor an RTO/ISO and, instead, only has a limited open access transmission tariff on file with the Commission. WSPP states that this tariff only applies to its transmission-owning members that do not otherwise have an OATT.

Commission Determination

34. In the April 11 Order, the Commission granted requests by EEI and others to extend by 60 days the date by which transmissions providers outside of ISO/RTO regions would have to submit compliance filings containing the non-rate terms and conditions of the revised *pro forma* OATT.[24] Southern's request for rehearing on this point is therefore moot. Similarly, we reject as unnecessary TDU Systems' request to allow transmission customers additional time to evaluate and comment upon compliance filings. These filings have already been made, comments have been filed, and in many cases orders addressing the filings have been issued.

35. The Commission also determined in the April 11 Order that it would be reasonable for a transmission provider to request that the imbalance-related provisions in Schedule 4 and Schedule 9 of the *pro forma* OATT be made effective on the first day of the billing cycle following the effectiveness of the underlying imbalance-related reforms.[25] MidAmerican does not explain or otherwise justify the need to delay the effectiveness of any other reforms until the following billing cycle. We therefore reject as moot MidAmerican's request to extend the effective date of the imbalance-related reforms adopted in Order No. 890 until the following billing cycle and reject as unsupported its request to extend the effective date of all other reforms adopted in Order No. 890.

36. The Commission made clear in Order No. 890 that the reforms therein were not intended to disturb any existing waivers of the obligation to file an OATT or otherwise offer open access transmission service.[26] The criteria for waiver of Order No. 890, moreover, remains unchanged from that used to evaluate the requests for waiver under Order Nos. 888 and 889. Revocation of any waivers will continued to be considered on a case-by-case basis in response to concerns raised by interested parties. We clarify that this applies equally to existing waivers of Order No. 889 and requirements to maintain an OASIS site.

37. We grant rehearing, in response to NRECA, to revise section 6 of the *pro forma* OATT to require a customer that is a member of or that takes service from an RTO or ISO to provide comparable service, to the extent it owns transmission facilities, only to the transmission-owning members of the RTO or ISO. The Commission has expressed concern in the past that failure to grant reciprocity to transmission-owning members of an RTO or ISO would cause those members to lose the right to reciprocity solely as a result of participating in the RTO or ISO.[27] We did not intend to expand that obligation in Order No. 890 to other members of an RTO or ISO when revising the language of section 6 of the *pro forma* OATT to refer to RTOs and ISOs.

38. Below the Commission adopts various other revisions to the *pro forma* OATT in response to requests for rehearing and clarification. These revisions do not disturb the

[21] *Citing Northern States Power Co.*, 76 FERC ¶ 61,250 at 62,297 (2002).

[22] *Citing Alcoa Power Generating, Inc. (Long Sault Division)*, 116 FERC ¶ 61,257 (2006).

[23] *Citing American Transmission Co. LLC*, 95 FERC ¶ 61,387 (2001).

[24] April 11 Order at P 20.

[25] *Id.* at P 22.

[26] *See* Order No. 890 at P 135, n.105.

[27] *See American Transmission Company LLC*, 93 FERC ¶ 61,267 at 61,858–59 (2000), *reh'g denied*, 95 FERC ¶ 61,387 at 62,446 (2001).

fundamental nature of the reforms adopted in Order No. 890 and, thus, we do not anticipate any difficulty in their implementation or disruption in on-going compliance efforts. We direct transmission providers that have not been approved as RTOs or ISOs, and whose facilities are not in the footprint of an RTO or ISO, to submit an FPA section 206 filing that contains the revised non-rate terms and conditions of the *pro forma* OATT stated in Appendix C within 60 days of publication of this order in the **Federal Register**. We direct RTO and ISO transmission providers, transmission providers whose facilities are in the footprint of an RTO or ISO, and WSPP to submit an FPA section 206 filing that contains the revised non-rate terms and conditions of the *pro forma* OATT as stated within Appendix C within 90 days of publication of this order in the **Federal Register**.

III. Reforms of the OATT

A. Consistency and Transparency of ATC Calculations

39. In Order No. 890, the Commission concluded that the lack of consistency and transparency in the methodology for calculating ATC creates the potential for undue discrimination in the provision of open access transmission service. To remedy this lack of consistency and transparency, the Commission directed public utilities, working through the NERC reliability standards and NAESB business practices development processes, to produce workable solutions to implement the ATC-related reforms adopted by the Commission. A number of petitioners seek rehearing and/or clarification regarding the Commission's ATC-related rulings, which we address below.

1. Consistency

a. Necessary Degree of Consistency

40. The Commission required industry-wide consistency of all ATC components[28] and certain definitions, data inputs, data exchange, and modeling assumptions in order to reduce the potential for undue discrimination in the provision of transmission service. Although the Commission concluded that the number of industry-wide ATC calculation formulas should be few in number, it did not require that a single ATC calculation methodology be applied by all transmission providers. The Commission found that it is not the methodologies for calculating ATC that create the opportunity for undue discrimination, rather the variability in the calculation of the components of ATC and the lack of a detailed description of the ATC calculation methodology and underlying assumptions used by the transmission provider.

41. The Commission noted that NERC was then in the process of developing standards for three ATC calculation methodologies: contract or rated path ATC, network ATC, and network Available Flowgate Capacity (AFC). The Commission concluded that, if all of the ATC components and certain data inputs and assumptions are consistent, the use of the three ATC calculation methodologies included in reliability standards being developed would be acceptable. With regard to network AFC, the Commission specifically directed public utilities, working through NERC, to develop an AFC definition and requirements used to identify a particular set of transmission facilities as a flowgate. However, the Commission reminded transmission providers that our regulations require the posting of ATC values associated with a particular path, not AFC values associated with a flowgate. The Commission therefore directed public utilities, working through NERC, to develop in the MOD–001 standard a rule to convert AFC into ATC values to be posted by transmission providers that currently use the flowgate methodology.

42. The Commission also required further clarification regarding the calculation algorithms for firm and non-firm ATC. The Commission directed public utilities, working through NERC, to modify related ATC standards by implementing the following principles: (1) For firm ATC calculations, the transmission provider shall account only for firm commitments; and (2) for non-firm ATC calculations, the transmission provider shall account for both firm and non-firm commitments, postbacks of redirected services, unscheduled service, and counterflows.

Requests for Rehearing and Clarification

43. Southern requests that the Commission clarify that consistency in ATC methodologies and CBM and TRM calculations must not take precedence over reliability and that some transmission provider discretion is necessary. Southern states that, in several places, Order No. 890 discusses minimizing transmission provider discretion in order to achieve consistency.[29] Southern contends that totally eliminating this discretion would not allow transmission providers to address unique system conditions in ATC, CBM, and TRM calculations, which would impact system reliability. Southern claims that eliminating transmission provider discretion also would lead to more conservative modeling, which would likely result in understated amounts of ATC and an inefficient use of the system.[30] To the extent making the treatment of certain ATC parameters or CBM or TRM calculations consistent would affect reliability, Southern asks that transparency in the treatment of those parameters and calculations be required, but that strict consistency not be enforced.

44. MidAmerican requests clarification that AFC quantities do not need to be converted into control area-to-control area path ATC quantities and that the Commission is not eliminating the coordination of individual transmission provider service with seams agreements and/or regional tariff service on flowgates. MidAmerican asks the Commission to confirm that it is merely intending to require NERC to define a flowgate ATC quantity which is equal to or related to the flowgate AFC. MidAmerican contends that transmission customers, operators, and owners will not benefit from the conversion of flowgate AFCs into control area-to-control area path ATCs, the elimination of AFC as a useful transmission commodity, or the elimination of the coordination of individual provider and regional transmission service over flowgates. To the extent the Commission feels there is a comparability benefit for the conversion of AFC to ATC, MidAmerican requests clarification that providing transmission customers with a mechanism on OASIS to query/assess the effective ATC on a specific transmission path over a specific time is sufficient for compliance with the transmission provider's ATC posting obligation.

45. E.ON U.S. requests clarification of the requirement that AFC calculations be converted into ATC for purposes of posting. E.ON U.S. states that some

[28] The ATC components are total transfer capability (TTC), existing transmission commitments (ETC), capacity benefit margin (CBM), and transmission reserve margin (TRM).

[29] *Citing* Order No. 890 at P 207.

[30] Southern suggests that one example of when a transmission provider should have discretion is when modeling long-term firm transmission service reservation from a combustion turbine generating facility. Southern argues that, by its nature, such a generating facility normally will not often run in off-peak times. During those times, or when there is an impending outage of a generating facility, Southern argues that the transmission provider should have the discretion to reflect the operating characteristics of the generating facility by not including transmission service from the facility in its model.

RTOs, such as MISO and others, utilize AFC and do not calculate or post ATC for their systems. Due to interactions with these RTOs, E.ON U.S. now calculates AFC as well. E.ON requests that the Commission clarify that if RTOs and their member utilities are granted waivers of the requirement to calculate and post ATC, in favor of AFC, all transmission owning utilities in the region should be able to request a waiver on the same basis. E.ON claims that allowing all transmission-owning utilities within a region to calculate AFC (instead of ATC) will result in greater accuracy and consistency within the industry.

46. Although it does not challenge the Commission's decision not to require a single, industry-wide ATC calculation method, TDU Systems claims that the Commission fails to address the situation where transmission providers on a single interface choose different ATC calculation methods. TDU Systems argue that transmission providers must be required to provide consistent ATC values on either side of an interface. TDU Systems therefore request that adjacent transmission providers be required to coordinate to provide consistent ATC values across their common interfaces.

47. NorthWestern requests that the Commission clarify that the consistency requirements of Order No. 890 do not prohibit utilities from reducing transfer capability for the purchase of reliability services. According to NorthWestern, some transmission providers may have to acquire various generation-based services, such as load following and regulation service, in the marketplace in order to meet reliability criteria. NorthWestern argues that some means should be allowed for retaining transmission at no cost for such deliveries, even though they do not meet the strict definition of CBM, since they are made for reliability reasons and no single user of the system would otherwise reimburse the transmission provider for the associated costs.

48. EPSA and Williams request clarification that ATC and AFC calculations should be determined and posted in real-time, not just as planning information, and that the transmission provider be required to post results of its system utilization for ETC. Williams contends that this would augment the transparency deemed critical to a coherent and uniform calculation of ATC by enabling interested stakeholders and the Commission to verify the ATC calculations performed by transmission providers.

Commission Determination

49. The Commission affirms the decision in Order No. 890 to require consistency of all ATC components and certain definitions, data inputs, data exchange and modeling assumptions. We continue to believe such consistency is necessary to reduce the potential for undue discrimination in the provision of transmission service.

50. We disagree with Southern that increasing consistency with respect to the determination of ATC is contrary to reliability. Use of the NERC reliability standards process will, as a matter of course, guard against any unintended reduction in reliability. Nevertheless, we agree that reliability standards cannot address every unique system difference or differences in risk assumptions when modeling expected flows, which necessitates leaving room for limited discretion on the part of the transmission provider. We believe that the ATC requirements in Order No. 890 allow sufficient flexibility so that utilities, working through NERC/NAESB, can develop ATC standards that continue to provide reliability and are compatible with all other mandatory reliability standards or business practices, yet provide discretion where appropriate. If a transmission provider is faced with unique system conditions or modeling assumptions related to firm transmission service reservations[31] that are not addressed in the ATC-related NERC reliability standards, it must make them transparent through its Attachment C filing and the OASIS posting requirements regarding ATC calculation and modeling approach, studies, models and assumptions and implement them consistently for all transmission customers.

51. We deny MidAmerican's request for clarification that AFC values do not need to be converted into ATC postings of control area-to-control area path quantities. As the Commission explained in Order No. 890, our regulations require the posting of ATC values associated with a particular path, not AFC values associated with a flowgate.[32] The Commission did not amend that requirement in Order No. 890 and MidAmerican fails to justify doing so now. To the extent MidAmerican or its customers find it beneficial also to post AFC, MidAmerican is free to post both ATC and AFC values. In response to E.ON U.S., however, we clarify that transmission-owning utilities in an RTO region can request waiver of the requirement to convert AFC calculations into ATC for posting purposes in the event the RTO has been granted such a waiver.

52. In response to TDU Systems, we clarify that adjacent transmission providers must coordinate and exchange data and assumptions to achieve consistent ATC values on either side of a single interface. This is applicable to any neighboring transmission providers no matter whether they use the same or different ATC methodologies. We note, however, that the anticipated consistency is for available capability in the same direction across an interface.

53. We clarify in response to NorthWestern that TRM may be used to accommodate the procurement of ancillary services used to provide service under the *pro forma* OATT. We deny as premature EPSA's and Williams' requests for clarification regarding the real-time determination and posting of ATC and AFC values, as well as posting of utilization of transmission provider's own system ETC. In Order No. 890, the Commission required an exchange of the data both for short and long-term ATC/AFC calculation that will increase the accuracy of ATC calculations.[33] The Commission also required that ATC be recalculated by all transmission providers on a consistent time interval, and in a manner that closely reflects the actual topology of the system, load forecast, interchange schedules, transmission reservations, facility ratings, and other necessary data, and that NERC/NAESB revise the related reliability standard and business practices accordingly.[34] EPSA and William should address their concerns through the NERC and NAESB processes implementing these requirements.

b. Process To Achieve Consistency

54. The Commission directed public utilities, working through NERC and NAESB, to modify the ATC-related reliability standards and business practices in accordance with specific direction provided in Order No. 890. The Commission concluded that the NERC reliability standards development process and the NAESB business standards development process are the appropriate forums for developing

[31] Transmission providers use different assumptions related to the percentage of firm reservations that are actually scheduled and flow.

[32] *See* Order No. 890 at P 211. ATC values must be posted for control area to control area interconnections, paths for which service is denied, curtailed or interrupted for more than 24 hours in the past 12 months, and paths for which a customer requests to have ATC or TTC posted. *See* 18 CFR 37.6(b)(1)(i).

[33] *See* Order No. 890 at P 310.

[34] *See id.* at P 301.

consistency in ATC calculations. To that end, public utilities were directed, working through NERC, to modify the ATC-related reliability standards within 270 days after the publication of Order No. 890 in the **Federal Register**, *i.e.*, December 10, 2007. Public utilities were also directed, working through NAESB, to develop business practices that complement NERC's new reliability standards within 360 days after the publication of Order No. 890 in the **Federal Register**, *i.e.*, March 10, 2008.[35]

Requests for Rehearing and Clarification

55. Several petitioners contend that the Commission's direction to public utilities, working through NERC, to modify standards to meet specific ATC requirements is tantamount to dictating reliability standards in violation of FPA section 215.[36] These petitioners assert that system reliability will be best maintained if NERC, having been certified by the Commission as the ERO, is afforded discretion in creating the necessary reliability standards in the first instance prior to submission to the Commission for approval consistent with section 215.[37] EEI and Southern suggest that the Commission give guidance and direction to NERC on how standards should be developed, but not be overly prescriptive. E.ON LSE argues that the Commission should require, or at least permit, NERC to consolidate its ATC development process with its ongoing reliability standards process to develop policies, but should refrain from rewriting any standards developed through that consolidated process.

Commission Determination

56. The Commission affirms the decision in Order No. 890 to rely on the NERC reliability standards development process, and the NAESB business practices development process, to achieve a more coherent and uniform determination of ATC. We disagree that this conflicts with the Commission's obligations under section 215 of the FPA. In Order No. 693, the Commission exercised its authority under FPA section 215 to direct the ERO to modify the existing modeling, data, and analysis (MOD) standards related to ATC calculation, providing guidance consistent with our requirements in Order No. 890. The Commission clarified that, where Order No. 693 identified a concern and offered a specific approach to address the concern, the Commission would consider an equivalent alternative approach provided that the ERO demonstrated that the alternative would address the Commission's underlying concern or goal as efficiently and effectively as the Commission's proposal.[38] We believe this provides the appropriate flexibility for NERC, while ensuring that the Commission act to remedy the potential for undue discrimination in the calculation of ATC.

c. Applicability to ISOs, RTOs, and Non-Public Utility Transmission Providers

57. The Commission did not require ISO and RTO transmission providers to ''rejustify'' existing provisions in their OATTs that are not affected in a substantive manner by the revisions to the *pro forma* OATT in the Final Rule. However, the Commission did require all transmission providers, including an ISO or RTO, to demonstrate that variations from the tariff modifications required in Order No. 890 continue to satisfy the consistent with or superior to standard. With respect to the application of the ATC requirements of Order No. 890, the Commission noted that ISOs and RTOs would be required to comply with reliability standards developed under FPA section 215.

Requests for Rehearing and Clarification

58. Because Order No. 890 did not exempt ISOs/RTOs from the new ATC standards or curtailment information posting requirements, NYISO asks the Commission to clarify that NERC and NAESB must develop ATC standards and curtailment information posting rules that accommodate ISOs/RTOs. NYISO anticipates that ATC calculations will continue to be of limited significance within its control area, but acknowledges that it does calculate ATC at its external interfaces and also uses ATC to determine the availability of non-firm transmission service, *i.e.*, service for customers that do not wish to be exposed to congestion charges. NYISO states that it, therefore, has an interest and intends to participate in the NERC and NAESB processes developing new ATC standards and curtailment information posting requirements.

59. NYISO contends, however, that stakeholders from traditional systems will have a greater interest in the development of those rules and, as a result, that the NERC and NAESB processes may produce rules that primarily reflect the needs of traditional systems and do not accommodate ISOs/RTOs that are based upon locational marginal pricing of transmission. NYISO argues that Order No. 890 requires NERC and NAESB to develop standards that suit both traditional systems as well as the ISOs/RTOs that cover more than half of the load in the United States. NYISO requests that the Commission expressly state its expectation that the NERC and NAESB processes will produce standards that fulfill Order No. 890's objectives of transparency and inter-regional consistency, yet that are sufficiently flexible to work for ISO/RTO regions.

Commission Determination

60. Order No. 890 requires NERC and NAESB to develop a single set of ATC-related standards that will apply to all transmission providers, including RTOs and ISOs. We understand that the NERC ATC standard drafting team includes representatives from various industry sectors, including RTOs/ISOs, and we encourage NYISO to participate in the standard development process to provide NERC an opportunity to address its concerns. To the extent NYISO feels its concerns are not addressed in this process, it should bring the issue to the Commission's attention on review of the resulting reliability standards.

d. ATC Components

61. In Order No. 890, the Commission adopted certain requirements regarding the components of ATC (*i.e.*, TTC/TFC, ETC, CBM and TRM) necessary to achieve consistency and, in turn, limit the potential for undue discrimination in the calculation of ATC. Petitioners request rehearing and clarification of the Commission's determinations related to ETC, CBM and TRM, which we address in turn.

(1) ETC

62. The Commission adopted the NOPR proposal and directed public utilities, working through NERC and NAESB, to develop a consistent approach for determining the amount of transfer capability a transmission provider may set aside for its native load and other committed uses. The Commission determined that ETC should be defined to include committed

[35] The Commission has since extended these compliance deadlines to May 9, 2008, and August 7, 2008, respectively. *See Preventing Undue Discrimination and Preference in Transmission Service,* Notice of Extension of Time, Docket Nos. RM05–17–000, *et al.* (Dec. 6, 2007).

[36] *E.g.,* EEI, E.ON LSE, and Southern.

[37] *Citing* 16 U.S.C. 824o(d)(2) (requiring the Commission to ''give due weight to the technical expertise of the [ERO]'' on reliability matters).

[38] *See Mandatory Reliability Standards for the Bulk Power System,* Order No. 693, 72 FR 16,416 (Apr. 4, 2007), FERC Stats. & Regs. ¶ 31,242 (2007) (Order No. 693), *order on reh'g,* 120 FERC ¶ 61,053 (2007) (Order No. 693–A). Pending completion of the NERC/NAESB standardization process, each transmission provider must perform its ATC-related calculations in accordance with the methodology set forth in Attachment C to its OATT, as revised to comply with Order No. 890.

uses of the transmission system, including (1) native load commitments (including network service), (2) grandfathered transmission rights, (3) appropriate point-to-point reservations,[39] (4) rollover rights associated with long-term firm service, and (5) other uses identified through the NERC process. The Commission determined that ETC should not be used to set aside transfer capability for any type of planning or contingency reserve, which are to be addressed through CBM and TRM.[40] In addition, for short-term ATC calculations, all reserved but unused transfer capability (non-scheduled) must be released as non-firm ATC.

63. The Commission also found that inclusion of all requests for transmission service in ETC would likely overstate usage of the system and understate ATC. The Commission therefore found that reservations that have the same point of receipt (POR) (generator) but different point of delivery (POD) (load), for the same time frame, should not be modeled in the ETC calculation simultaneously if their combined reserved transmission capacity exceeds the generator's nameplate capacity at the POR. The Commission directed public utilities, working through NERC, to develop requirements in MOD–001 that lay out clear instructions on how these reservations should be modeled. The Commission also concluded that some elements of ETC are candidates for business practices instead of reliability standards and directed public utilities, working through NAESB, to develop business practices necessary for full implementation of the MOD–001 reliability standard.

Requests for Rehearing and Clarification

64. TDU Systems contend that, although the Commission defined the ETC component of ATC to include committed uses of the transmission system, it did not clearly identify how requests for transmission service are to be treated. TDU Systems question whether the Commission's use of the term ''committed requests'' is the same as ''confirmed requests'' for service. In order to provide greater clarity, certainty and transparency to the ATC calculation process, TDU Systems ask the Commission to clarify that ''committed requests'' means the same thing as ''confirmed requests,'' as this term is generally understood throughout the industry.

65. TranServ requests clarification that the Commission's statement that all reserved but unused transfer capability (non-scheduled) shall be released as non-firm ATC was limited to the release of unscheduled firm transmission capability and not intended to require transmission providers to release unscheduled non-firm capability for additional non-firm sales.[41]

Commission Determination

66. The Commission clarifies in response to TDU Systems' request that the reference to ''committed requests'' in Order No. 890 was intended to refer to confirmed transmission service requests. Once a service request has been approved by the transmission provider and confirmed by the transmission customer, it should be taken into account when determining ETC.

67. We also agree with TranServ that the Commission's reference to releasing unused (non-scheduled) transfer capability as non-firm ATC applies to unscheduled firm transmission capability, since all unused non-firm capacity is deemed available to any entity meeting the scheduling requirements. This does not alter the requirement that the transmission provider offer all available capacity, firm or non-firm, as applicable, consistent with our longstanding open access principles.

(2) CBM

68. The Commission directed public utilities, working through NERC and NAESB, to develop clear standards and business practices for how the CBM value is determined, allocated across transmission paths and flowgates, and used. To ensure that CBM is used for its intended purpose, the Commission provided that CBM shall only be used to allow an LSE to meet its generation reliability criteria. The Commission rejected requests to allow CBM to be used to meet reserve-sharing needs, explaining that TRM is the appropriate category for that purpose. Public utilities were directed to work with NAESB to develop an OASIS mechanism that will allow for auditing of CBM usage.

69. The Commission clarified that each LSE within a transmission provider's control area has the right to request the transmission provider to set aside transfer capability as CBM for the LSE to meet its historical, state, RTO, or regional generation reliability criteria requirement such as reserve margin, loss of load probability, the loss of largest units, etc. It also determined that LSEs should be permitted to call for the use of CBM, pursuant to conditions established in the reliability standards development process. Public utilities were directed to work through NERC to modify the CBM-related standards to specify the generation deficiency conditions during which an LSE will be allowed to use the transfer capability reserved as CBM. The Commission also directed public utilities, working through NERC, to develop clear requirements for allocating CBM to paths and flowgates and concluded that transmission capacity set aside as CBM shall be zero in non-firm ATC calculations.

70. Finally, the Commission required the transmission provider to design their transmission charges so that the class of customers not benefiting from the CBM set-aside, *i.e.*, point-to-point customers, do not pay a transmission charge that includes the cost of the CBM set-aside. Transmission providers were permitted to submit redesigned transmission charges that reflect the CBM set-aside through a limited issue FPA section 205 rate filing. The Commission noted that these filings may be limited to the rate design change only, *i.e.*, they would not require the submission of cost of service data or a revision to the transmission provider's revenue requirement.

Requests for Rehearing and Clarification

71. Duke requests that the Commission clarify that utilities that do not reserve CBM for themselves do not need to make it available to others. Although the Commission required transmission providers to make CBM available to LSEs that request it, Duke argues that the Commission has no authority under FPA section 206 to require transmission providers to do so when they do not use CBM themselves since there is no potential for undue discrimination.

72. With regard to the calculation of CBM, Southern argues that requiring a consistent calculation methodology would be harmful to LSEs because reserve needs vary from area to area. Southern contends that LSEs should be allowed the flexibility to establish CBM on a per-interface basis so that CBM use will be commensurate with expected system conditions, topography, and available capacity markets. Southern states, for example, that small LSEs typically have fewer internal resources than larger LSEs and therefore need

[39] The Commission explained that the reference to ''appropriate point-to-point reservations'' meant that reservations accounted for under ETC depend on the firmness and duration of the reservation. The Commission stated that the specific characteristics should be developed in the reliability standard.

[40] TRM also includes such things as loop flow and parallel path flow.

[41] *Citing* Order No. 890 at 244, 389.

more CBM. Southern contends that a consistent methodology could result in higher infrastructure cost, place system reliability at risk, and ultimately remove the economic benefit associated with CBM.

73. Southern also argues that development of a ''one-size-fits all'' methodology for the calculation of CBM would be impossible due to varying regional and state mandates governing generation adequacy issues. Southern contends that such a mandate, if applied to a transmission provider's native load customers that are under varying regional and state resource adequacy requirements, would amount to a regulation of reserve adequacy which is outside of the Commission's jurisdiction. Southern adds that this would implicate (and may violate) the reliability provisions of FPA section 215 and the native load protections of FPA section 217.

74. TDU Systems request that the Commission clarify, or grant rehearing, that if a transmission provider does not accommodate reserve-sharing arrangements for its load-serving transmission customers as TRM, then it must allow access to the CBM set-aside for reserve-sharing purposes. TDU Systems are concerned that some transmission providers do not use TRM set-asides, but rather use a CBM-approach to reserving capacity across interfaces for reserve-sharing arrangements. In such cases, TDU Systems state that LSEs needing access to interface capacity to accommodate reserve-sharing arrangements may not be able to obtain that capacity if the Commission limits such usage to TRM. TDU Systems contend that transmission providers set aside interface capacity to serve their retail native load in the case of both generation emergencies and economic transactions and that comparability demands the same for the reserve-sharing arrangements for LSEs.

75. With regard to cost recovery of the CBM set-aside, Southern argues that CBM is a component of network service that is already paid for by network customers and native load through their bearing a load-ratio share responsibility for the costs of the transmission system. Southern contends that CBM is used as a network reservation of resources used to service network and/or native load under certain conditions. Southern argues that a network customer's cost responsibility is based upon its load, not its designation of network resources and, therefore, the network customer is already bearing CBM-related costs through its load ratio share responsibility.

76. As a result, Southern concludes that point-to-point customers are not paying for CBM capacity and, instead, are paying their appropriate share of the total transmission system cost based upon their reservations of capacity. Southern states that Commission policy requires network customers and native load to bear the costs of both the capacity they use and any capacity that is not reserved by point-to-point customers.[42] Southern argues that the Commission's finding in Order No. 890 that point-to-point customers are inappropriately bearing the costs of CBM represents an unexplained departure from Order No. 888-A.

77. Southern also contends that this ruling will result in an inconsistency within the *pro forma* OATT, requiring incremental cost responsibility for network customers to utilize one particular type of external resource or off-system purchase, *i.e.*, the utilization of CBM. Southern argues that this conflicts with the structure of network service under the *pro forma* OATT, which allows the network customer to utilize the interfaces for both external designated network resources and off-system opportunity purchases without additional charge. Southern also contends that requiring network customers to pay for CBM on the same basis as firm point-to-point service disadvantages the use of CBM since interface capacity could only be used on an emergency basis and therefore is not considered firm service for the purpose of designating off-system system resources.

78. Southern goes on to assert that the Commission's premise that point-to-point customers are not benefiting from CBM is incorrect. Southern notes that under normal conditions the transfer capability reserved as CBM is made available for non-firm use by other customers. Southern notes also that long-term point-to-point customers benefit from the non-firm point-to-point use of that transfer capability because associated revenues are included as revenue credits in the numerator of the OATT rate calculations to reduce charges to long-term firm point-to-point customers.

79. If the Commission does not reverse its decision in Order No. 890 regarding the redesign of transmission charges, Southern seeks clarification regarding how the CBM set-aside should be treated for ratemaking purposes since it does not represent additional load. Southern notes that the potential for long-term customers to receive a rate benefit from the non-firm point-to-point use of the set-aside raises the potential for them receiving a double credit. Southern also suggests that the Commission defer the new rate design filing until after NERC has adopted ATC standards under MOD–001.

80. EEI and Idaho Power raise similar concerns, asking the Commission to clarify that, when the transmission provider modifies its rate design for point-to-point transmission service, it also may propose a rate design modification to ensure that it recovers from network and native load customers any reduction in revenues resulting from the change in the rates for point-to-point service. Duke contends that allocating costs of the CBM set-aside through a downward revision to point-to-point rates would have the effect of allocating costs to native load and network customers for a service that is not taken. EEI and Idaho Power argue that the Commission should allow transmission providers to modify their rates for other services in order to prevent under-recovery of their costs of service or inappropriately shifting costs to native load customers. EEI also requests the Commission to clarify that the rate design change may take into consideration the fact that transmission providers credit against the cost of service revenues received from short-term and non-firm transmission service provided using capacity that is set aside for CBM to ensure that long-term firm point-to-point customers do not receive a double credit for the use of CBM capacity.

81. EEI requests further clarification regarding how a transmission provider should modify unit charges that are established by settlement. EEI argues that transmission providers should not be required to make an entirely new cost-of-service filing and, instead, should be permitted to reduce its rates for firm point-to-point service by the ratio of its current transmission load and reservations without the CBM set-aside to its transmission load and reservations plus the CBM set-aside.

Commission Determination

82. The Commission clarifies in response to Duke that utilities do not need to make CBM available to LSEs on their system if the utilities do not reserve for themselves CBM or its equivalent. Comparability only requires transmission providers to make CBM available when they set aside for themselves transfer capability to meet generation reliability criteria.[43] In order

[42] *Citing* Order No. 888–A at P 30,220.

[43] We note that Duke states, in its Attachment C compliance filing, that it has set CBM on all of its

Continued

to provide transparency and consistency regarding the use of CBM, public utilities, working through NERC, must develop clear standards for how CBM is determined, allocated across transmission paths, and used.[44]

83. The Commission did not mandate a particular methodology for allocating CBM over transmission paths and flowgates in Order No. 890. We therefore reject Southern's argument that development of a consistent methodology for calculating CBM would be harmful to LSEs because reserve needs vary from area to area. While we expect the NERC and NAESB process to produce a consistent and transparent process for setting aside and allocating CBM based on LSE requests, we decline to prescribe a specific method for how CBM should be obtained or allocated or otherwise determine the amount of capacity that the transmission provider has to set aside in response to requests from multiple LSEs.

84. We disagree that a consistent CBM methodology that allows LSEs access to historically used resources would impair reliability, conflict with the rights of native load under FPA section 217, or otherwise implicate varying regional and state mandates governing adequacy issues. In any event, it is premature to consider these questions since NERC and NAESB have yet to complete their work on the reliability standards and business practices. We also disagree with Southern that a consistent CBM methodology will remove the economic benefit associated with CBM. Rather, a consistent methodology for determining how the CBM value is determined, allocated, and used will remove excess discretion that transmission providers previously had and allow all LSEs to have the benefits associated with CBM.

85. Regarding TDU Systems' request to use CBM for reserve-sharing arrangements, we reiterate that TRM is the appropriate category for reserve-sharing arrangements and that CBM is to meet verifiable generation reliability criteria in times of emergency generation deficiencies.[45] As the Commission explained in Order No. 890, TRM may be used for other transmission-related uncertainties as well.[46] Because the transmission provider may set aside transfer capability for TRM to operate the system reliably, we reject TDU Systems' request to use CBM for reserve-sharing purposes.

86. With regard to cost recovery of the CBM set-aside, we affirm the decision in Order No. 890 to require transmission providers to design their transmission charges to ensure that the class of customers not benefiting from the CBM set-aside, *i.e.*, point-to-point customers, do not pay a transmission charge that includes the cost of the CBM set-aside. Only network customers and the transmission provider on behalf of its native load may request that transmission capacity be set aside as CBM and, therefore, only those users of the system should bear its costs. We disagree with Southern that, because CBM is used by network customers, all the costs associated with CBM are already borne by network customers through their load ratio share responsibility. As Southern acknowledges, the rates for point-to-point service are also calculated based on a share of total transmission system cost. If the costs associated with CBM are not excluded from the universe of costs allocated to all point-to-point customers, then every point-to-point customer will end up paying a portion of those costs. The Commission's rate design ruling is therefore consistent with, not contrary to, the Commission's directive in Order No. 888–A for network customers and native load to bear the cost of capacity not used by point-to-point customers.[47]

87. We acknowledge, as Southern claims, that point-to-point customers do reap some indirect benefits from the CBM set-aside in that related capacity that is not used is made available on a non-firm basis and that, in turn, can generate revenues that are credited to the transmission cost of service to the benefit of point-to-point customers. We do not believe this justifies charging all point-to-point customers for the cost of the CBM set-aside. These costs should instead be allocated to the entities that have the exclusive right to request the set-aside in the first instance. We agree that, in certain circumstances, this may necessitate modification of other rate design elements to ensure that costs are appropriately allocated and that the transmission provider fully recovers any reduction in revenues resulting from the change in the rates for firm point-to-point service. Nothing in Order No. 890 precludes transmission providers from proposing modification of rates for other services (such as network service) as necessary to recover CBM-related costs previously paid by point-to-point customers. Similarly, we expect that transmission providers would address in their rate design filings any possibility for particular customers to receive an inappropriate credit for non-firm use of capacity set aside for CBM.

88. We disagree that requiring transmission providers to design their rates to properly allocate CBM-related costs conflicts with the nature of network service or disadvantages network customers using CBM. Under the *pro forma* OATT, transfer capability is made available for network resource designations and firm point-to-point reservations on a non-discriminatory basis. It is therefore appropriate to design rates so that network customers and point-to-point customers pay rates based on the service available to each.

89. We decline to defer the filing of CBM-related rate design proposals until completion of the NERC/NAESB standardization process. To the extent a transmission provider's rates currently collect the costs associated with the CBM set-aside from point-to-point customers, those rates must be redesigned in accordance with Order No. 890. We acknowledge, however, that the on-going NERC and NAESB standardization processes may result in CBM being set aside and used differently in the future. To the extent such changes implicate the allocation of costs among those that are eligible to request or use the set-aside, the transmission provider should file with the Commission any necessary rate changes to ensure that CBM costs continue to be allocated appropriately.

90. Finally, we decline to address here what changes may be necessary to a particular rate settlement in order to ensure that costs associated with the CBM set-aside are allocated properly. All proposals to allocate CBM costs will be considered on a case-by-case basis, whether they involve rates stated in a settlement or otherwise.

(3) TRM

91. The Commission required public utilities, working through NERC, to complete the ongoing process of modifying TRM-related reliability standards (MOD–008 and MOD–009). To guide NERC and NAESB in the process of drafting TRM-related standards and business practices, the Commission explained that transmission providers may set aside TRM for (1) load forecast and load distribution error, (2) variations in facility loadings, (3) uncertainty in

interfaces to zero because it uses short-term line ratings (where available), which yields an operating margin that may be used for unexpected conditions or inaccuracies in data. *See* Compliance filing of Duke Energy Carolinas, Docket No. OA07–82–000 (Sep. 10, 2007); Open Access Transmission Tariff of Duke Energy Carolinas, LLC, FERC Electric Tariff Fifth Rev. Vol. No. 4, Original Sheet 170H. The Commission will address the merits of that practice in Docket No. OA07–82–000.

[44] Order No. 890 at P 256, 259.

[45] *See id.* at P 264.

[46] *See id.* at P 273.

[47] *See* Order No. 888–A at 30,220.

transmission system topology, (4) loop flow impact, (5) variations in generation dispatch, (6) automatic sharing of reserves, and (7) other uncertainties as identified through the NERC reliability standards development process. To the extent capability is needed for transmission of shared reserves, the Commission stated that it must be included in TRM, although the Commission did not mandate the use of reserve sharing groups.

92. Each transmission provider was required to calculate, and allocate on the paths and flowgates, the aggregate TRM value for all LSEs within its area. Public utilities also were directed, working through NERC, to establish an appropriate maximum TRM. The Commission expressed support for NERC's plan to revise existing reliability standards for TRM to require clear documentation of the TRM calculation, to ensure full transparency. In addition, the Commission required each transmission provider to make available all underlying documentation, including work papers and load flow base cases, used to determine TRM, to any transmission customer and LSE within its control area, subject to a confidentiality agreement,[48] if necessary. Because load, facility loadings, and other uncertainties constantly deviate, the Commission did not require that TRM set-aside capacity be sold on a non-firm basis. The Commission explained that any request for regional difference from the applicable TRM reliability standards must take place through the NERC reliability standards development process.

Requests for Rehearing and Clarification

93. Duke asks the Commission to clarify that it intended NERC to develop a methodology to calculate a maximum TRM number, not to put an actual number in the reliability standard, arguing that requiring an actual number would overstep the bounds of FPA section 215. Southern argues that NERC must be allowed flexibility to develop appropriate TRM methodologies so that the use of TRM will be commensurate with expected system conditions, topography, and available capacity markets. Southern contends that setting a maximum amount of TRM would overlook the physical realities of the differing system configurations that constitute the electrical system. Southern argues, in particular, that the percentage ratings reduction proposed would be poorly suited as a reliability margin since individual line flows can change by very large percentages for single contingency events.

Commission Determination

94. The Commission clarifies that NERC was not directed to identify an actual number or a particular methodology to include in the TRM standards, MOD–008–0 and MOD–009–0. The Commission's intent was to require NERC and NAESB to include consistent criteria and guidelines in the calculation and uses of TRM by transmission providers.[49] Likewise, in response to Southern's concern regarding flexibility to use something other than the ratings reduction method discussed in Order No. 890, we clarify that the ratings reduction method is only an example of a simple method that could be used.[50] Our intent is not to prohibit a transmission provider from using a more sophisticated method, so long as it is consistent with the reliability standards developed by NERC.

e. Modeling, Assumptions and Input Data

95. The Commission directed public utilities, working through NERC, to modify the reliability standards MOD–010 through MOD–025 [51] to incorporate a requirement for the periodic review and modification of models for (1) load flow base cases with contingency, subsystem, and monitoring files, (2) short circuit data, and (3) transient and dynamic stability simulation data, in order to ensure that these models are up to date. The Commission stated that the models should be updated and benchmarked to actual events.

96. The Commission also required transmission providers to use consistent data and assumptions underlying operational planning for short-term ATC and expansion planning for long-term ATC calculation, to the maximum extent practicable. The Commission explained that such data and assumptions include, for example, (1) load levels, (2) generation dispatch, (3) transmission and generation facilities maintenance schedules, (4) contingency outages, (5) topology, (6) transmission reservations, (7) assumptions regarding transmission and generation facilities additions and retirements, and (8) counterflows. The Commission directed public utilities, working through NERC, to modify ATC standards to achieve this consistency.

Requests for Rehearing and Clarification

97. Entergy requests that the Commission acknowledge that the benchmarking of ATC calculations to real-time ATC values is only one piece of information to be used to evaluate ATC practices. Entergy agrees that such updating and benchmarking can provide information related to ATC/AFC calculations, but states that differences between the models used to calculate ATC/AFC and actual events in fact are going to occur. Entergy contends that the purpose of the ATC/AFC models is not to forecast actual operating conditions, but instead to reflect the physical transmission rights that have been previously granted and to determine if additional physical rights may be granted.[52] Entergy argues that benchmarking may be helpful when evaluating ATC, but it will not tell the whole story.

98. TDU Systems request that the Commission explicitly state that assumptions regarding loop flows must be consistent for ATC calculation and planning purposes, within the respective timeframe. TDU Systems argue that consistency in modeling the effects of those loop flows is necessary to ensure that neighboring transmission systems have accurately calculated ATC not only on their own systems but also on their interfaces with other systems. TDU Systems also ask that the Commission clarify that the assumptions and data to be used in ATC modeling must include the native load service obligations of LSEs as well as the transmission provider's native load.

Commission Determination

99. The Commission clarifies in response to Entergy that the models used by the transmission provider to calculate ATC, and not actual ATC values, must be benchmarked. The

[48] The confidentiality agreement may appropriately restrict the sharing of sensitive information with customer personnel that are involved only in transmission functions, as opposed to merchant functions.

[49] *See* Order No. 890 at P 273.

[50] *See id.* at P 275.

[51] The MOD–010 through MOD–025 reliability standards establish data requirements, reporting procedures, and system model development and validation for use in the reliability analysis of the interconnected transmission systems.

[52] Entergy asserts that actual conditions will and should deviate from ATC/AFC models for numerous reasons. Entergy states that transmission operators are constantly monitoring their systems and taking actions to ensure that system constraints are mitigated well before real-time, including modifications to transmission outage plans, generator outage plans, and daily unit commitment plans. Entergy contends that those actions could, for example, make a flowgate that months ahead of time was predicted to be loaded at 100 percent to be loaded less than 50 percent in real-time. Entergy also notes that many transmission customers only use all of their transmission rights a small percentage of the time and, in any event, actual operating ATC will not perfectly match posted ATC since, for example, the level of mandatory purchases from qualifying facility (QF) can affect real-time ATC.

Commission is concerned with the level of accuracy of the models and, therefore, directed in Order No. 890 that the models be updated and benchmarked to actual events. If models are not sufficiently accurate, then ATC/AFC calculations will not generate correct results, undermining the benefits of increased consistency and transparency of ATC calculations. With regard to discrepancies between actual and modeled ATC values, the Commission directed the ERO in Order No. 693 to modify MOD–014–0 through the reliability standards development process to require that actual system events be simulated and, if the model output is not within the accuracy required, the model shall be modified to achieve the necessary accuracy.

100. We agree with TDU Systems that assumptions regarding loop flows in calculating ATC must be consistent with those used for planning purposes within the respective timeframes. We also agree that loop flow impact in ATC calculation should not be restricted to the transmission provider's control area. Loop flows that occur in the power system must be included in the load flow models that simulate power system conditions. Loop flows affecting ATC calculation should be taken into account consistently by using the same models and assumptions as used for the planning of the system. With regard to modeling LSE uses of the system, we clarify that each transmission provider must include the native load service obligations of LSEs as well as the transmission provider's own load in modeling assumptions and data used for ATC calculation.

f. ATC Calculation Frequency

101. The Commission directed public utilities, working through NERC and NAESB, to revise reliability standard MOD–001 to require ATC to be recalculated by all transmission providers on a consistent time interval and in a manner that closely reflects the actual topology of the system, *e.g.*, generation and transmission outages, load forecast, interchange schedules, transmission reservations, facility ratings, and other necessary data. The Commission stated that this process must also consider whether ATC should be calculated more frequently for constrained facilities.

Requests for Rehearing and Clarification

102. Powerex asks the Commission to clarify that transmission providers are required to update their ATC calculations when they receive new data otherwise required to be posted under the requirements of Order No. 890, such as updated load forecasts. Powerex argues that the standards adopted through the NERC and NAESB processes should serve only as minimum or ''no less frequent than'' requirements. In Powerex's view, the specification of consistent intervals for ATC calculations should not prohibit or deter transmission providers from calculating and posting ATC on a more frequent basis as new data becomes available, particularly in light of the Commission's goal in Order No. 890 to make the ATC calculation process more transparent to customers.

103. Southern asks the Commission to clarify that ATC, not TTC, must be recalculated at consistent time intervals. Although the Commission referenced ATC in Order No. 890, Southern contends that the associated data and assumptions mentioned by the Commission (generation and transmission outages, load forecast, interchange schedules, transmission reservations, facility ratings, and other necessary data) relate to TTC. Southern argues that ATC is the appropriate reference because it can be calculated automatically with relative ease and frequency. In comparison, Southern states that TTC requires much more complex power flow analyses and should not be driven by changes in parameters without expert review. Southern contends that the calculation frequency requirements established by the Commission would result in constantly changing values if applied to TTC, with little time, if any, for the necessary review.

Commission Determination

104. The Commission agrees with Powerex that the standards adopted through the NERC and NAESB processes should serve as minimum or ''no less frequent than'' requirements to recalculate ATC. Transmission providers also must update their ATC calculation when they receive substantial and material changes in data, such as updated load forecasts, changes in topology and dispatch patterns, which may be more frequent than the NERC and NAESB standards would otherwise require. In the absence of substantial and material changes in data, transmission providers are not required to update ATC on a more frequent basis than the minimum frequency that the NERC and NAESB standards require, once implemented. The Commission will consider the adequacy of the time frame for ATC updates on review of these standards.

105. In response to Southern, we reiterate that Order No. 890 directed revisions to reliability standard MOD–001 to require that ATC, not TTC, be recalculated at consistent time intervals.[53] However, system topology or other changes such as transmission outages, load forecast, interchange schedules, transmission reservations, or facility ratings, and other necessary data that affect ATC may of course impact one or more of the components of ATC, including TTC. While we agree with Southern that TTC requires more involved power flow analyses, the transmission provider should consider whether any changes in system topology, contingency outages, or other factors are substantial enough to merit recalculation of TTC.

2. Transparency

106. In Order No. 890, the Commission adopted a number of requirements in order to improve the transparency of ATC calculations. Some of these reforms applied to the *pro forma* OATT, including a requirement that each transmission provider include in Attachment C to its OATT more descriptive information concerning its ATC/AFC calculation methodology. Other reforms applied to information posted on OASIS, including data related to the calculation of ATC and TTC, changes in the ATC/TTC values, disclosure of Critical Energy Infrastructure Information (CEII), and the posting of additional ATC-related data. Petitioners have requested rehearing and clarification of certain of these requirements, which we address in turn.

a. OATT Transparency—Attachment C

107. To increase transparency regarding ATC calculations, the Commission directed each transmission provider to set forth its ATC calculation methodology in Attachment C to its OATT. The Commission required that each transmission provider's Attachment C must, at a minimum: (1) Clearly identify which of the NERC-approved methodologies it employs (*e.g.*, contract path, network ATC, or network AFC); (2) provide a detailed description of the specific mathematical algorithm the transmission provider uses to calculate firm and non-firm ATC for the scheduling horizon (same day and real-time), operating horizon (day ahead and pre-schedule), and planning horizon (beyond the operating horizon); (3) include a process flow diagram that describes the various steps that it takes in performing the ATC calculation; (4) set forth a definition of each ATC component (*i.e.*, TTC, ETC, TRM, and CBM) and a detailed explanation of how

[53] *See* Order No. 890 at P 301.

each one is derived in both the operating and planning horizons; and (5) document their processes for coordinating ATC calculations with their neighboring systems.

108. The Commission concluded that Attachment C must provide an accurate documentation of processes and procedures related to the calculation of ATC, not the actual mathematical algorithms, which instead should be posted on their Web site with the link noted in the Attachment C. The Commission noted that a transmission provider may require a confidentiality agreement for CEII materials, consistent with our CEII requirements, or may otherwise protect the confidentiality of proprietary customer information. The Commission also required transmission providers to file a revised Attachment C to incorporate any changes in NERC's revised reliability standards and NAESB's business practices related to ATC calculations, as requested by the Commission in Order No. 890, within 60 days of completion of the NERC and NAESB processes.

Requests for Rehearing and Clarification

109. MidAmerican objects to the Commission's decision to require a process flow diagram to be included in Attachment C, suggesting instead that each transmission provider post this information on its Web site as an alternative. MidAmerican contends that process flow diagrams demand large amounts of computer capacity and that management of and electronic transmittal of its OATT would become difficult if process flow diagrams were required for other elaborate and important tasks throughout the tariff, such as the transmission service request procedure or the generation interconnection procedure. MidAmerican argues that providing a web link on OASIS would achieve the Commission's transparency objective and expeditiously provide those that wish to navigate through a process diagram a direct access to the document. At a minimum, MidAmerican asks that the Commission accept an internet posting of the diagram with the web address published in Attachment C.

110. Southern requests clarification as to whether the Commission intends for transmission providers to make two filings of ATC methodologies (*i.e.*, one when the Order No. 890 becomes effective and another when the NERC and NAESB processes are completed) or just one filing of such methodologies (*i.e.*, a single filing when the NERC and NAESB processes are completed). Southern argues that only one filing should be required, to be made within 60 days after the NERC and NAESB processes are completed. Southern contends that requiring a premature filing before those processes are complete would waste transmission providers' resources in preparing those filings and the Commission's resources in reviewing them.

Commission Determination

111. The Commission denies MidAmerican's request to permit a transmission provider to post on its Web site a process flow diagram and provide a web address in Attachment C, instead of providing the process flow diagram as a part of the Attachment C. A link to a Web site is not the equivalent of inclusion in the transmission provider's OATT, leaving the Commission unable to enforce use of the process flow diagram and the public with potentially more limited notice of any changes to the process flow diagram. The transparency and enforceability benefits of including the flow diagram in the tariff outweigh any potential filing burden. Therefore, we affirm our determination in Order No. 890 that a process flow diagram must be filed with OATT Attachment C, and that any change of the processes or data information identified by the process flow diagram must trigger an update of the process flow diagram and the filing of the revised OATT, Attachment C.

112. In response to Southern, Order No. 890 specifically required transmission providers to submit an intermediate filing within 180 days after the publication of the order in the **Federal Register** in order to provide transparency of the transmission provider's existing ATC calculation methodologies. In compliance with that requirement, a number of transmission providers, including Southern, submitted Attachment C compliance filings on September 11, 2007. The immediate transparency benefits of these filings will be supplemented by a revised filing following completion of the NERC and NAESB standardization processes. We do not believe the intermediate filing represented an undue burden to the transmission providers, as it was no more than a documentation of existing practices.

b. OASIS

(1) ATC/TTC Posting Requirements

113. The Commission concluded that transmission providers must continue to comply with existing ATC-related posting requirements, as supplemented by Order No. 890. To that end, the Commission stated that it would maintain a requirement for transmission providers to make available, upon request, all data used to calculate ATC and TTC for any constrained paths and any system planning studies or specific network impact studies performed for customers. Transmission providers were also directed to continue to post a list of such studies on OASIS. The Commission required the additional posting of, at a minimum, a list of all system impact studies, facilities studies, and studies performed for the transmission provider's own network resources and affiliated transmission customers, with those studies to be made available upon request. The Commission noted that appropriate procedures to accommodate CEII concerns should be developed to ensure eligible entities with a legitimate interest in transmission study data can receive access to it. The Commission required that the studies be made available for five years, consistent with data retention requirements pertaining to denial of service requests.

Requests for Rehearing and Clarification

114. MidAmerican requests clarification with regard to the interaction of the data availability obligation under Order No. 890 and the Commission's Standards of Conduct with respect to information requests made by affiliated transmission customers. In order to provide comparable transmission service, MidAmerican argues that data must be available in all circumstances. If the Commission does not clarify that this is the case, MidAmerican requests rehearing of this provision so that comparable information can be made available at all times.

Commission Determination

115. The Commission clarifies that all data used to calculate ATC and TTC for any constrained paths and any system planning studies or specific network impact studies performed for customers are to be made available on request, regardless of whether the customer is non-affiliated or affiliated with the transmission provider. To the extent the requesting party is an affiliate, the Standards of Conduct would require that data provided to the affiliate be simultaneously posted on the transmission provider's OASIS or Web site, as applicable.[54]

(2) ATC/TTC Narrative Explanation

116. The Commission retained existing posting requirements for unconstrained paths and amended its regulations relating to data posted for

[54] *See* 18 CFR 358.5.

constrained paths. Specifically, the Commission required transmission providers to post a narrative when a monthly or yearly ATC value changes as a result of a 10 percent change in TTC on constrained paths. Posted information must include both the (1) specific events which gave rise to the change and (2) the new values for ATC on that path (as opposed to all points on the network). The Commission also required the posting of a narrative with regard to monthly or yearly ATC values when ATC remains unchanged at a value of zero for a period of six months or longer.

Requests for Rehearing and Clarification

117. E.ON U.S. argues that the posting of a narrative explanation for changes in ATC resulting from changes in TTC is unduly burdensome and, in any event, would not provide transmission customers with any meaningful information. E.ON U.S. contends that, using the new process for calculating TTC, a transmission provider would have to calculate the value for each horizon model and compare it to values in the previous hour in order to implement the posting requirement. Where those values change by more than 10 percent, E.ON U.S. states that the transmission provider will have to examine individually each changed parameter to assess its contribution to the change. E.ON U.S. contends that, for its system, the list of parameters to be evaluated would include generation dispatch, system configuration, loads, and net interchanges of which there can be dozens or even hundreds per hour. E.ON U.S. argues that this would take 24 engineers to monitor the E.ON U.S. system alone, costing millions of dollars per year.

118. Southern requests that the Commission clarify that the required narratives do not need to list each and every circumstance or occurrence that impacts TTC values from the previous month or year, stating that such a list would likely be voluminous because of the many conditions that affect TTC. Southern instead suggests that transmission providers list the primary reasons for the change in TTC to the extent they are known. Southern contends, for example, that an appropriate reason for such changes would be a new updated monthly model, arguing that it would not be practical to determine how much TTC may change from each outage, service commitment or other parameter change incorporated in an updated model.

119. Southern also requests that the Commission clarify where the transmission provider should post these narrative explanations and in what form. Southern proposes that this information be posted on OASIS via a template and data element that is to be defined by a NAESB standard, incorporated into a revised Standards and Communications Protocol document, and subsequently adopted by the Commission.

120. TDU Systems argue that the Commission has set too high of a threshold for reporting changes in ATC/TTC, arguing that the triggering requirement should be a 10 percent decrease in ATC, rather than a 10 percent change in TTC. TDU Systems contend that TTC is a large enough number that using a decrease of 10 percent in TTC as a trigger for requiring a narrative explanation to be posted will result in very few narrative explanations posted, thereby defeating the purpose of the requirement.

121. PJM seeks clarification of the posting requirement as applied to transmission providers using an AFC calculation method. PJM states that TTC is an output from, not an input to, its AFC/TTC calculations and therefore the literal terms of the regulations do not make sense as applied to PJM. PJM proposes to post a narrative explanation for the reason for daily changes in ATC or TTC values as a result of changes in AFC inputs (*i.e.*, transmission outages, generator outages, load forecast, and model updates) in the event the resultant ATC or TTC value changes by 10 percent or more, requesting that the Commission confirm that this approach would appropriately adapt the Order No. 890 posting requirement to a system such as PJM that uses an AFC methodology. Alternatively, if the Commission does not wish to address PJM's manner of implementation of this revised regulation in the context of rehearing/clarification of Order No. 890, PJM asks that the Commission allow PJM, and other similarly situated transmission providers, to address this issue in their Order No. 890 tariff compliance filings. In that event, PJM asks that the Commission clarify only that such transmission providers may continue their existing practices until the Commission acts on their compliance filings.

122. TDU Systems also argue that the six-month trigger for posting an explanation for zero ATC values is unsupported, asking instead that transmission providers be required to post a narrative explanation of zero ATC values any time those values remain at zero for a period that affects access in a practical way, *e.g.*, a day for daily service, two business days for weekly service, five business days for monthly or yearly service. TDU Systems contend that a transmission system where ATC values remain at zero for any length of time raises serious concerns as to the adequacy of the system and the need for significant upgrades, and simply posting a zero value for ATC does not provide market participants with an understanding of what is happening on the system.

Commission Determination

123. The Commission affirms the decision in Order No. 890 to require transmission providers to post a brief, but specific, narrative explanation of the reason for a change in monthly or yearly ATC values on a constrained path as a result of a change in TTC of 10 percent or more. As the Commission explained, this will limit the number of ATC changes for which a narrative will be required.[55]

124. We believe that E.ON U.S. overestimates the burden of complying with this requirement. Since TTC standardization is ongoing, it is impossible to identify with precision the steps that will need to be taken to comply with the posting requirement. The appropriate forum to raise concerns regarding the burden of particular TTC calculation requirements is in the NAESB standards development process. In any event, we would expect that the posting of narratives for changes in monthly and yearly ATC values as a result of a 10 percent change in TTC will be triggered mainly by topology changes resulting from transmission lines and generator in-service status, as well as new facilities additions, that are reported on OASIS.

125. We clarify in response to Southern that transmission providers do not need to list each and every circumstance or occurrence that impacts TTC values from the previous month or year and, instead, may list the primary events that give rise to the update. Again, we expect that TTC changes will generally result from topology changes and, therefore, the primary reasons for an update would be changes in schedules of transmission or generation additions, prolonged outages, or changes in maintenance schedules causing a TTC change of 10 percent. We agree with Southern that the transmission provider should post these narrative explanations on OASIS via a template and data element that is to be defined by NAESB. We direct transmission providers, working through NAESB, to develop the OASIS functionality necessary for such postings. Pending completion of this

[55] *See* Order No. 890 at P 369.

work by NAESB, we direct transmission providers to post these narrative explanations as comments on OASIS.

126. We deny TDU Systems' request to change the triggering requirement to a 10 percent decrease in ATC. In Order No. 890, the Commission relaxed the ATC narrative reporting requirements proposed in the NOPR due to concerns that the posting of those narratives would become burdensome. We believe the Commission struck the right balance by requiring the posting of narratives only when there is a change in TTC of 10 percent or more and disagree that more limited postings defeats the purpose of the posting obligation.

127. In response to PJM, we reiterate that all transmission providers must comply with this posting requirement. Transmission providers using an AFC calculation method that does not base changes in ATC on changes in TTC may comply with this requirement by posting narrative explanations of the reasons for changes in AFC values as a result of changes in AFC inputs that cause ATC or TTC to change by 10 percent or more. We direct each transmission provider that employs the AFC calculation methodology to provide a statement in the compliance filing required in section II.C describing how the narrative is derived for ATC/TTC postings or, if such information was provided in a prior compliance filing, a reference to that filing.

128. We also deny TDU Systems' request to require transmission providers to post a narrative explanation any time ATC values remain at zero for a day for daily service, two business days for weekly service, five business days for monthly or yearly service. The Commission concludes that a six-month trigger for monthly or yearly ATC values more appropriately balances the benefits of increased transparency for the Commission and customers against the burden on transmission providers to make such postings. If the frequency of these postings proves inadequate, the Commission can revisit this requirement in a future order.

(3) CEII

129. The Commission acknowledged in Order No. 890 that certain data and studies required to be made public may contain CEII and that the Commission has a responsibility to protect that information. In order to provide transparency and avoid undue delays in providing information to those with a legitimate need for it, the Commission required that transmission providers establish a standard disclosure procedure for CEII required to be disclosed in Order No. 890. The Commission stated that transmission providers will be responsible for identifying CEII and facilitating access to it for appropriate entities and the Commission will be available to resolve disputes if they arise.

130. With regard to procedures to access CEII, the Commission noted that transmission customers already have digital certificates or passwords to access publicly restricted transmission information on OASIS. The Commission suggested that transmission providers could set up an additional login requirement for users to view CEII sections of the OASIS, requiring users to acknowledge that they will be viewing CEII and to sign a nondisclosure agreement at the time the customer obtains access to that portion of the OASIS. The Commission explained that only information that meets the criteria for CEII, as defined in section 388.113 of the Commission's regulations,[56] should be posted in this section of the OASIS.

Requests for Rehearing and Clarification

131. E.ON U.S. contends that the Commission should not allow posting of CEII on OASIS, arguing that information is designated as CEII because it relates to the integral operations of the nation-wide power grid and that, with access to this information, a terrorist or other bad actor could inflict real, substantial harm on the power grid. E.ON U.S. states that posting CEII on a transmission provider's OASIS, a Web site that is openly connected to the internet, will impair the transmission provider's ability to adequately protect this information, even with password protection. E.ON U.S. suggests there are other ways of providing transmission customers with such CEII, such as individual meetings upon request.

132. New York Transmission Owners request that transmission providers be authorized to determine, on a case-by-case basis, the specific level and amount of CEII that a requesting customer may obtain. New York Transmission Owners argue that a terrorist seeking to harm our country's energy infrastructure will not likely be concerned with having to sign a confidentiality agreement or obtain multiple passwords.

Commission Determination

133. We agree with E.ON U.S. that posting CEII on OASIS may not provide adequate protection of CEII and that transmission providers may therefore develop other standard disclosure procedures to provide relevant CEII to transmission customers on a timely basis. The Commission did not require CEII postings on OASIS in Order No. 890 and, instead, discussed use of OASIS as one potential disclosure mechanism.[57] The Commission required transmission providers to establish a standard procedure for disclosing relevant CEII on a timely basis, but did not specify a particular disclosure mechanism.

134. Similarly, transmission providers may determine on a case-by-case basis the specific level of CEII a customer may obtain, provided that the information is made available to appropriate recipients on a timely basis. If a transmission provider chooses to post CEII on a protected section of its OASIS, the transmission provider can and should verify the identity of transmission customers who access that information as it would for any confidential information.

(4) Additional Data Posting

135. The Commission also required transmission providers to post on OASIS metrics related to the provision of transmission service under the OATT. Specifically, non-ISO/RTO transmission providers were directed to post (1) the number of affiliate versus non-affiliate requests for transmission service that have been rejected and (2) the number of affiliate versus non-affiliate requests for transmission service that have been made. This posting must detail the length of service request (*e.g.*, short-term or long-term) and the type of service requested (*e.g.*, firm point-to-point, non-firm point-to-point or network service). The Commission stated that the affiliate posting requirements do not apply to ISOs and RTOs since they do not have any affiliates.

136. The Commission also required transmission providers to post their underlying load forecast assumptions for all ATC calculations and to post, on a daily basis, their actual daily peak load for the prior day and load forecasts and actual daily peak load for both system-wide load (including native load) and native load. ISOs and RTOs are required to post this load data for the entire ISO/RTO footprint and for each LSE or control area footprint within the ISO/RTO.

Requests for Rehearing and Clarification

137. E.ON LSE requests clarification whether the requirement in section 37.6(e)(2) of the Commission's regulations to post information regarding denials of service applies to denials of requests. Washington IOUs

[56] 18 CFR 388.113.

[57] *See* Order No. 890 at P 404.

request clarification on the requirement to post information regarding transmission service requests from affiliates, stating that it is not clear what the Commission means by ''requests for transmission service.'' They suggest that the reference could be to requests for transmission service by affiliated merchant or trading entities or requests for transmission service by the transmission provider's merchant function, including requests to designate or undesignate network resources and requests to procure secondary network service to serve native load.

138. TDU Systems request that the Commission reconsider its decision to exempt RTOs and ISOs from the requirement to post data regarding their processing of transmission service requests. Although RTOs and ISOs have no generation affiliates, TDU Systems argue that requiring RTOs and ISOs to post information as to the number of requests made and rejected would make the acquisition of transmission services more transparent, serve as a signal for potential congestion problems on the system that should be studied through the planning process, and alert market participants to the emergence of market power in local submarkets.

139. Constellation requests that the Commission clarify that the requirement to post underlying load forecast assumptions includes a complete list of modeling assumptions, protocols and automation modifications, including what the adjustments are and how they are applied. Constellation states that it requested that such information be required in its NOPR comments, but that it is unclear whether the requirement in Order No. 890 is broad enough to reflect that request.

140. E.ON LSE requests that the Commission grant rehearing to permit utilities to decline to publicly post information regarding actual load and forecasts where such information is commercially sensitive or where customer-specific information is deemed confidential by the affected customer. E.ON LSE requests that such commercially sensitive information instead be posted four weeks after the time period that the data covers. E.ON LSE contends that disclosure of customer-specific load forecasts could have adverse competitive effects, such as a daily forecast signaling to sellers that a utility is in substantial need for additional energy during the upcoming day's operations. E.ON LSE contends that the goal of transparency is sufficiently met even with a slight delay in posting commercially sensitive forecasts and load data.

Commission Determination

141. In Order No. 890, the Commission required transmission providers to post on OASIS metrics regarding transmission service requests. The Commission did not distinguish between types of requests for transmission service. Transmission providers therefore should include in their metrics any type of request for service, including transmission service requests by affiliated merchant or trading entities as well as requests by the transmission provider's merchant function to designate or undesignate network resources or to procure secondary network service to serve native load. We revise our regulations to make this clear.

142. In response to TDU Systems, we clarify that Order No. 890 did not exempt RTOs and ISOs from the requirement to post metrics related to the provision of transmission service. While the affiliate posting requirements do not apply to RTOs and ISOs,[58] the requirement to post metrics regarding all transmission service requests remains.[59] We agree with TDU Systems that requiring RTOs and ISOs to post non-affiliate transmission service request metrics improves the transparency of transmission service request processing by those transmission providers.

143. In response to Constellation, we clarify that underlying load forecast assumptions should include economic and weather-related assumptions. We revise our regulations to clearly state the obligation to post both actual daily peak load and load forecast data, as required in Order No. 890.[60] We decline to adopt E.ON LSE's request to delay release of load data required to be posted in Order No. 890. Posting load forecast and actual load data on a control area and LSE level provides necessary transparency to transmission customers and does not, in our view, raise serious competitive implications.[61] If there is customer-specific information deemed confidential by the affected customer that impedes the ability of the transmission provider to post this data, we will consider requests for exemption from the posting requirement on a case-by-case base.

(5) Requests for Additional Transparency

Requests for Rehearing and Clarification

144. Constellation repeats a request from its NOPR comments to require transmission providers to post certain additional modeling data, modeling support information, and model benchmarking and forecasting data/TSR study audit data (identified in an attachment to its request for rehearing). Constellation argues that, since Order No. 890 requires transmission providers to calculate much of this additional information, the Commission should require that it be posted as well. Constellation contends that these postings would allow transmission customers and the Commission to assess the likely availability of transmission capacity, verify or challenge the conclusions reached by the transmission provider on a specific transmission request, and identify constraints and congestion, as well as physical or financial measures that could be taken to optimize the use of transmission system.

145. EPSA asks the Commission to clarify that the standards developed during the NAESB process should require transmission providers to post essential details of ETCs that affect current customers' access to transmission capacity, including duration and volume, priority rights, redispatch and scheduling rights, and any other rights that affect others' use of the grid. As part of these postings, EPSA suggests that transmission providers be required to include information concerning transmission arrangements that are not provided under the OATT, *e.g.*, pre-OATT transmission arrangements. EPSA argues that non-OATT transmission arrangements often include terms that are inconsistent with OATT terms and which can impact OATT customers' access to the grid. Unless transmission providers are required to post ETC-related information, EPSA contends that there will be no way for market participants to determine whether the transmission provider has appropriately modeled ETC set-asides.

146. Powerex makes a similar request, reiterating a NOPR proposal that the Commission require transmission providers to post those provisions of pre-Order No. 888 contracts that affect current customers' access to transmission capacity, including duration and volume, priority rights, redispatch and scheduling rights, and any other rights that affect transmission access. Powerex further requests that the Commission prohibit the continuation

[58] *See* Order No. 890 at P 414.

[59] *See* 18 CFR 37.6(i)(1) and (2).

[60] *See* Order No. 890 at P 416.

[61] *See id.* at P 417.

of grandfathered contracts unless the parties can point to a provision within the existing contract that contains explicit and guaranteed rights to extend or renew the contract term and reaffirm that pre-Order No. 888 contracts cannot be altered upon their expiration. Powerex complains that the Commission did not address these proposals in Order No. 890 and that no commenting party put forward credible evidence to rebut the information Powerex presented the Commission in its NOPR comments.

147. TDU Systems argue that transmission providers should be required to provide customers with access to modeling software used to calculate ATC values. TDU Systems state that Commission staff expressed concern at the Technical Conference held on October 12, 2006, in this docket that customers could find it difficult to sort through and use the large volume of data the Commission proposed to be posted by the transmission provider. TDU Systems argue that providing access to the modeling software used by the transmission provider to calculate ATC would resolve many of these concerns and better enable transmission customers to replicate and verify transmission provider ATC calculations, avoiding the potential for protracted litigation over the ATC results. TDU Systems contend that any proprietary or licensing concerns of the transmission provider or its vendors could be addressed through reasonable charges for use of the software and/or appropriate confidentiality agreements.

Commission Determination

148. In Order No. 890, the Commission required transmission providers to make available, upon request, all data used to calculate ATC, TTC, CBM and TRM for any constrained posted path.[62] We believe that this adequately addresses Constellation's request for access to modeling data used by the transmission provider. Specifically, we expect transmission providers to make available, upon request and subject to appropriate confidentiality protections and CEII requirements, the following modeling data: (1) Load flow base cases and generation dispatch methodology; (2) contingency, subsystem, monitoring, change files and accompanying auxiliary files; (3) transient and dynamic stability simulation data and reports on flowgates which are not thermally limited; (4) list of transactions used to update the base case for transmission service request study; (5) special protection systems and operating guides, and specific description as to how they are modeled; (6) model configuration settings; (7) dates and capacities of new and retiring generation; (8) new and retired generation included in the model for future years; (9) production cost models (including assumptions, settings, study results, input data, *etc.*), subject to reasonable and applicable generator confidentiality limitations; (10) searchable transmission maps, including PowerWorld or PSSE diagrams; (11) OASIS names to Common Names table and PTI bus numbers; and, (12) flowgate and interface limits including limit category (thermal, steady state or transient, voltage or angular). We decline, however, to require the transmission provider to post this information on OASIS, as Constellation suggests. We conclude that making this information available on request provides sufficient transparency for customers without unduly burdening the transmission provider.

149. With regard to the modeling support information sought by Constellation, we believe much of this information should already be stated in each transmission provider's Attachment C. In Order No. 890, the Commission required each transmission provider to set forth in the Attachment C to its OATT the ATC calculation methodology used by the transmission provider.[63] To the extent necessary, we clarify that the step-by-step modeling study methodology and criteria for adding or eliminating flowgates (permanent and temporary) is part of the ATC methodology that must be stated in the transmission provider's Attachment C. We direct any transmission provider that has failed to include this information in its Attachment C to include that information as part of the compliance filing directed in section II.C. If the transmission provider has already satisfied this obligation in a previous compliance filing, it should refer to that filing instead.

150. We deny as premature Constellation's request to require OASIS postings of additional model benchmarking and forecasting data/TSR study audit data. Such information would be utilized in the process of updating and benchmarking models to actual events, which is the subject of ongoing efforts to modify relevant reliability standards from the MOD and facilities design, connections and maintenance (FAC) groups.

151. We decline to impose additional posting requirements regarding ETC uses, as requested by EPSA and Powerex. In Order No. 890, the Commission required transmission providers to make available all data used to calculate ATC for constrained paths and any system planning studies or specific network impact studies performed for customers.[64] This would include information regarding ETC uses, including grandfathered agreements, that affect ATC calculations or study results. EPSA and Powerex fail to demonstrate that it is necessary to require the posting of additional information regarding ETC uses to verify the accuracy of the transmission provider's ATC calculations. We note in response to Powerex that, if any new service taken upon expiration of a pre-Order No. 888 contract, the terms and conditions of the transmission provider's OATT would apply.[65]

152. We deny TDU Systems' request to require transmission providers to grant customers access to proprietary modeling software used to calculate ATC values. The Commission believes at this time that the requirements of Order No. 890 are sufficient to achieve the Commission's transparency goals without further requiring the disclosure of proprietary software.

B. Coordinated, Open, and Transparent Planning

1. The Need for Reform

153. In Order No. 890, the Commission required transmission providers to participate in a coordinated, open, and transparent planning process on both a local and regional level. Transmission providers, including RTOs and ISOs, were directed to submit a compliance filing describing their proposals for a coordinated and regional planning process that comply with the planning principles and other requirements of Order No. 890. The transmission planning process must be documented as an attachment to the transmission provider's OATT.

154. The Commission determined that planning-related reforms were necessary in order to limit opportunities for undue discrimination and to ensure that comparable transmission service is provided by all public utility transmission providers. The Commission stated that it did not intend to reopen prior approvals regarding planning processes adopted by RTOs and ISOs and, instead, sought to ensure that such planning processes are

[62] *See id.* at P 348.

[63] *See id.* at P 323.

[64] *See id.* at P 348.

[65] *See* Order No. 888 at 31,655.

consistent with or superior to the requirements of Order No. 890. In order for an RTO's or ISO's planning process to be open and transparent, transmission customers and stakeholders must be able to participate in each underlying transmission owner's planning process. The Commission therefore directed RTOs and ISOs to indicate in their compliance filings how participating transmission owners within their footprint will comply with the planning requirements of Order No. 890.

155. The Commission also noted that the planning obligations imposed in Order No. 890 did not address or dictate which investments identified in a transmission plan should be undertaken by transmission providers. Through the principles adopted by the Commission, a process was established through which transmission providers will coordinate with customers, neighboring transmission providers, affected state commissions, and other stakeholders in order to ensure that transmission plans are not developed in an unduly discriminatory manner.

Requests for Rehearing and Clarification

156. E.ON U.S challenges the Commission's authority to adopt transmission planning rules beyond the implementation of service reservations or requests by customers. E.ON U.S. argues that the Commission's reliance on new section 217(b)(4) of the FPA is misplaced because that provision does not enlarge the Commission's authority and, in any event, Order No. 890 goes beyond assuring that LSEs have adequate transmission service. E.ON U.S. contends that characterizing transmission planning as a practice affecting rates would require an expansion of the Commission's jurisdiction over the underlying rate, which it argues does not exist.

157. Southern states that it supports the bulk of the coordinated planning provisions of Order No. 890, but nonetheless argues that reform is not needed to ensure that transmission planning is performed on a non-discriminatory basis. Southern states that it has invested billions of dollars in transmission over the last decade and expects to continue the trend of considerable investment through the foreseeable future. Southern also contends that it and other vertically-integrated utilities have obligations to procure generation through nondiscriminatory requests for proposals and that contracts awarded to any non-affiliated generator are already incorporated into the planning process as designated resources. Southern therefore contends that it does not have a disincentive to impede the ability of lower cost generation to access its control area. Southern suggests that any failure to upgrade interfaces is due to the lack of long-term firm service commitments to justify the upgrade, not a desire to keep lower-cost power from accessing the transmission provider's control area.

158. NYISO challenges the Commission's reform of previously-approved RTO and ISO planning processes, arguing that the Commission cannot require changes to the NYISO planning process without first making a finding that it is no longer just and reasonable. NYISO contends that no such finding was made in Order No. 890, nor did the Commission identify discrimination in areas with centralized markets, such as NYISO.

159. NRECA, Old Dominion, and TDU Systems ask the Commission to clarify that those RTOs and ISOs and other public utility transmission providers able to demonstrate that their planning processes are consistent with or superior to the requirements of Order No. 890 must nevertheless still file their planning process as part of their OATTs. These petitioners contend that requiring an RTO or an ISO to include the details of its planning process in its OATT, rather than its operating agreements, business manuals or Web site postings, will enable the Commission to monitor compliance with the reformed planning principles of Order No. 890 and provide needed transparency for customers. Entergy requests clarification that a transmission provider that has transferred authority over planning activities to an independent transmission coordinator may make the same compliance filings as an RTO/ISO, demonstrating that its existing planning process is consistent with or superior to the Order No. 890 requirements.

160. Old Dominion asks the Commission to clarify that the list of requirements in paragraph 602 of Order No. 890 (regarding the level of detail to be included in the OATT) is not exclusive and that, instead, every transmission provider must include the entirety of its planning process in its Attachment K with sufficient detail for stakeholders to understand that process. TDU Systems seek further clarification that transmission providers that have not turned over operational control of their facilities to an RTO or ISO must comply with the Attachment K filing obligations even if their facilities are governed by non-OATT arrangements, such as facilities agreements.

161. Several petitioners ask the Commission to clarify whether individual transmission-owning members within an RTO/ISO must comply with the planning-related posting and filing requirements of Order No. 890.[66] New York Transmission Owners argue that, where there is an existing compliant regional planning process conducted by an RTO or ISO, participation in the planning process by a transmission owner is sufficient to satisfy the requirements of Order No. 890. Old Dominion and TDU Systems, however, seek confirmation that each of the nine planning principles adopted by the Commission apply equally to transmission owners that are members of an RTO, otherwise the RTO's planning process will be insufficient to satisfy the requirements of Order No. 890. TDU Systems argue that RTO and ISO tariff filings must provide detail on how the RTO will ensure transmission owner compliance with planning requirements and that reliance on statements of commitment to comply would be insufficient. Old Dominion contends that all filing and posting obligations should rest with the RTO or ISO and not their transmission-owning members. EEI suggests that the processes for incorporating the planning processes of transmission owning members of RTOs and ISOs should be addressed by each RTO and ISO.

162. National Grid objects to any obligation to allow stakeholders an opportunity to preview the internal planning deliberations of transmission-owning RTO/ISO members prior to presentation of plans to the RTO or ISO. National Grid argues that this would give special interest stakeholders two opportunities to oppose specific projects, once at the local level without the full participation of the region and again at the regional level, and undermine the ability of the regional process to resolve conflicts between competing proposals. National Grid contends that it would be unfair to require transmission owners to open up their internal deliberations in advance of the regional planning process while allowing other stakeholders to deliberate in private their own strategies for the regional planning process. National Grid asks the Commission to clarify that the regional planning process is the appropriate forum in which stakeholders can examine each other's upgrade proposals. National Grid argues that the adoption of separate local planning processes is not necessary to remedy undue discrimination and is unnecessary given

[66] *See, e.g.,* EEI, National Grid, New York Transmission Owners, Old Dominion, and TDU Systems.

that stakeholders in the ISO–NE regional planning process have an opportunity to comment on all aspects of the transmission plan, even those developed by the underlying transmission owners.

163. Several petitioners challenge the Commission's decision in Order No. 890 not to mandate the construction of facilities identified in a transmission plan. TAPS argues that the Commission's finding that discrimination exists in expansion decisions compels obligating transmission providers to build needed facilities to accommodate uses identified in the planning process or explain why they cannot do so. TAPS contends that, under Order No. 890, a transmission provider can choose to build only the planned upgrades that benefit its native load, leaving a weak and uneven grid that prevents embedded TDUs from accessing economic alternatives.

164. TAPS asks that the following measures be adopted to protect the interest of customers potentially harmed by failing to obligate the transmission provider to construct facilities identified in the transmission plan. First, TAPS suggests that transmission providers be required to accept any request for transmission to a network customer load, if necessary by redispatch shared on a load-ratio basis, if the request would have been accepted if the transmission provider's own load had been designated the sink. Second, TAPS asks the Commission to require transmission providers to accept a network customer's timely designated network resource so long as the designation is consistent with the regional transmission plan and the long-term projections and planning information provided by the customer pursuant to OATT § 31.6 and in the planning process, supporting the network resource designation through redispatch if necessary, with costs shared on a load-ratio basis. Third, TAPS suggests that transmission providers be required to offer embedded cost sales to transmission-dependent utilities if the provider's failure to plan and construct on a comparable basis has left those embedded utilities trapped without reasonable access to competitive alternatives. Finally, TAPS asks the Commission to make clear that its ''toolbox'' to address egregious failures to plan and construct a robust grid that meets the needs of network customers includes the exercise of jurisdiction over the transmission component of bundled retail sales of a particular utility to remedy undue discrimination.[67]

165. TAPS argues that these measures would provide transmission providers with the right financial incentives to construct facilities identified in the transmission plan. If the transmission provider fails to build and there is insufficient capacity to accommodate planned uses, TAPS argues it is appropriate for the transmission provider to share the cost of providing alternative service. TAPS argues that this would also mitigate the Commission's concern that imposing an obligation to build would conflict with the need for transmission plans to change over time.

166. TAPS also suggests that the Commission monitor the transmission provider's actions by requiring any denial of service to a network customer be reported to the Commission so that the transmission provider can demonstrate to enforcement staff that the transmission provider has adequately planned for its customers and made diligent efforts to build planned upgrades. TAPS also argues that transmission providers should be required to demonstrate that they are making good faith efforts to obtain any necessary state and local siting approvals and to acquire any property rights necessary to construct planned facilities in order to show that they are not selecting projects for construction that favor their own uses over the uses of their network customers.

167. TDU Systems agree that better planning will not remedy or mitigate undue discrimination without an enforceable obligation to actually construct upgrades needed to ensure reliable and economic service to LSEs. TDU Systems argue that an obligation to build would be consistent with other reforms adopted in Order No. 890, such as extending the minimum term of contracts eligible for rollover rights and eliminating the price cap on reassignments of capacity, by ensuring that adequate capacity exists to accommodate transmission service requests. They contend that the failure to mandate expansion of the grid is particularly egregious in situations when zero ATC values are posted on a recurring or lengthy basis, which they argue should trigger a rebuttable presumption that congestion exists on the transmission system and that upgrades are needed. TDU Systems contend that failing to require transmission providers to expand their systems in these and other situations is inconsistent with the requirement of section 217(b)(4) of the FPA for the Commission to exercise its authority to facilitate the planning and expansion of transmission facilities to meet the reasonable needs of LSEs.

168. TDU Systems suggest that the Commission strengthen and aggressively enforce the existing construction obligations in the *pro forma* OATT and subject transmission providers that fail to implement a transmission plan in good faith to sanctions. TDU Systems argue that section 28.2 of the *pro forma* OATT should be amended to require a transmission provider to do more than endeavor to construct new facilities needed to meet network customer load or, in the alternative, the Commission should indicate that it will aggressively enforce the existing obligation to build. They request that the Commission adopt a clear policy of sanctions for cases in which a transmission provider is found to have failed to proceed in good faith and with due diligence in implementing the planning process. TDU Systems ask the Commission to clarify in particular that it will consider revocation of market-based rate authority for bad faith in implementing the transmission planning and expansion requirements under Order No. 890.

169. NRECA also urges the Commission to reiterate and enforce the existing obligations to build in order to meet its service obligations to network and long-term point-to-point customers under the *pro forma* OATT.[68] NRECA argues that the obligation to expand capacity should be viewed as part and parcel of the transmission provider's obligation to plan for these customers and that statements to the contrary in Order No. 890 should be clarified. NRECA argues that leaving the transmission provider with the discretion not to build facilities identified in the transmission plan would allow it to discriminate in favor of its native load customers to the detriment of network and long-term point-to-point customers.

170. Washington IOUs request clarification that the planning requirements of Order No. 890 do not supersede the planning and coordination activities undertaken by a transmission provider under its network operating agreements. Washington IOUs state that transmission providers providing network service currently engage in local planning and coordination activities with network customers to ensure their needs are met and that such activities should not be

[67] *Citing New York* v. *FERC*, 535 U.S. 1 (2002).

[68] *Citing pro forma* OATT sections 13.5, 15.4 and 28.2.

superseded by the planning-related reforms of Order No. 890.

Commission Determination

171. The Commission affirms the decision in Order No. 890 to amend the *pro forma* OATT to require coordinated, open and transparent transmission planning on both a local and regional level. Although the Commission encouraged utilities to engage in joint planning in Order No. 888–A, it placed no affirmative obligation on transmission providers to coordinate with their customers in transmission planning or otherwise publish the criteria, assumptions, or data underlying their transmission plans, nor were transmission providers required to coordinate planning activities with other transmission providers in their region. This lack of clear criteria regarding planning obligations has created opportunities for undue discrimination by transmission monopolists with an incentive to deny transmission or offer transmission on an inferior basis.

172. Petitioners generally do not challenge the Commission's conclusion that the lack of coordination, openness, and transparency results in opportunities for undue discrimination in transmission planning and, instead, raise more narrow arguments regarding particular aspects of the planning reforms. E.ON U.S. argues that the Commission must limit the scope of the planning requirements to implementation of service requests. We disagree. The Commission has a statutory obligation under sections 205 and 206 of the FPA to ensure that each public utility's rates, charges, classifications, and services are just and reasonable and not unduly discriminatory. The Commission has exercised jurisdiction over planning-related proposals submitted by individual transmission providers in the past, rejecting arguments regarding a lack of jurisdiction.[69] Transmission planning activities are within our jurisdiction and, therefore, we have a duty under FPA section 206 to remedy undue discrimination in this area and a further obligation under FPA section 217 to act in a way that facilitates the planning and expansion of facilities to meet the reasonable needs of LSEs.

173. The fact that transmission providers, such as Southern, have undertaken some transmission investment in recent years does not mean that planning reform is not needed. Southern does not challenge the fundamental conclusion that it is in the economic self-interest of transmission monopolists to discriminate in the provision of service and, in turn, in planning-related activities. The ability of generators to participate in requests for proposals for *generation* service does not adequately respond to the need for a coordinated, open, and transparent *transmission* planning process that considers the needs of all customers as well as the transmission provider itself. The planning process adopted in Order No. 890 is designed to enhance the ability of all customers to make long-term firm service commitments by allowing them to participate in the transmission provider's planning activities.

174. The Commission also based its planning-related reforms on the need to ensure comparable transmission service by all transmission providers, including RTOs and ISOs. We therefore disagree with NYISO that the Commission failed to justify application of the Attachment K filing obligations to RTOs and ISOs. The Commission was not required to find each and every tariff unjust and unreasonable to adopt this rulemaking, and, instead, had the discretion to adopt principles of generic applicability to govern all transmission tariffs. Indeed, we made clear, and reiterate here, that RTOs and ISOs can continue to rely on their existing planning processes if those processes meet the requirements of Order No. 890. As the Commission explained, it is not our intention to reopen prior approvals simply for the sake of doing so, but rather to ensure that those previously approved planning processes fulfill the obligations imposed on all transmission providers in Order No. 890.[70]

175. We therefore affirm the decision to require all transmission providers to comply with the planning-related reforms adopted in Order No. 890, including RTOs and ISOs. We agree with Old Dominion that the filing and posting requirements stated in Order No. 890 apply only to the transmission provider, *e.g.*, the RTO or ISO, and not the transmission-owning RTO/ISO members without an OATT.[71] Each RTO and ISO may fulfill its obligations under Order No. 890 by delegating certain actions to, or otherwise relying on, their transmission-owning members, provided that the rights and responsibilities of all parties are clearly stated in the transmission provider's OATT. In the end, however, it is each RTO's and ISO's responsibility to demonstrate compliance with each of the nine planning principles adopted in Order No. 890 since it is the entity with the Attachment K on file.

176. We clarify in response to National Grid that an RTO or ISO would not be able to satisfy the requirements of Order No. 890 if the plans developed by its transmission-owning members and relied upon by the RTO/ISO did not also satisfy those requirements. A fundamental assumption underlying National Grid's argument is that issues addressed in a local planning proposal should be final prior to its introduction at the regional level. Yet such finality could exclude customers from the development of aspects of what eventually becomes the regional plan implemented by the RTO or ISO. As the Commission explained in Order No. 890, local planning issues may be critically important to some transmission customers, such as those embedded within the service areas of individual transmission owners.[72] While we leave the mechanics of incorporating the planning processes of transmission owning members to each RTO and ISO, as EEI suggests, it would not be appropriate to entirely exclude such processes as proposed by National Grid.

177. To the extent necessary, we clarify in response to NRECA, Old Dominion and TDU Systems that every transmission provider, including RTOs and ISOs, must submit a compliance filing stating its transmission planning process in an attachment to its OATT. This tariff language must satisfy all of the requirements of Order No. 890 with sufficient detail for stakeholders to understand the planning process implemented by the transmission provider. To the extent the transmission provider previously received Commission approval to delegate planning responsibilities to an independent transmission coordinator, the transmission provider may demonstrate in its compliance filing that its planning process is consistent with or superior to the Order No. 890 planning requirements, similar to the RTO and ISO compliance filings.

178. The Commission declines to expand the *pro forma* OATT to place additional obligations on the

[69] *See New York Independent System Operator, Inc.,* 109 FERC ¶ 61,372 at P 18 (2004); *Southwest Power Pool, Inc.,* 109 FERC ¶ 61,010 at P 78 (2004).

[70] *See* Order No. 890 at P 437.

[71] As the Commission noted in Order No. 890, transmission owning members of an RTO or ISO that continue to have OATTs on file under which they provide service over jurisdictional facilities not under control of the RTO or ISO would continue to have filing obligations under Order No. 890, like any other transmission provider. *See id.* at P 440, n.247. This would apply equally to a transmission provider that has retained operational control of facilities governed by other non-OATT arrangements.

[72] *See id.* at P 440.

transmission provider to construct facilities identified in its transmission plan. As the Commission explained in Order No. 890, there may be reasons a transmission provider declines to undertake a particular project given the complexity of the transmission grid and changing conditions of supply and demand.[73] Our focus is therefore on the process leading to the transmission plan and not the construction of specific facilities. This does not, as some petitioners argue, undermine the construction-related obligations that exist under sections 13.5, 15.4 and 28.2 of the *pro forma* OATT. The planning-related reforms adopted in Order No. 890 are intended to support, not replace, those requirements by establishing a process to govern all planning-related decisions.

179. We therefore believe adequate protections are in place to ensure that transmission providers do not unduly discriminate in the selection of which facilities they choose to construct to the detriment of their customers. If a particular customer believes that its transmission provider has in fact not complied with its OATT obligations, the customer should bring the matter to the Commission's attention, such as by filing a complaint. Indeed, the planning-related reforms adopted in Order No. 890 will facilitate tariff compliance by opening up the transmission provider's decisional process, providing much needed transparency in the area of transmission planning.

180. We deny as unnecessary TAPS' request to impose additional accountability mechanisms or require other demonstrations regarding a transmission provider's construction decisions or to generically address the appropriateness of sanctions, including revocation of market-based rate authority, for non-compliance with tariff obligations. We will likewise deny requests to revise the construction-related obligations of the *pro forma* OATT. The Commission will remain actively involved in the review and implementation of the transmission planning processes required in Order No. 890, during and beyond the initial compliance phase, to ensure that the potential for undue discrimination in planning activities is adequately addressed. Further, we expect transmission customers to advise the Commission if transmission providers do not adhere to the terms of the tariff provisions we ultimately approve. In the absence of specific evidence that a transmission provider has failed to satisfy its tariff obligations, either under sections 13.5, 15.4 or 28.2 of the *pro forma* OATT or its Attachment K planning process, we believe it unnecessary to adopt the additional measures proposed by TAPS. In the case of tariff non-compliance, the Commission will consider these and any other remedies that may be appropriate on a case-by-case basis in the context of the specific facts presented.

2. Planning Principles

181. The Commission identified nine planning principles in Order No. 890 that must be satisfied for a transmission provider's planning process to be considered compliant with that order. These nine planning principles are:

(1) *Coordination*—the process for consulting with transmission customers and neighboring transmission providers;

(2) *Openness*—planning meetings must be open to all affected parties;

(3) *Transparency*—access must be provided to the methodology, criteria, and processes used to develop transmission plans;

(4) *Information Exchange*—the obligations of and methods for customers to submit data to transmission providers must be described;

(5) *Comparability*—transmission plans must meet the specific service requests of transmission customers and otherwise treat similarly-situated customers (*e.g.*, network and retail native load) comparably in transmission system planning;

(6) *Dispute Resolution*—an alternative dispute resolution process to address both procedural and substantive planning issues must be included;

(7) *Regional Participation*—there must be a process for coordinating with interconnected systems;

(8) *Economic Planning Studies*—study procedures must be provided for economic upgrades to address congestion or the integration of new resources, both locally and regionally; and

(9) *Cost Allocation*—a process must be included for allocating costs of new facilities that do not fit under existing rate structures, such as regional projects.

Petitioners have requested rehearing and clarification regarding certain of these principles, which we address in turn.

a. Coordination

182. In order to satisfy the coordination principle, transmission providers must provide stakeholders the opportunity to participate fully in the planning process. The purpose of the coordination requirement is to eliminate the potential for undue discrimination in planning by opening appropriate lines of communication between transmission providers, their transmission-providing neighbors, affected state authorities, customers, and other stakeholders. The planning process must provide for the timely and meaningful input and participation of customers regarding the development of transmission plans, allowing customers to participate in the early stages of development.

Requests for Rehearing and Clarification

183. EPSA and TDU Systems argue that, under Order No. 890, transmission providers inappropriately retain veto rights over the decision as to which upgrade projects to include in transmission plans. These petitioners acknowledge that the transmission provider has the ultimate obligation to comply with its tariff, but argue that those tariff obligations be fulfilled in a way that allows for full and equal participation of customers. EPSA argues that transmission providers should be obligated to consider consensus positions, to present to the Commission or its designee minority opinions that have been excluded, and to explain why consensus proposals that have been disregarded will not be converted into actual plans to expand or reduce constraints on the system. TDU Systems request that transmission providers be required to post on their Web sites a record of the transmission planning decisions that reflect the views and votes of all participants to that process. TDU Systems argue that this would enable the Commission to determine whether the plan reflects consensus among stakeholders and the needs of customers, as opposed to the unilateral determinations of the transmission providers. NRECA asks the Commission to clarify that LSEs in particular have the opportunity to be an integral and equal part of the regional planning process from the beginning of the process to its end, including implementation of the regional participation principle.

184. NRECA argues that comparability requires that LSEs have equal weight in decision-making. Otherwise, NRECA contends that transmission providers will continue to have the opportunity and right to discriminate. NRECA expresses concern that transmission providers will be able to develop the basic criteria, assumptions, and data that underlie transmission plans on their own and merely present the results to customers after the fact. NRECA asks the Commission to clarify that public utility transmission providers may not arbitrarily, deliberately, or

[73] *See id.* at P 594.

discriminatorily disregard the input of LSE customers at any stage in the development and drafting of the transmission plan and modify the *pro forma* Attachment K to reflect that LSEs will be an integral part of the planning process.

185. With regard to small LSE customers, NRECA asks the Commission to clarify that the new requirement that transmission providers develop and implement joint planning processes does not leave customers that lack the resources to fully participate in the planning process in a worse position than they were in under Order No. 888. NRECA states that, under Order No. 888, transmission providers were required to plan and expand their systems to meet the needs of all network customers and long-term point-to-point customers. NRECA contends that the new joint planning requirement could be read to allow transmission providers to refuse to consider these customers' needs if they are unable to participate fully in the transmission planning process. NRECA suggests that participation in the planning process be an opportunity for load-serving customers, not an obligation, and that transmission providers be required to plan for those that are unable to fully participate.

186. Constellation requests that the Commission clarify that it will closely monitor the planning process to ensure that reforms are implemented in a meaningful way and that customers have the ability to truly participate in the process. Williams requests that the planning-related requirements of Order No. 890 be augmented to require a written record of stakeholder input, in order to guarantee informed consideration and debate of non-transmission provider proposals.

187. EEI seeks clarification that transmission providers may adopt restrictions on the disclosure of CEII in the context of transmission planning. EEI argues that login requirements and nondisclosure agreements may not provide sufficient protection for CEII. EEI suggests that transmission providers be allowed to adopt the Critical Infrastructure Protection (CIP) reliability standards for the disclosure of CEII that the Commission adopts in Docket No. RM06–22–000, *Mandatory Reliability Standards for Critical Infrastructure Protection.*

Commission Determination

188. The Commission affirms the decision in Order No. 890 not to require the development of transmission plans on a co-equal basis with customers. Transmission planning is the tariff obligation of the transmission provider, and the *pro forma* OATT planning process adopted in Order No. 890 is the means to see that it is carried out in a coordinated, open, and transparent manner. It would not be appropriate to allow customers and others that do not bear the responsibility for tariff compliance to have co-equal control over the planning process. We reiterate, however, that the planning process must provide for the timely and meaningful input and participation of all interested customers and other stakeholders in the development of transmission plans. Customers and other stakeholders therefore must have the opportunity to participate at the early stages of the development of the transmission plan, rather than merely given an opportunity to comment on transmission plans that were developed in the first instance without their input.

189. We disagree that the additional processes proposed by EPSA, TDU Systems, and Williams are necessary at this time to ensure that transmission providers do not unduly discriminate in the performance of their planning responsibilities. Customers and other stakeholders have been given a meaningful opportunity to participate in the planning process and to voice their concerns, not a formal ''vote'' on the transmission plan. While we would not consider it reasonable for the transmission provider to act in an arbitrary fashion by simply ignoring the comments and concerns of interested parties, we do not believe it appropriate at this time to adopt additional procedural mechanisms to measure or track the views of those participants in the planning process. Should disputes arise, they should first be addressed through the dispute resolution process set forth in the transmission provider's Attachment K and then, if necessary, to the Commission's attention through a complaint or other appropriate procedural mechanism.

190. With regard to participation by small LSEs in planning activities, we reiterate that the planning process adopted in Order No. 890 is intended to supplement, not replace, the transmission provider's obligations under section 28.2 of the *pro forma* OATT to plan for the transmission needs of its network customers on a comparable basis and in accordance with Good Utility Practice, as well as the obligation to construct new facilities pursuant to sections 13.5 and 15.4 of the *pro forma* OATT to meet the service requests of its long-term point-to-point customers. Transmission providers are therefore required to craft a planning process that allows for a reasonable and meaningful opportunity for those that are interested and able to meet and otherwise interact with the transmission provider.[74] Notwithstanding a smaller LSE's inability to participate in the additional processes implemented in compliance with Order No. 890, the transmission provider still must fulfill its network service obligation to that customer.

191. In response to EEI, we clarify that, in addition to login requirements and nondisclosure agreements, transmission providers may adopt further restrictions on the distribution of CEII consistent with any CIP reliability standards that the Commission may adopt in Docket No. RM06–22–000.

b. Openness

192. In order to satisfy the openness principle, transmission planning meetings must be open to all affected parties including, but not limited to, all transmission and interconnection customers, state commissions and other stakeholders. The Commission recognized in Order No. 890 that it may be appropriate in certain circumstances, such as a particular meeting of a subregional group, to limit participation to a relevant subset of these entities. The Commission emphasized, however, that the overall development of the plan must remain open.

Requests for Rehearing and Clarification

193. TDU Systems argue that any condition under which a transmission planning meeting could be limited so as to exclude certain customers or stakeholders must be explicitly set forth in the transmission provider's Attachment K. Otherwise, TDU Systems contend the transmission provider will retain undue discretion over who is allowed to participate in meetings.

Commission Determination

194. The Commission agrees with TDU Systems that the circumstances under which participation in a planning meeting is limited should be clearly described in the transmission provider's Attachment K planning process. All affected parties must be able to understand how, and when, they are able to participate in planning activities.

c. Transparency

195. In order to satisfy the transparency principle, transmission providers must disclose to all customers and other stakeholders the basic criteria, assumptions, and data that underlie their transmission system plans. The Commission concluded that this

[74] *See* Order No. 890 at P 453.

information should enable customers, other stakeholders, or an independent third party to replicate the results of planning studies and thereby reduce the incidence of after-the-fact disputes regarding whether planning has been conducted in an unduly discriminatory fashion. Among other things, the Commission required transmission providers to make available information regarding the status of upgrades identified in their transmission plans in addition to the underlying plans and related studies.

Requests for Rehearing and Clarification

196. TDU Systems ask the Commission to clarify that transmission providers, and transmission-owning members of an RTO or ISO, must provide customers and other stakeholders with base case and change case data. TDU Systems contend that this would be consistent with the Commission's goal of allowing stakeholders to replicate the results of planning studies and, in their view, would virtually eliminate disputes regarding whether planning has been conducted in an unduly discriminatory fashion.

197. TAPS questions whether the Standards of Conduct would trigger the full functional separation requirement for a non-public utility transmission provider participating in the planning process. TAPS contends that both transmission and generation functions of a non-public utility transmission provider could participate in planning activities, consistent with the Standards of Conduct, so long as all information used in transmission planning is made available to all participants. If the Commission disagrees, TAPS asks that new mechanisms be adopted to assure information is not abused, independent from the Standards of Conduct and existing Standards of Conduct waivers that do not inhibit the participation of non-public utility transmission providers in the planning process. TAPS suggests that any entity be allowed to participate in the regional planning process if it establishes procedures defining which employees/consultants may receive confidential transmission and planning information and prohibiting such employees/consultants from sharing that information with the entity's wholesale merchant personnel.

198. Old Dominion requests that the Commission adopt performance metrics governing transmission planning in addition to reports regarding the status of upgrades. Old Dominion suggests that the Commission specifically require transmission providers to report on the progress and construction of all upgrades and facilities in the transmission plan.

Commission Determination

199. In Order No. 890, the Commission required transmission providers to disclose to all customers and other stakeholders the basic criteria, assumptions, and data that underlie their transmission system plans.[75] To the extent necessary, we clarify in response to TDU Systems that this includes disclosure of transmission base case and change case data used by the transmission provider. These are basic assumptions necessary to adequately understand the results reached in a transmission plan.

200. With regard to management of non-public information by non-public utility transmission providers, we reiterate that the reciprocity obligation requires non-public utility transmission providers to abide by the Standards of Conduct or obtain waiver of them.[76] Although we recognize that compliance with the Standards of Conduct can impose costs on small entities, an open planning process cannot be fully successful if certain entities (whether jurisdictional or nonjurisdictional) can use planning-related information to obtain an undue advantage. The Commission therefore explained in Order No. 890 that it may be necessary to revisit waivers of the Standards of Conduct granted to certain non-public utility transmission providers in the past.[77] The Commission declined to alter such waivers on a generic basis in Order No. 890 and we affirm that decision here.

201. As TAPS notes, many of the concerns regarding management of non-public information shared in the planning process can be alleviated by simultaneous disclosure of that information to all participants. Moreover, the Standards of Conduct govern the relationship and exchange of information between transmission providers and their marketing or energy affiliates. Entities that do not own, operate or control transmission facilities, and who are not affiliated with transmission providers, are not subject to the Standards of Conduct. We believe establishment of new mechanisms to manage the sharing of non-public planning information by transmission providers subject to the Standards of Conduct would be premature and more appropriately addressed in any proceeding in which the revocation of a Standards of Conduct waiver is considered.

202. We also decline to adopt additional performance metrics governing transmission planning. The Commission required in Order No. 890 for transmission providers to make available information regarding the status of upgrades identified in their transmission plans.[78] Customers and other stakeholders that are interested in the implementation of the transmission plan will be able to monitor this information to gather information regarding the progress and construction of upgrades and facilities. The Commission does not believe further reporting requirements are necessary at this time to keep interested parties informed regarding the status of upgrades identified in a transmission plan.

d. Information Exchange

203. In order to satisfy the information exchange principle, transmission providers must develop guidelines and a schedule for the submittal of information in consultation with their network and point-to-point customers. The Commission stressed that information collected by transmission providers to provide transmission service to their native load customers must be transparent and equivalent information must be provided by transmission customers to ensure effective planning and comparability. Point-to-point customers were also required to submit any projections they have of a need for service over the planning horizon and at what receipt and delivery points.

Requests for Rehearing and Clarification

204. E.ON U.S. requests that the Commission clarify that all entities seeking comparable treatment for transmission planning purposes, including any non-public utilities, must share their cost information with the transmission provider, as needed for planning purposes. E.ON U.S. contends that it must have access to information regarding all of its customers' dispatch and transmission costs in order to implement joint planning as envisioned by Order No. 890. E.ON U.S. acknowledges that this information would need to be treated as competitively sensitive and shielded from the transmission provider's merchant function employees.

205. Duke seeks clarification that projections of a point-to-point customer's anticipated needs do not have to be included in the models

[75] *See id.* at P 471.

[76] *See* Order No. 888–A at 30,286.

[77] *See* Order No. 890 at P 474.

[78] *See id.* at P 472.

serving as the predicate of the transmission plan. Duke agrees that, while projected uses may be helpful in understanding the scope of the potential need for future upgrades, only reservations impose an obligation on the transmission provider.

Commission Determination

206. The Commission clarifies in response to E.ON U.S. that, within the context of transmission planning, customers should only be required to provide cost information for transmission and generation facilities as necessary for the transmission provider to perform economic planning studies requested by the customer. If stakeholders request that a particular congested area be studied, they must supply relevant data within their possession to enable the transmission provider to calculate the level of congestion costs that is occurring in the near future.[79] This may necessarily involve customers providing their cost information. As E.ON U.S. notes, transmission providers must maintain the confidentiality of this information, protecting it from distribution to employees of the merchant function and its affiliates. Transmission providers must clearly define in their Attachment K the information sharing obligations placed on customers in the context of economic planning.

207. We clarify in response to Duke that good faith projections of anticipated point-to-point uses of the transmission system are intended only to give the transmission provider additional data to consider in its planning activities. The Commission did not intend to suggest in Order No. 890 that such projections be treated as a proxy for actual reservations. Even though they are not the equivalent of reserved uses of the system, such projections could, for example, provide planners with likely scenarios for new investment.

e. Comparability

208. In order to satisfy the comparability principle, transmission providers must develop, after considering the data and comments supplied by customers and other stakeholders, a transmission system plan that (1) meets the specific service requests of its transmission customers and (2) otherwise treats similarly-situated customers (*e.g.*, network and retail native load) comparably in transmission system planning. The Commission also required that customer demand resources be considered on a comparable basis to the service provided by comparable generation resources where appropriate.

Requests for Rehearing and Clarification

209. E.ON U.S. argues that the comparability principle poses a dilemma for vertically-integrated utilities in that the utility must engage in least cost planning at the state level, but is required to engage in comparable planning at the federal level. E.ON U.S. questions whether comparability requires the transmission provider to include all customer-identified projects in its plan or whether the transmission provider must merely consult with customers regarding their projects. E.ON U.S. also objects to treating a non-public utility customer comparably to its own native load in instances when the non-public utility customer fails to do the same in its own transmission planning activities. E.ON U.S. requests that the Commission clarify that public utilities are not required to include non-public utilities in transmission planning to the extent a non-public utility has not adopted the transmission planning principles of the *pro forma* OATT.

210. REPIO argue that planning processes must be clear to ensure that transmission providers fairly consider and implement the best alternatives among transmission, generation, and demand response options. To that end, REPIO ask the Commission to make explicit the requirement that all resource options be given technology neutral treatment.

211. Areva, however, argues that transmission providers must be required to do more than simply include demand resources in the planning process, arguing that the Commission failed to adequately encourage the use of alternative technologies as required by section 1223 of EPAct 2005. Areva contends that the Commission erred in failing to provide new opportunities for advanced technologies in the energy markets, particularly demand response resources. Areva argues it is inadequate to merely allow participation of comparable demand-side resources and, instead, the Commission must take the steps necessary to promote integration of advanced technologies in the planning process, including the assessment of penalties for failure to include such technologies in transmission plans and, ultimately, on the transmission grid. If the Commission declines to do so, Areva contends that the Commission at a minimum should require transmission providers to report their consideration of advanced technologies in their planning process, highlight uses of such technologies in their resulting transmission plan, or report to the Commission why such technologies were excluded from the resulting transmission plan.

212. TDU Systems, however, ask the Commission to confirm that demand resources can only substitute for truly comparable generation resources in the planning process. TDU Systems state that demand resources are, for example, non-dispatchable and can be reasonably substituted only for equivalent non-dispatchable blocks of energy. TDU Systems ask the Commission to establish criteria for determining whether demand resources are comparable to generation resources for purposes of consideration in the transmission plan or direct transmission providers to develop such criteria in their Attachment K proposals.

Commission Determination

213. Comparability requires that the interests of transmission providers and their similarly-situated customers be treated on a comparable basis in the transmission planning process.[80] We do not believe that this creates a conflict with least cost planning at the state level. Comparability simply requires that a transmission provider engage in comparable planning for its similarly-situated customers. The transmission provider retains discretion as to which solutions to pursue. Transmission providers are therefore not required to include all customer-identified projects in its plan, so long as similarly-situated customers are given comparable consideration.

214. With regard to non-public utility transmission providers, we reiterate our expectation of participation in the planning processes established pursuant to Order No. 890 consistent with their reciprocity obligations.[81] Reciprocity dictates that non-public utility transmission providers that take advantage of open access due to improved planning should be subject to the same requirements as jurisdictional providers. A non-public utility transmission provider with reciprocity obligations that declines to adopt a planning process that complies with Order No. 890 therefore may not be considered to be providing reciprocal transmission service and may be at risk of being denied open access transmission services by a public utility transmission provider. We will consider on a case-by-case basis how a transmission provider should treat for planning purposes a non-public utility

[79] *See id.* at P 550. The Commission also required the transmission provider's merchant function to provide any information necessary for economic planning studies (*e.g.*, redispatch cost information).

[80] *See id.* at P 494.

[81] *See id.* at P 441.

transmission provider that fails to implement a planning process that fulfills the requirements of Order No. 890.[82]

215. We disagree with Areva that the transmission planning process required in Order No. 890 is inconsistent with section 1223 of EPAct 2005.[83] The Commission made clear in Order No. 890 that advanced technologies and demand-side resources must be treated comparably where appropriate in the transmission planning process and, thus, the transmission provider's consideration of solutions should be technology neutral. We believe that the reforms adopted in Order No. 890 are sufficient to ensure comparable consideration of such technologies in transmission planning and, therefore, we decline to impose the type of special penalties proposed by Areva.

216. We disagree with TDU Systems that comparability requires that generation resources and demand resources be subject to the same operational parameters in every circumstance. Treating similarly-situated resources on a comparable basis does not necessarily mean that the resources are treated the same. As part of its Attachment K planning process, each transmission provider is required to identify how it will treat resources on a comparable basis and, therefore, should identify how it will determine comparability for purposes of transmission planning.

f. Dispute Resolution

217. In order to satisfy the dispute resolution principle, transmission providers must develop a dispute resolution process to manage disputes that arise from the Attachment K planning process. The Commission stated that the dispute resolution process must address both procedural and substantive planning issues, as the purpose for including a dispute resolution process is to provide a means for parties to resolve all disputes related to the planning process before turning to the Commission.

Requests for Rehearing and Clarification

218. TDU Systems ask the Commission to clarify that transmission providers must develop a dispute resolution process in collaboration with transmission customers and other stakeholders. TDU Systems argue that this clarification is necessary to assure that ''the shape of the table'' for dispute resolution is not fashioned to favor one side.

219. Duke asks the Commission to clarify whether alternative dispute resolution (ADR) will become a vehicle to challenge the transmission plan ultimately adopted by the transmission provider. Duke questions any intent by the Commission to exercise authority to approve or disapprove a transmission plan. Duke argues that ADR should not be used to substantively second guess a vertically-integrated transmission provider's plan. If ADR is intended to address substantive planning issues, Duke asks the Commission to clearly delineate the scope of those issues. Duke also asks the Commission to state the basis for any determination that ADR could be used to require changes to a transmission plan that would have the effect of fashioning binding obligations to build or not to build any particular facility in contravention of the transmission plan.

Commission Determination

220. As with any aspect of the transmission provider's Attachment K compliance filing, the Commission encourages stakeholder involvement in the development of an appropriate dispute resolution process to govern planning-related disputes. The Commission will carefully review each compliance filing to ensure that the proposed planning process is consistent with the principles and other requirements of Order No. 890. Any stakeholder that has concerns regarding the dispute resolution mechanism proposed by a transmission provider, or any other aspect of the compliance filing, may bring them to the Commission's attention on review of the proposal.

221. We disagree with Duke that the scope of this dispute resolution mechanism is limited to procedural issues. As the Commission explained in Order No. 890, the dispute resolution process should be available to address all disputes related to the planning process, both procedural and substantive.[84] This does not mean, as Duke implies, that any changes to the plan that may result from dispute resolution procedures become a binding obligation to build. In requiring a dispute resolution process for planning-related disputes, the Commission is not asserting any greater authority than it otherwise has to ensure that transmission providers comply with their tariff obligations to expand their systems to meet the needs of their customers. The dispute resolution process therefore does not change the rights or obligations otherwise established in the *pro forma* OATT. As we reiterate above, the Attachment K planning process does not place an affirmative obligation on the transmission provider to build upgrades identified in a plan. The tariff requirements regarding the construction of new facilities are covered in other portions of the *pro forma* OATT, as discussed above.

g. Regional Participation

222. In order to satisfy the regional participation principle, transmission providers must coordinate with interconnected systems to (1) share system plans to ensure that they are simultaneously feasible and otherwise use consistent assumptions and data and (2) identify system enhancements that could relieve congestion or integrate new resources. The Commission explained that the specific features of the regional planning effort should take account of and accommodate, where appropriate, existing institutions, as well as physical characteristics of the region and historical practices.

Requests for Rehearing and Clarification

223. TDU Systems ask the Commission to clarify that the regional participation principle requires both transmission providers and other stakeholders to be actively involved in regional planning activities. TDU Systems contend that some language in Order No. 890 could be read to limit regional coordination to transmission providers.[85]

224. National Grid asks the Commission to expand the regional participation principle to expressly require regions to adopt interregional planning processes subject to the same nine principles applicable to individual regions. National Grid argues that there will be little improvement in the area of interregional planning, and that disputes will continue to arise, in the absence of generic action by the Commission.

[82] As the Commission noted in Order No. 890, the Commission may exercise its authority under section 211A on a case-by-case basis if we find on the appropriate record that non-public utility transmission providers are not participating in the planning processes required therein. *See id.* at P 441.

[83] We note that, in addition to the reforms adopted in Order No. 890, the Commission is taking steps in other proceedings to encourage the deployment of advanced technologies as required by section 1223 of EPAct 2005. *See, e.g., Promoting Transmission Investment through Pricing Reform*, Order No. 679, 71 FR 43294 (July 31, 2006), FERC Stats & Regs. ¶ 31,222 at P 302 (2006), *order on reh'g*, Order No. 679–A, 72 FR 1152 (Jan. 10, 2007), FERC Stats. & Regs. ¶ 31,236 (2007), *order on reh'g*, Order No. 679–B, 119 FERC ¶ 61,062 (2007).

[84] *See id.* at P 501.

[85] *Citing id.* at P 523.

225. EPSA suggests that Commission staff be designated to attend the development of all regional planning processes in non-RTO areas, in order to ensure adequate and timely oversight and accountability during the development stage, as well as to ensure that all stakeholders have a viable chance to participate in the development of their own regional planning processes.

Commission Determination

226. The Commission clarifies in response to TDU Systems that, while the obligation to engage in regional coordination is directed to transmission providers, participation in such processes is not limited to transmission providers. In Order No. 890, the Commission required transmission providers to develop a planning process that facilitates regional participation and required that process, in turn, to be open to all interested customers and stakeholders. In response to National Grid, we emphasize that effective regional planning should include coordination among regions. As the Commission explained in Order No. 890, the identification of relevant regions and sub-regions will depend on the integrated nature of the power grid and the particular reliability or resource issues affecting individual regions and sub-regions.[86] Each of these regions and sub-regions should coordinate as necessary to share data, information and assumptions to maintain reliability and allow customers to consider resource options that span the regions.

227. We decline EPSA's suggestion to direct Commission staff to attend the development of all regional planning processes in non-RTO areas. Commission staff has organized and attended a total of seven transmission planning technical conferences around the country, and engaged in numerous other meetings, phone calls and discussions, in order to assist transmission providers and customers in the development of planning processes that comply with the planning requirements of Order No. 890.[87] Transmission providers and stakeholders alike actively participated in these conferences. Any concerns regarding the inability of interested parties to participate in the development process can be raised on Commission review of the Attachment K compliance filings.

h. Economic Planning Studies

228. In order to satisfy the economic planning studies principle, transmission providers must take into account both reliability and economic considerations in their Attachment K planning processes. The Commission stated that the purpose of this principle is to ensure that customers may request studies that evaluate potential upgrades and other investments that could reduce congestion or integrate new resources and loads on an aggregated or regional basis, and not to assign cost responsibility for any investments or otherwise determine whether they should be implemented.[88] The Commission determined that customers should be permitted to choose the studies that are of the greatest value to them, directing transmission providers to develop a means to allow the transmission provider and stakeholders to cluster or batch requests for economic planning studies so that the transmission provider may perform the studies in the most efficient manner. Customers must be given the right to request a defined number of high priority studies annually, the costs of which would be recovered as a part of the overall *pro forma* OATT cost of service.

Requests for Rehearing and Clarification

229. TDU Systems ask the Commission to clarify that the expansion of economic planning required in Order No. 890 to include integration of new resources and loads did not supplant the need to study both short-term and long-term congestion. TDU Systems further argue that any measure of congestion in the economic study process must be based on total gross congestion rather than hedgeable congestion, which they argue is unrealistic. TDU Systems state that in PJM, for example, congestion includes only that which cannot be hedged through financial instruments. TDU Systems contend that this ignores the significant costs of purchasing the financial instruments necessary to hedge the congestion and that gross congestion more accurately reflects what load pays for congestion.

230. TDU Systems also ask the Commission to clarify that each transmission provider must specify in its Attachment K the process for requesting and selecting economic planning studies and the number of high priority studies that will be paid for by the transmission provider. TDU Systems argue that the economic study process, including selection of which studies to perform, must be developed in collaboration with customers and other interested stakeholders. TDU Systems, as well as NRECA, suggest that the high priority studies only include those requested by non-affiliated customers so that the economic planning process is not usurped by the transmission provider and its affiliates.

231. AWEA asks the Commission to require transmission providers to engage in economic planning of upgrades to address the lumpiness of transmission investments. AWEA argues that the needs of native load groups, multiple generation projects, and load centers cannot be optimized unless they are combined in a single transmission plan. AWEA contends that comparability requires planning to provide capacity for OATT customers so that the cost of large, lumpy upgrades are not all assigned to single projects.

232. EEI requests clarification that the stakeholders' right to designate high priority studies applies to stakeholders as a group, not to individual stakeholders. EEI asserts that allowing individual stakeholders to designate specified numbers of studies would be impractical and inconsistent with the goal of an aggregated or regional approach to planning. Entergy asks the Commission to clarify that economic studies must be related to congestion issues affecting a stakeholder and not simply attempts to obtain competitive sensitive information about another party's resources and loads. Entergy suggests that a party requesting a study be required to explain the basis for its request and how the study relates to its own transmission service needs.

233. MISO, NYISO and National Grid ask the Commission to clarify that, within an RTO or ISO, requests for congestion studies must be made and approved through existing stakeholder processes. Otherwise, National Grid argues that studies may be tailor-made to the parochial interests of the requestor with limited subregional scope, which in its view would inhibit the regional planning process and tax RTO and ISO resources. NYISO requests further clarification that transmission-owning members of an RTO or ISO are not required to perform separate,

[86] *See id.* at P 627.

[87] The staff technical conferences were held on: June 4–7, 2007 in Little Rock, AR and October 1–2, 2007 in Atlanta, GA, covering the Southeast including Southwest Power Pool and its members; June 13, 2007 in Park City, UT, covering the Northwest and June 26, 2007 in Phoenix, AZ, covering the Southwest and California, as well as October 23–24, 2007 in Denver, CO, covering both of these regions; and June 28–29, 2007 in Pittsburgh, PA and October 15–16, 2007 in Boston, MA, covering the ISO New England, NYISO, PJM, MISO, and Mid-Continent Area Power Pool subregions.

[88] The Commission addressed the issue of cost allocation in a separate principle, discussed below.

individual congestion studies at the request of customers.

234. Southern argues that the economic planning requirements of Order No. 890 should be based on the Commission's jurisdiction to ensure just and reasonable rates, since the information from such studies could facilitate customers' ability to optimize their future transmission service. Southern contends that neither Good Utility Practice nor comparability support adoption of the economic study requirements of Order No. 890. Southern states that its transmission function planners perform no congestion analysis and, instead, plan the system to satisfy reliability requirements and to meet the needs of firm transmission customers.

Commission Determination

235. The Commission affirms the decision in Order No. 890 to allow stakeholders the right to request a defined number of high priority studies annually to address congestion and/or the integration of new resources or loads.[89] The expansion of the economic planning principle in Order No. 890 did not supplant the need to study both short-term and long-term congestion, if requested by a stakeholder, as TDU Systems suggest. Similarly, the choice to study hedgeable or gross congestion is the choice of the requesting stakeholder or group of stakeholders. The intent of the economic planning principle is to allow stakeholders, and not the transmission provider, to identify the studies that are of the greatest value to them. This provides sufficient flexibility to address customer needs, including the study of large, lumpy transmission projects, as requested by AWEA.

236. We agree with petitioners that the transmission provider's Attachment K must clearly describe the process by which economic planning studies can be requested and how they will be prioritized.[90] We also agree that stakeholders as a group have the right to request the defined number of high priority studies to be paid for by the transmission provider.[91] As a result, transmission providers must develop a means to allow the transmission provider and customers to cluster or batch requests for economic planning studies so that the transmission provider may perform the studies in the most efficient manner. By limiting the economic planning principle to a defined number of high priority studies annually, the Commission did not intend to preclude stakeholders from requesting additional studies. To provide appropriate financial incentives, the stakeholder(s) requesting such additional studies would be responsible for paying the cost of such studies.[92]

237. We decline to generically limit the scope of economic planning studies as requested by Entergy. Studies may be requested to address congestion issues or the integration of new resources/loads. The limited number of high priority studies available should restrict the ability of stakeholders to use these studies for other purposes, since stakeholders and the transmission providers will be working together to determine which studies will be pursued. We also reject petitioners' suggestion that the requests made by a transmission provider's affiliates for economic planning studies should not count toward the defined number of high priority studies. The transmission provider's affiliates should be treated like any other stakeholder and, therefore, their requests for studies should be considered comparably, pursuant to the process outlined in the transmission provider's Attachment K.

238. We clarify in response to NYISO that it is the transmission provider's obligation to perform economic planning studies, just as it is the transmission provider's obligation to comply with other aspects of the planning process required in Order No. 890. As we explain above, RTOs and ISOs have flexibility in determining how to fulfill their planning-related obligations and may delegate certain responsibilities to their transmission-owning members or otherwise incorporate the processes of their members into the RTO/ISO planning process. To the extent an RTO or ISO delegates any of its responsibilities in the context of economic planning, it will be the obligation of the RTO or ISO to ensure ultimate compliance with the requirements of Order No. 890.

239. We disagree with Southern that the Commission may only require transmission providers to undertake economic planning studies pursuant to its authority to ensure just and reasonable rates. Consistent with our authority under FPA section 206, the Commission acted in Order No. 890 to limit the opportunities for undue discrimination in the area of transmission planning and to ensure that comparable service is provided by all public utility transmission providers. As the Commission explained in Order No. 890, a prudent vertically-integrated transmission provider will plan not only to maintain reliability, but also consider whether transmission upgrades or other investments can reduce the overall costs of serving native load.[93] To represent Good Utility Practice and provide comparable service, the transmission planning process under the *pro forma* OATT therefore must consider both reliability and economic considerations.

240. Southern states merely that its transmission planners do not perform congestion analyses in particular, not that they disregard economics in the planning of their system. Prudent vertically-integrated transmission providers take into consideration whether upgrades or other investments could allow them to meet the needs of their customers on a more economic basis. Through the economic planning principle, we simply require Southern, and other transmission providers, to make available to their customers services that are comparable to those they are performing on behalf of their native load. We therefore affirm the decision in Order No. 890 to require transmission providers to perform economic planning studies at the request of their stakeholders.

i. Cost Allocation for New Projects

241. In order to satisfy the cost allocation principle, transmission providers must address in their Attachment K planning processes the allocation of costs of new facilities. These cost allocation methodologies are intended to apply to projects that do not fit under existing rate structures, such as regional projects involving several transmission owners or economic projects that are identified through the study process, rather than projects built in response to individual requests for service. The Commission declined to impose a particular allocation methodology for such projects and, instead, identified three factors to be considered upon review of cost allocation proposals. First, we consider whether a cost allocation proposal fairly assigns costs among participants, including those who cause them to be incurred and those who otherwise benefit from them. Second, we consider whether a cost allocation proposal provides adequate incentives to construct new transmission. Third, we consider whether the proposal is generally supported by state authorities and participants across the region.

[89] Order No. 890 at P 547.

[90] RTOs and ISOs may continue to use existing stakeholder processes to identify which economic planning studies will be of most benefit to the region, provided such processes are otherwise consistent with the requirements of Order No. 890.

[91] *See id.* at P 547.

[92] *See id.* at P 546.

[93] *See id.* at P 542.

Requests for Rehearing and Clarification

242. PSEG questions whether the Commission intended in Order No. 890 to mandate the funding of economic projects through the cost allocation methodology developed as part of the transmission provider's planning process. PSEG argues that this would be inappropriate since certain transmission providers, such as NYISO, currently only conduct reliability planning, not economic planning. PSEG argues that the most transmission providers should be obligated to do is present information so that market participants may respond to economic issues. In its view, introduction of regulated transmission solutions in response to economic enhancements destroys incentives for private investment and precludes the possibility of other market-based solutions, such as generation and demand side management, from providing a more efficient solution. PSEG objects to the Commission's reliance on the PJM ''market efficiency'' proposal, arguing that the Commission's action in that proceeding was conditioned on PJM submitting a compliance filing to clarify aspects of its proposal.[94]

243. To the extent the Commission requires ratepayer funding of economic upgrades, PSEG suggests that market participants who are asked to pay be allowed to vote on acceptance of cost allocations for the project. PSEG suggests that construction of a project be approved only if a certain percentage vote in favor of building the project and no more than a certain percentage vote against building the project. With regard to reliability upgrades, PSEG argues that there are also insufficient checks in place to ensure that RTOs and ISOs do not undertake expensive upgrades to solve a reliability criteria violation when simpler, less expensive projects may suffice. PSEG therefore requests that the Commission require that a cost-benefit analysis be conducted for both reliability and economic transmission projects.

244. TDU Systems argue that the costs of all network upgrades identified in the transmission plan be allocated and recovered on a rolled-in basis. TDU System maintain that rolled-in rate treatment for such upgrades would minimize disputes and encourage expansion by providing certainty for transmission providers. TDU Systems contend that failure to mandate rolled-in cost recovery for network upgrades identified in the transmission plan defaults on the Commission's obligations under FPA section 217 to promote expansion to support the ability of LSEs to meet their service obligations.

245. EPSA argues that any cost allocation of economic projects must be based on clear and balanced economic metrics, calculations, and assumptions. EPSA objects to any requirement that cost allocation provisions for economic projects create a funding mechanism for proponents of such projects, arguing that this would be inconsistent with the Commission's statements that transmission providers are not under an obligation to fund or build upgrades identified in the transmission plan.

246. Old Dominion urges the Commission to clarify Order No. 890 by elaborating and expanding upon the factors the Commission will consider in addressing cost allocation for new transmission. Old Dominion suggests that the following issues be considered in evaluating whether a cost allocation proposal is reasonable: facilitation of regional market development; benefits over the life of the facility; reliability benefits beyond resolution of the triggering reliability violation; reduction in capacity, energy, and reserve costs from reliability upgrades; consideration of benefits that may not be readily quantifiable; need for rate certainty; and, avoidance of rate shock. Old Dominion argues that elaboration on these factors will help stakeholders reach consensus on cost allocation issues. Old Dominion also seeks clarification that the cost allocation principle applies equally to projects that are built by a single transmission owner, but that have a regional impact.

247. With regard to interregional cost allocation, Old Dominion and TDU Systems argue that the Commission should require the cost allocation criteria identified in the transmission provider's Attachment K to apply to transmission facilities in one region that provide benefits to customers in another region.[95] Old Dominion contends that omission of cross-border allocation requirements in the OATT is inconsistent with basic cost causation principles as expressed in Order No. 890 itself.[96] TDU Systems argue that regions will benefit from up-front resolution of cross-border allocation issues, just as transmission providers benefit from up-front resolution of regional cost allocation issues.

248. E.ON U.S. asks the Commission to clarify that the cost allocation principle may not be used to shift transmission construction costs to border utilities that receive no direct benefit from the construction. E.ON U.S. contends that the transmission customers of each RTO or ISO already pay for the cost of upgrades through transmission rates charged by the RTO or ISO.

249. Duke does not object to the cost allocation principle, but notes the difficulties that have been experienced in reaching consensus in RTOs and ISOs and asks the Commission to consider delaying the requirement beyond the 210-day due date if regional consensus cannot be reached. In the alternative, Duke suggests that transmission providers be allowed to submit allocation proposals as separate informational strawmen that will serve as a vehicle for further discussion in the region.

Commission Determination

250. The Commission affirms the decision in Order No. 890 to require transmission providers to address in their Attachment K planning processes cost allocation for new facilities that do not fit under existing structures. Transmission providers and customers cannot be expected to support the construction of new transmission unless they understand who will pay the associated costs. This applies equally to reliability and economic projects, whether built by a single transmission owner or through joint ownership. However, mandatory rolled-in rate treatment for all network upgrades identified in the transmission plans, as suggested by TDU Systems, is not necessarily appropriate. The Commission is fulfilling its obligations under FPA section 217 to support expansion of the grid by requiring transmission providers to address in their Attachment K processes how costs will be allocated for reliability and economic projects, which we will address on a case-by-case basis.

251. We disagree with PSEG's contention that economic projects should be excluded from the cost allocation provisions of the *pro forma* OATT. As the Commission noted in Order No. 890, the issue of cost allocation is particularly important as applied to economic upgrades.[97] Participants seeking to support new transmission investment need some degree of certainty regarding cost allocation to pursue that investment. We therefore agree with EPSA that the details of proposed cost allocation methodologies must be clearly defined,

[94] *Citing id.* at P 545 (citing *PJM Interconnection, LLC,* 117 FERC ¶ 61,218 (2006), *reh'g pending*).

[95] *Citing Midwest Ind. Sys. Operator, Inc.,* 117 FERC ¶ 61,241 (2006); *Midwest Ind. Sys. Operator, Inc.,* 109 FERC ¶ 61,243 (2004).

[96] *Citing* Order No. 890 at P 559.

[97] *See id.* at P 542.

but emphasize that adoption of a cost allocation methodology will not impose an obligation to build. As we reiterate above, identification of an upgrade (reliability or economic) in the transmission plan does not trigger an obligation to build under the Attachment K planning process. Up-front identification of how the cost of a facility will be allocated will, however, allow transmission providers, customers, and potential investors to make the decision whether or not to build on an informed basis.

252. As explained above, all transmission providers, including RTOs and ISOs, must undertake economic planning studies at the request of stakeholders. Within an RTO or ISO, stakeholder processes can be used to determine whether to pursue either economic or reliability upgrades and, thus, voting mechanisms such as those suggested by PSEG could be adopted if stakeholders desire. If the transmission provider or stakeholders determine that other solutions are superior to transmission upgrades, they may pursue those solutions instead and integrate them into the transmission plan. The transmission planning process established in Order No. 890 does not dictate that particular investments be made, rather that an open, coordinated, and transparent process be adopted to govern the decision-making process.

253. We decline to adopt Old Dominion's suggestion to define in more detail the factors to be considered in evaluating whether a cost allocation proposal is reasonable. We intend to allow regional flexibility regarding cost allocation and will consider each proposal on a case-by-case basis. While we would expect many of the considerations raised by Old Dominion to be relevant, since they fall within the three factors identified by the Commission, the merits of each proposal will be analyzed in light of the facts and circumstances surrounding the proposal. Similarly, issues regarding cross-border allocation or the potential shifting of costs to border utilities are best addressed in the context of a particular proposal.

254. Finally, we deny Duke's request to extend the Attachment K compliance deadline as it relates to cost allocation proposals. We acknowledge that resolution of cost allocation issues are difficult, as are many of the issues raised in the context of transmission planning. The Commission therefore granted transmission providers an extension of the Attachment K filing deadline in order to allow for a second round of staff technical conferences to review progress made on draft compliance filings.[98] Commission staff also issued a white paper to further assist transmission providers in the drafting of Attachment K tariff language.[99] We believe that transmission providers have had adequate time and guidance to complete the drafting of their Attachment K proposals prior to the revised filing deadline.

j. Additional Issues Relating to Planning Reform

(1) Independent Third-Party Coordinator

255. The Commission declined in Order No. 890 to require the use of an independent third party coordinator for transmission planning activities, but encouraged transmission providers and their customers to explore aspects of planning where the use of an independent coordinator would be beneficial and to incorporate those aspects in their planning processes.

Requests for Rehearing and Clarification

256. Old Dominion argues that the Commission erred by failing to recognize the need for an independent third party to oversee transmission planning. With regard to RTOs in particular, Old Dominion seeks confirmation that market monitoring units have the requisite independence and authority to investigate and address undue influence in the transmission planning process. Old Dominion asks the Commission to direct RTOs to include in their compliance filings a description of the market monitor's ability to identify and address undue influence in the transmission planning process. Old Dominion argues that the ability for customers to file a section 206 complaint is insufficient and can only bring about prospective changes in monitoring, failing to remedy the potential exercise of transmission market power in transmission planning.

257. TDU Systems support the decision not to mandate use of a third-party facilitator in the transmission planning process and seek clarification that, to the extend a third-party facilitator is used, related costs can be included in a transmission provider's cost of service only if all transmission customers agree or if a cost-benefit analysis supports the use of the facilitator. TDU Systems contend this would avoid disputes regarding the wisdom of using a third-party facilitator if a significant segment of transmission customers object.

Commission Determination

258. We disagree with Old Dominion that we did not adequately address the potential role of an independent third party in transmission planning in Order No. 890. As the Commission explained, there may be benefits to be gained from independent third party oversight, but transmission providers, customers, and other stakeholders should determine for themselves in developing the transmission provider's planning process whether, and if so how, to utilize an independent third party.[100] This would include considerations regarding recovery of costs associated with the use of a third-party in the transmission planning process and, within an RTO, the role of the market monitor, if any, in that process.

(2) Open Season for Joint Ownership

259. Although the Commission acknowledged in Order No. 890 the benefits of joint ownership of transmission facilities, the Commission declined to mandate open season procedures to allow market participants to participate in joint ownership. The Commission recognized that there may be reasons, given the complexity of the transmission grid and changing conditions of supply and demand for power, why any given facility identified in a transmission plan may not be ultimately constructed. If a transmission provider declines to construct an identified upgrade, the Commission encouraged customers and third parties to consider, either individually or jointly, development and ownership of a project to the extent consistent with applicable state law.

Requests for Rehearing and Clarification

260. FMPA asks the Commission to order transmission providers to make available opportunities to jointly participate in the ownership of new transmission facilities to achieve the benefits of joint ownership recognized by the Commission and remedy the discriminatory and anticompetitive effects of excluding some public power utilities from ownership. In the alternative, FMPA asks the Commission to take the lesser step of establishing presumptions that transmission customers are allowed to jointly invest in new grid transmission facilities and that transmission providers are not entitled to rate incentives if they exclude some systems that are willing to

[98] *See Preventing Undue Discrimination and Preference in Transmission Service,* 120 FERC ¶ 61,103 (2007).

[99] *Transmission Planning Process Staff White Paper,* Docket No RM05–17–000, *et al.* (August 2, 2007).

[100] *See* Order No. 890 at P 567.

invest in transmission. FMPA argues that such presumptions will prevent recalcitrant transmission owners from refusing participation or from using their control of the grid to extract unreasonable terms and conditions, while allowing them to protect any legitimate interests they may have.

261. TDU Systems argue that diversification of ownership of the grid, facilitated by mandatory open seasons for joint or third-party ownership, would provide a structural remedy to the vertical market power enjoyed by many transmission providers. They contend that the inadequacy of the grid, combined with the unwillingness or inability of transmission providers to invest in new infrastructure, has allowed many transmission providers to retain generation dominance on their systems and unduly discriminate against transmission customers. TDU Systems argue that FPA sections 205 and 206 give the Commission adequate authority to mitigate this market power by either requiring open seasons for joint ownership or third-party ownership or by conditioning market-based rate authority or incentive rates on agreements to offer such open seasons.

262. TDU Systems argue that the Commission at a minimum should require transmission providers to hold open seasons for third-party construction where a transmission provider is unwilling or unable to construct a new facility that is identified as needed in the planning process. TDU Systems further request that the Commission modify the *pro forma* OATT to include an explicit obligation to interconnect joint or third-party facilities constructed in response to projects identified in the local or regional planning process.

Commission Determination

263. The Commission affirms the decision in Order No. 890 not to mandate procedures for joint ownership of transmission facilities. We continue to believe that there are benefits to joint ownership, particularly for large backbone transmission facilities, and encourage transmission providers, customers, and third parties to consider joint development and ownership as appropriate. The Commission acknowledged in Order No. 890, however, that joint ownership can increase the complexity of planning and developing a transmission project and we are sensitive to concerns that formal open seasons can add to that complexity.[101] We therefore decline to mandate the generic use of open seasons or establish presumptions, as suggested by FMPA, regarding their use.

264. We also reject TDU Systems' suggestion that declining to mandate open seasons for joint ownership leaves the transmission provider with unmitigated vertical market power. Transmission providers are required under the OATT to make transfer capability available on a non-discriminatory basis and to expand their systems as necessary to accommodate requests for transmission service, including service associated with new customer-owned transmission facilities. In the absence of specific evidence of undue discrimination by a transmission provider, we do not believe mandating open seasons or altering our incentive rate program is necessary to mitigate market power in the provision of transmission service. Customers and third parties remain free to develop and construct facilities as they see fit and, through the Attachment K planning process, incorporate the development of those facilities into the transmission plan.

C. Transmission Pricing

1. Energy and Generation Imbalances

a. Tiered Approach to Imbalance Penalties in the OATT

265. In Order 890, the Commission modified Schedule 4 of the *pro forma* OATT regarding treatment of energy imbalances and adopted a separate *pro forma* OATT schedule (Schedule 9) to govern treatment of generator imbalances. The Commission determined that charges for both energy and generator imbalances must follow three principles: (1) The charges must be based on incremental cost or some multiple thereof; (2) the charges must provide an incentive for accurate scheduling, such as by increasing the percentage of the adder above (and below) incremental cost as the deviations become larger; and (3) the provisions must account for the special circumstances presented by intermittent generators and their limited ability to precisely forecast or control generation levels, such as waiving the more punitive adders associated with higher deviations.

266. The Commission also determined that the same tiered approach should be used for both energy and generator imbalances. Imbalances of less than or equal to 1.5 percent of the scheduled energy (or two megawatts, whichever is larger) are to be netted on a monthly basis and settled financially at 100 percent of incremental cost at the end of each month. Imbalances between 1.5 and 7.5 percent of the scheduled amounts (or 2 to 10 megawatts, whichever is larger) are to be settled financially at 90 percent of the transmission provider's system incremental cost for overscheduling imbalances that require the transmission provider to decrease generation or 110 percent of the incremental cost for underscheduling imbalances that require increased generation in the control area. Finally, imbalances greater than 7.5 percent of the scheduled amounts (or 10 megawatts, whichever is larger) are to be settled at 75 percent of the system incremental cost for overscheduling imbalances or 125 percent of the incremental cost for underscheduling imbalances.

Requests for Rehearing and Clarification

267. TAPS contends that the use of the phrase ''same imbalance'' in the language of Schedules 4 and 9 is imprecise and could lead to some confusion. TAPS asks that the Commission amend the language of Schedules 4 and 9 to be consistent with footnote 387 of Order No. 890, in which the Commission states that a transmission provider may only charge the penalty percent adder to the incremental cost for either an hourly generator imbalance or an hourly energy imbalance for the same imbalance.[102] TAPS suggests modifying the first paragraph of Schedule 9 to read: ''The Transmission Provider may charge a Transmission Customer a penalty for either hourly generator imbalances under this Schedule or hourly energy imbalances under Schedule 4 for the imbalances occurring during the same hour, but not both (unless the imbalances aggravate rather than offset each other).'' TAPS requests that the similar change be made to corresponding language in Schedule 4.

268. Steel Manufacturers Association argues that the Commission should abandon the dead band/penalty mechanism for energy imbalances and adopt instead the basic framework employed in the organized markets, where a customer pays or is paid the provider's incremental cost for imbalances. Steel Manufacturers Association contends that, in the organized markets, the Commission recognizes that pricing imbalances at the real-time price of energy provides adequate incentives to ensure that customers schedule accurately. Steel Manufacturers Association argues that the Commission failed to justify application of a different policy, *i.e.*, escalating penalties, under the *pro*

[101] *Id.* at P 594.

[102] *See id.* at P 632, n.387.

forma OATT. Steel Manufacturers Association contends that there is no evidence of negative reliability impacts in the organized markets due to the lack of inaccurate scheduling, nor is there evidence of customers taking advantage of the transmission provider by leaning on the transmission grid. Steel Manufacturers Association further contends that similar imbalance pricing policies should apply in both market structures. Steel Manufacturers Association argues that clearing imbalances outside of the organized markets at the transmission provider's marginal cost for the hour is sufficient for that purpose. If the Commission retains a Schedule 4 with a bandwidth and penalty structure, Steel Manufacturers Association requests that the Commission institute a larger bandwidth of, at minimum, 10 percent for small wholesale customers and discrete retail loads in order to provide some measure of relief for those customers.

269. Steel Manufacturers Association also requests that end-use customers that provide ancillary services through demand response be exempt from imbalance charges for imbalances created as a result of the use of the demand response. Steel Manufacturers Association contends that an end-use customer that modifies its usage in real-time, in order to be price responsive or respond to a system operator's call to curtail load, will create energy imbalances. If that end-use customer is assessed a penalty for those energy imbalances, Steel Manufacturers Association argues that it will have little incentive to provide an ancillary service such as spinning reserve or regulation through demand response. Steel Manufacturers Association suggests that the Commission revise the energy imbalance provisions to encourage, rather than discourage, demand response.

Commission Determination

270. The Commission affirms the decision in Order No. 890 to adopt a tiered bandwidth approach for both energy and generation imbalances. We disagree with Steel Manufacturers Association that simply paying the transmission provider's incremental cost for energy imbalances would provide adequate incentives for customers to schedule accurately under the *pro forma* OATT. Market structures in place within RTOs and ISOs are fundamentally different from those in non-RTO/ISO regions. In the organized markets, system operators generally use a five minute dispatch with multiple suppliers of imbalance energy responding to system operator instructions. Suppliers and customers alike are therefore able to respond to real-time changes in locational prices that reflect both the cost of energy and congestion, which serves to discipline transmission customers and generators from deviating from their instructed level. This is not the case outside of the organized markets and, therefore, other incentives must be provided to discourage deviations.

271. We also decline to institute a larger bandwidth or eliminate the penalty structure for energy imbalances caused by small wholesale customers or discrete loads. Use of the bandwidths adopted in Order No. 890, with the 2 MW and 10 MW minimums for the first and second penalty bands, appropriately links increased deviations and potential reliability impacts on the system while allowing increased tolerance to smaller customers. We note, moreever, that the 2 MW minimum specified in Order 890 does allow for a 10 percent bandwidth, as Steel Manufacturers Association requests, for loads 20 MW or less.

272. We agree with Steel Manufacturers Association, however, that end-use customers providing an ancillary service through demand response should generally not be subject to penalties for imbalances created as a result of providing the ancillary service. In this respect, customers using demand resources for ancillary services should not be treated differently from customers using generating units to provide ancillary services. The mechanisms for addressing the self-provision or third-party provision of ancillary services have developed outside the *pro forma* OATT and we will not disrupt these developments. Thus, there is no need to revise the *pro forma* OATT, as Steel Manufacturers Association suggests, since existing practices for third-party provided ancillary services should apply to demand resources as they apply to generating resources.

273. We agree with TAPS that the reference to ''same imbalance'' in Schedules 4 and 9 could lead to confusion and amend the language of those schedules accordingly. We revise the language of Schedules 4 and 9 to clarify that the transmission provider may charge a transmission customer a penalty for either hourly generator imbalances under Schedule 9 or hourly energy imbalances under Schedule 4 for imbalances occurring during the same hour, but not both unless the imbalances aggravate rather than offset each other.

b. Generator Imbalance Penalties

274. The Commission concluded in Order No. 890 that formalizing generator imbalance provisions in the *pro forma* OATT will standardize the future treatment of such imbalances from the wide variety of generator imbalance provisions that previously existed in various generator interconnection agreements. Standardizing generator imbalance provisions, in turn, should lessen the potential for undue discrimination, increase transparency and reduce confusion in the industry. The Commission emphasized, however, that it was not abrogating existing generator imbalance agreements in this rulemaking proceeding.

275. With regard to intermittent resources, the Commission provided that such resources are exempt from the third-tier deviation band and would pay the second-tier deviation band charges for all deviations greater than the larger of 1.5 percent or two megawatts. The Commission defined intermittent resources for this purpose as ''an electric generator that is not dispatchable and cannot store its fuel source and therefore cannot respond to changes in system demand or respond to transmission security constraints.'' The Commission also determined that all generators should be excused from imbalance penalties that occur due to directed reliability actions by a generator to correct system frequency.

Requests for Rehearing and Clarification

276. A number of petitioners seek rehearing and/or clarification of the generator imbalance reforms adopted in Order No. 890. Sempra Global asks that the Commission revise section 3 of the *pro forma* OATT to make clear that generator imbalance service must be offered for any transmission service used to deliver energy from a generator located within the transmission provider's control area, as required in Schedule 9. Sempra Global argues that section 3 of the *pro forma* OATT is inconsistent with Schedule 9, since section 3 only requires a transmission provider to offer generator imbalance service to a transmission customer serving load within the transmission provider's control area.

277. EEI, Entergy, and Southern ask that the Commission clarify that a transmission provider is entitled to charge either the transmission customer or the generator for generator imbalance service when the customer takes transmission service to deliver energy to an off-system load. In their view, generator imbalance charges may only be assessed to a transmission customer

under new Schedule 9. Southern and EEI argue that this may be inappropriate because in many instances the generator is responsible for the generator imbalance, not the transmission customer. If the generator sells energy to more than one customer, Southern and EEI contend that it will be virtually impossible to determine which transmission customer should be assessed a charge and how the billing would be determined.

278. EEI and Southern propose changes to Schedule 9 to address these concerns. EEI asks the Commission to clarify that either the transmission customer or the generator must take generator imbalance service in connection with any off-system sale of energy and that the transmission provider has no obligation to provide transmission service on its system to an off-system load unless the transmission customer or the generator executes a service agreement committing to take generator imbalance service. Southern, however, argues that the Commission should require every generator, subject to the grandfathering provisions in Order No. 890, to execute a service agreement to take and pay for generator imbalance service pursuant to Schedule 9 of the OATT and be a transmission customer for such purposes. If the Commission does not do so, Southern asks in the alternative that the Commission clarify that transmission providers, subject to the grandfathering provisions of Order No. 890, have no obligation to provide transmission service from an on-system generator to an off-system load if such generator has not executed a service agreement under the transmission provider's OATT providing for the generator to take and pay for generator imbalance service.

279. PNM argues that transmission providers should not be required to provide generator imbalance service when doing so would impair reliability for the transmission provider. PNM contends that some control area operators may not be able to offer generator imbalance service unless they can procure balancing energy and associated capacity from another entity. PNM argues that the obligation to provide Schedule 9 service should be contingent upon the transmission provider determining that it is able to provide this service based upon a system impact study. Even if the service can physically be provided, PNM states that placing a must-offer requirement in Schedule 9, particularly for the purpose of supplying imbalance energy for intermittent generation, may have unreasonable impacts on the supply resources operated by small host control areas. In PNM's view, an absolute must-offer requirement for Schedule 9 could lead to proportionately heavy impacts on small transmission providers that are required to interconnect generation developed to serve distant urban areas within large control areas.

280. Joined by EEI and APS, PNM suggests that the Commission address these reliability concerns by allowing transmission providers the alternative of offering generators dynamic scheduling to change the responsibility for generator imbalances from specific generators. In cases where system reliability would be adversely affected, these petitioners contend that requiring a generator to accept a dynamic schedule of its output to the control area where the load is located, instead of requiring the transmission provider to provide generator imbalance service, would give the transmission provider a viable alternative to ensure that the generator's imbalances are absorbed without compromising the reliability of the system where the generator is located, while also aligning the responsibility for supplying the imbalances associated with the parties that enjoy the benefit of the generation.

281. EEI further argues that imbalance penalties fail to adequately compensate transmission providers for threats to system reliability caused by excessive generator imbalances and, therefore, use of dynamic scheduling would be appropriate. If the Commission does not allow the alternative of dynamic scheduling, APS requests that the Commission revise Schedule 9 to allow a transmission provider to identify the total amount of generator imbalance service it will offer.

282. Other petitioners request clarification or rehearing regarding the Commission's decision to exempt deviations associated with correcting system frequency from associated imbalance penalties. Xcel agrees with the Commission that generators should not be subject to imbalance penalties that occur when the generator is responding to reliability directives to correct frequency deviations and requests that this exception be expressly incorporated into the *pro forma* OATT. Xcel requests that the Commission either amend the Order No. 890 *pro forma* OATT on rehearing or clarify that a transmission provider can implement this practice by including such language in its compliance filing. Xcel suggests that the Commission also could, in the alternative, clarify that a transmission provider may implement this practice by posting a business practice indicating the transmission provider will waive such imbalance charges for generators correcting frequency deviations on a non-discriminatory basis.

283. EPSA and TAPS request that the Commission expand the exemption to include other situations in which a generator is directed to be off-schedule by transmission operators, balancing authorities, or reliability coordinators. EPSA states, for example, that generators are often given directives by balancing authorities in order to reduce unscheduled flows on other systems and/or change line flows or voltage levels. TAPS argues that there should be an exception for generator imbalances resulting from transmission loading relief procedures (TLRs) or other transmission provider instructions, and for both the unexpected loss of a generating unit and the response of other generators to replace that unit under the reserve sharing arrangements, with resulting imbalances treated as being within the first deadband. TAPS argues that penalizing imbalances in the case of forced generation outages is particularly inappropriate since such charges do not give plant operators any better incentive to schedule accurately because unplanned unit outages by their very nature cannot be predicted and scheduled.

284. Several petitioners request that the Commission clarify its definition of intermittent resources for purposes of applying imbalance charges. TAPS argues that intermittent generation should include test energy produced by newly completed units, so that generators are not unduly penalized (*i.e.*, at third-tier penalty levels) for output variations that are inherently unpredictable. EEI and AMP-Ohio argue that run-of-river hydroelectric generating facilities should be deemed to be intermittent resources because their inability to store water to produce energy on demand satisfies the intention of the Order No. 890 definition, notwithstanding the fact that strictly speaking they do not have fuel sources. Northwestern, however, argues that run-of-river hydroelectric projects should not qualify as an intermittent resource because they generally do have the ability to predict flows and schedule accurately. NorthWestern also requests that the Commission specifically require utilities to update their tariffs to reflect this new definition.

285. AMP-Ohio also argues that intermittent resources should be entirely exempt from imbalance penalties, arguing that it is unfair to impose any level of penalties on resources that are not dispatchable. In AMP-Ohio's view, wind generators and run-of-river hydroelectric facilities alike depend on uncontrollable forces that

affect their actual levels of generation. AMP-Ohio argues that fully exempting intermittent resources from imbalance penalties would not be unduly discriminatory vis-à-vis generators that are dispatchable since the different treatment would merely recognize their different circumstances.

286. Finally, Entergy asks that the Commission confirm that transmission providers do not need to seek renewal of existing generator imbalance agreements. Entergy contends that it is unclear whether the procedures described in section IV.C of Order No. 890, regarding Commission consideration of previously-approved variations from the *pro forma* OATT, are intended to apply to generator imbalance agreements that have been previously negotiated between willing parties.

Commission Determination

287. The Commission affirms the decision in Order No. 890 to adopt standardized generator imbalance provisions in Schedule 9 of the *pro forma* OATT. We agree with Sempra Global that section 3 of the *pro forma* OATT, as revised in Order No. 890, does not properly reflect that generator imbalance service must be offered for any transmission service used to deliver energy from a generator located within the transmission provider's control area, as required in Schedule 9. We revise section 3 to make this clear.

288. We also agree with EEI and Southern that, in certain circumstances, it may be appropriate for the transmission provider to allow a generator located within its control area to execute a service agreement for generator imbalance service, even if the generator is not otherwise a transmission customer. Without settling with the individual generator, it could be impossible for the transmission provider to determine which transmission customer should be assessed a charge and how the billing would be determined if a single generator was selling to multiple customers. We have revised Schedule 9 of the *pro forma* OATT to require the transmission provider to offer generator imbalance service to any generator in its control area (subject to the limitations discussed below). We clarify that, if a generator has executed a service agreement for generator imbalance service, any transmission customer scheduling from the generator will be deemed to have satisfied its obligation to purchase generator imbalance service under section 3 and Schedule 9.

289. We further clarify that a transmission provider only has to provide generator imbalance service from its own resources to the extent that it is physically feasible to do so (*i.e.*, the transmission provider is able to manage the additional potential imbalances without compromising reliability). It is not the Commission's intent to require transmission providers to provide generator imbalance service from its resources when it would unreasonably impair reliability. Each transmission provider therefore may state on its OASIS the maximum amount of generator imbalance service it is able to offer from its resources, based on an analysis of the physical characteristics of its system. Alternatively, a transmission provider may consider requests for generator imbalance service on a case-by-case basis, performing as necessary a system impact study to determine the precise amount of additional generation it can accommodate and still reliably respond to the imbalances that could occur.

290. This does not relieve the transmission provider of its obligation to provide generator imbalance service if it is able to acquire additional resources in order to do so. We acknowledge PNM's concerns that some control area operators may only be able to provide generator imbalance service by procuring balancing energy and associated capacity from another entity. If it is not physically feasible for the transmission provider to offer generator imbalance service using its own resources, either because they do not exist or they are fully subscribed, the transmission provider must attempt to procure alternatives to provide the service, taking appropriate steps to offer an option that customers can use to satisfy their obligation to acquire generator imbalance service as a condition of taking transmission service. In the unlikely circumstance that there are no additional resources available to enable the transmission provider to meet its obligation for generator imbalance service, the transmission provider must accept the use of dynamic scheduling to the extent a transmission customer has negotiated appropriate arrangements with a neighboring control area.[103]

291. We also reject requests to further exempt intermittent resources by eliminating imbalance penalties altogether for such resources. Generator imbalance charges are based on the incremental costs incurred by the transmission provider to respond to the generator's imbalance. In the second tier, charges escalate somewhat to provide an incentive for generators not to deviate outside of the first tier. Without this penalty component, intermittent resources would not have any additional incentive to accurately schedule. At the same time, the Commission recognized that intermittent generators cannot always accurately follow their schedules and therefore exempted those resources from third-tier penalties. If given proper incentives, intermittent generators can improve their forecasting methods in order to submit more accurate schedules. Thus, we continue to believe this relaxed penalty structure strikes the right balance between the need to encourage accurate scheduling and the operating limitations of intermittent resources.

292. We agree with EEI and AMP–Ohio that the definition of intermittent resources includes run-of-river hydroelectric units that do not store water used to generate electricity, *i.e.*, for which instantaneous inflow equals instantaneous outflow. Hydroelectric units using storage, however, are not intermittent resources within the meaning of Schedule 9 of the *pro forma* OATT. The ability of those units to schedule their output is not as limited as intermittent resources. The same is true of newly completed generating units producing test energy. Under the *pro forma* OATT, generators do not have to submit final schedules until the morning of the prior operating day and may revise those schedules up until 20 minutes prior to the operating hour. We conclude that this provides sufficient flexibility for hydroelectric units using storage and newly completed units producing test energy to change their schedules to reflect forecasted output and that any charges resulting from remaining imbalances are just and reasonable under the reformed generator imbalance provisions of the *pro forma* OATT.

293. We agree with Xcel that the exemption from generation imbalance penalties for generators responding to correct frequency decay should be expressly stated in the *pro forma* OATT. We also agree with EPSA and TAPS that a generator that deviates from its schedule due to directives by balancing authorities, transmission operators, and reliability coordinators should not be subject to the penalty component of imbalance charges and that this exemption should be expressly stated in Schedule 9. It would be inappropriate to assess imbalance penalties on generators following instructions to, for example, reduce unscheduled flows on other

[103] The Commission addresses request to require transmission providers to offer dynamic scheduling as a new service under the *pro forma* OATT in section III.D.1.d.

systems (such as a TLR) or change line flows or voltage levels, because such charges could create incentives not to respond and in turn compromise reliability. Similarly, generators responding to a reserve sharing event, with properly structured arrangements with transmission providers, should not be subject to penalties. We revise Schedule 9 accordingly.

294. We decline, however, to carve out an exception for imbalances associated with the loss of a generating unit itself. We disagree with TAPS that penalizing imbalances in the case of forced generation outages does not give plant operators any better incentive to schedule accurately. Appropriately designed penalties provide a proper incentive for generators to reduce instances of forced outage by, for example, properly maintaining their facilities, and therefore adhere to their schedules.

295. Finally, we reiterate in response to Entergy that the Commission did not intend to abrogate existing generator imbalance agreements as a part of this rulemaking proceeding.[104] The imbalance-related reforms do, however, apply to provisions contained in a transmission provider's OATT, including previously-approved variations from the *pro forma* OATT. Transmission providers were given an opportunity to seek continued approval of such previously-approved variations, provided the variations continued to be consistent with or superior to the revised *pro forma* OATT. We note that Entergy made such a showing with respect to the generator imbalance provisions of its OATT.[105]

c. Intentional Deviations and Intra-hour Netting

296. The Commission declined in Order No. 890 to impose generic penalties in the *pro forma* OATT for intentional deviations, concluding that the tiered imbalance penalties generally provide a sufficient incentive not to engage in such behavior. The Commission explained that proposals to assess additional penalties for intentional deviations would continue to be considered on a case-by-case basis, subject to a showing that they are necessary under the circumstances. Any such tariff provisions must include clearly defined processes for identifying intentional deviations and the associated penalties.

Requests for Rehearing and Clarification

297. South Carolina E&G argues that the Commission should grant rehearing to assess additional penalties for entities that deliberately lean on the system or, in the alternative, provide for generator imbalance settlements over a shorter period than one hour. In its view, generators unable to ramp up precisely to meet their schedules can under-generate in the initial part of the hour and then over-generate in later parts of the hour in order to integrate closer to the schedule when settled over the entire hour. South Carolina E&G contends that this practice imposes costs on balancing authorities and affects system reliability, yet does not necessarily trigger the higher-tiered imbalance charges. South Carolina E&G argues that adopting higher penalties for substantial hourly imbalances does not address the issue of intra-hour swings, which instead could be resolved by adopting 10-minute imbalance charges.

Commission Determination

298. The Commission denies rehearing of the decision in Order No. 890 not to impose generic penalties for intentional deviations. We continue to believe that it is appropriate to maintain the *status quo* of aggregating net generation over the hour in the *pro forma* OATT. To the extent a transmission provider wishes to adopt additional penalties for intentional deviations, it may do so provided it can show they are necessary under the circumstances. As the Commission explained in Order No. 890, requests to adopt a shorter interval over which to calculate imbalances also will be considered on a case-by-case basis, provided that such proposals are consistent with relevant market structures.[106]

d. Definition of Incremental Cost

299. In Order No. 890, the Commission defined incremental cost, for purposes of the tiered imbalance provisions, as the transmission provider's actual average hourly cost of the last 10 MW dispatched to supply the transmission provider's native load, based on the replacement cost of fuel, unit heat rates, start-up costs, incremental operation and maintenance costs, purchased and interchange power costs and taxes, as applicable. The Commission also concluded that it was appropriate, through the definition of incremental cost, to allow for recovery of both commitment and redispatch costs, but excluded on a generic basis the cost of additional regulation reserves. The Commission emphasized that allowable costs should only be those additional costs incurred by the transmission provider due to the imbalance and, if applicable, start-up costs should be allocated *pro rata* to the offending transmission customers based on cost causation principles.

300. If the transmission provider elects to have separate demand charges to recover the cost of holding additional regulation reserves for meeting imbalances, the Commission stated that the transmission provider should file a rate schedule and demonstrate that these charges do not allow for double recovery of such costs. With regard to the real-time regulation burden imposed by merchant generation, the Commission stated that transmission providers could propose, on a case-by-case basis, separate regulation charges for generation resources selling out of the control area. The Commission concluded that the other demand costs of providing imbalance service are already provided under Schedule 3, 5, and 6 charges.

Requests for Rehearing and Clarification

301. While generally supporting the Commission's definition of incremental costs, Williams requests that the Commission further identify how each component of the transmission provider's incremental cost is to be determined. In Williams's view, a specific calculation methodology should be imposed, otherwise the definition of the incremental cost will afford transmission providers undue discretion in the calculation of imbalance charges. To remove this discretion, Williams suggests that the Commission require transmission providers to use the same components and the same methodology for the calculation of incremental costs for imbalance charges as the transmission provider (or its affiliate) uses to calculate the incremental cost of each resource for dispatching generation resources. At a minimum, Williams asks that the Commission require transmission providers to post on their OASIS the method used to calculate incremental costs for purposes of imbalance charges, along with the method to obtain each component or variable in the calculation.

302. Several petitioners argue that the Commission's definition of incremental cost for purposes of calculating imbalance charges does not properly account for the costs actually incurred to provide imbalance energy.[107] Ameren and Southern assert that failure to provide for recovery of opportunity

[104] *See* Order No. 890 at P 671.

[105] *See Entergy Services, Inc.,* 120 FERC ¶ 61,042 (2007).

[106] *See* Order No. 890 at P 722.

[107] *E.g.,* Ameren, EEI, E.ON U.S., and Southern.

costs will prevent utilities required to serve an imbalance from being made whole for forgone opportunities to sell excess energy to third parties. Ameren contends that the Commission has determined that not allowing the recovery of opportunity costs is inappropriate when the applicable rate is lower than the market clearing price.[108] Ameren argues that excluding opportunity costs unnecessarily harms the transmission provider's native load customers since the revenues that the utilities would have realized from selling their excess energy would have been credited back to those customers. Southern and E.ON U.S. ask that the Commission expressly provide that incremental costs include opportunity costs, as well as environmental costs, capacity charges, dispatch losses and other costs that the transmission provider must bear to provide the transmission customer with imbalance service.

303. Some petitioners argue that it is inappropriate to base the calculation of incremental cost on the last 10 MW dispatched to supply the transmission provider's native load.[109] EEI argues that the definition of incremental and decremental cost should be determined based on the cost to provide the last 10 MW of energy to serve the transmission provider's native load and all other contractual or franchise obligations, including the imbalance service itself. Progress Energy and EEI contend that the transmission provider almost always incurs incremental costs per kWh that are higher than the incremental costs of serving its native load because native load typically has first call on least-cost resources. As a result, EEI argues that the Commission's definition of incremental cost transfers to imbalance customers the value of the difference between the incremental cost per kWh to serve native load and the incremental cost per kWh to serve other contractual commitments, to the detriment of either the transmission provider or its native load customers.

304. MidAmerican argues that the Commission's definition of incremental cost could create an incentive to deliberately under-generate in order to receive the benefit of the transmission provider's least-cost dispatching. To provide appropriate incentives, Progress Energy asks that the Commission revise the definition to include the cost of providing the last 10 MW of energy to serve the transmission provider's native load plus third party sales, while MidAmerican argues that imbalance charges should be based on the incremental cost of the most expensive 10 MW of generation resources in service at the time the imbalance occurs. Southern contends that incremental cost should be defined based on the next (not the last) 10 MW dispatched. Southern asserts that this distinction is especially important in those instances where the cost of the next 10 MW will be significantly different than the last 10 MW, such as at the break point requiring deployment of a combustion turbine generator. Southern therefore asks that the Commission grant rehearing to establish separate definitions for incremental and decremental cost and revise the definition of incremental cost so that it is based on the next 10 MW dispatched.

305. EEI and Progress Energy also seek clarification of the definition of, and cost recovery for, decremental costs in particular. EEI contends that the definition adopted in Order No. 890 could result in the transmission provider crediting the customer an amount that exceeds the costs that the transmission provider actually avoided by accepting excess energy. EEI states, for example, that a transmission provider might decrease the output of a dispatchable unit in response to an imbalance even though it might also have a higher-cost power purchase contract with a fixed amount of energy to be delivered in that hour. EEI argues that the Commission's definition of decremental cost would require the transmission provider to pay the imbalance customer based on the higher-cost purchased power resource even though it has not avoided those costs as a result of accepting the customer's excess energy. In EEI's view, decremental cost should be defined to include costs that are avoided as a result of receiving imbalance energy.

306. Progress Energy asks that the definition of decremental cost be clarified to allow the recovery of start-up costs that are incurred in an hour different from the hour of excess imbalance. Progress Energy contends that requiring a transmission provider to accept excessive imbalance energy could force it to cycle a unit off-line in order to accommodate the energy. Progress Energy argues that the later start-up cost for the shut-down unit should be passed along to the imbalance customer, rather than shifted to the native load.

307. Other entities assert the Commission's definition of incremental cost is inappropriate in light of their particular market structure. When a joint dispatch agreement exists between the transmission provider and other balancing authorities, MidAmerican argues that the joint dispatch incremental or decremental cost should be used in place of native load since there is no identification of the transmission provider's native load other than as part of an aggregated, jointly dispatched load. MidAmerican also argues that transmission providers may have little or no native load from which to price imbalance costs in retail choice states. NorthWestern agrees that the definition of incremental cost fails to consider the circumstances of transmission providers that have little or no generation on their system. NorthWestern argues that the Commission should have expressly provided additional flexibility for such transmission providers through the definition of incremental cost instead of requiring them to file under FPA section 205 for acceptance of previously-approved imbalance pricing based on purchased power costs.

308. Entergy challenges as too narrow the Commission's decision to consider on a case-by-case basis proposals to charge separate regulation charges for generation resources selling out of the control area. Entergy states that the generator imbalance provisions of its OATT contain both a generator imbalance charge and a generator regulation charge, each of which are calculated based on the internal and external schedules submitted by independent generators. Entergy argues that this is appropriate because, regardless of whether the load is within the control area or outside the control area, the generator has a schedule with the control area that is met by control area resources. Entergy contends that applying a generation regulation charge only to external transactions would be arbitrary. Entergy requests clarification that the generator regulation service charges contained in its *pro forma* Generator Imbalance Agreement, which Entergy states was negotiated with generators on its system, continues to be acceptable.

Commission Determination

309. The Commission grants rehearing of the decision to calculate incremental costs for purposes of assessing imbalance charges based on the last 10 MW dispatched to supply the transmission provider's native load. Upon consideration of petitioners' arguments, we agree that it is more reasonable to base imbalance charges on the actual cost to correct the imbalance, which may be different than the cost of serving native load. As such, we will

[108] *Citing Xcel Energy Services, Inc.,* 117 FERC ¶ 61,127 (2006).

[109] *See, e.g.,* Ameren, EEI, MidAmerican, Progress Energy, and Southern.

modify the definition to require transmission providers to use the cost of the last 10 MWs dispatched for any purpose, *i.e.*, to serve native load, correct imbalances, or to make off-system sales. We believe this satisfies Southern's concerns and therefore decline to adopt its suggestion to separately define incremental and decremental cost for purposes of calculating imbalance charges by using the ''next 10 MW of generation dispatched'' in the incremental cost definition.

310. We also agree with Williams that, in order to provide transparency and minimize opportunities for undue discrimination, each transmission provider must provide language in its OATT clearly specifying the method by which it calculates incremental costs for purposes of imbalance charges, as well as the method it will use to obtain each component of the calculation. We direct transmission providers to include this proposed tariff language as part of the compliance filing ordered in section II.C.

311. Several entities complain that the Commission's definition of incremental cost does not properly allow for recovery of opportunity costs. The determination and calculation of opportunity costs associated with providing imbalance service will vary based on the circumstances of the transmission provider and, as such, we do not believe that it is appropriate to amend the definition of incremental cost in the *pro forma* OATT to address opportunity costs. We will therefore continue to consider proposals to include recovery of legitimate and verifiable opportunity costs on a case-by-case basis consistent with Commission precedent.[110] Such proposals must clearly explain how opportunity costs would be determined and demonstrate that the recovery of opportunity costs would not lead to over-recovery of costs. Similarly, transmission providers participating in joint dispatch agreements or otherwise procuring imbalance energy from other generators may need to have alternative definitions of incremental cost. Proposals to adopt a modified definition of incremental cost to reflect the transmission provider's particular circumstances also will be considered on a case-by-case basis.

312. With regard to the definition of incremental cost in particular, we clarify that transmission providers can include in the calculation of incremental cost start-up costs that are incurred in an hour different from the hour of excess imbalance, provided that the costs are in fact associated with providing imbalance service. We disagree with EEI with respect to its description of incremental costs. The fixed amount power purchase contract in EEI's example should not be used in calculating incremental costs because it would not be included in the last 10 MW of generation dispatched by the transmission provider. In the case that a transmission provider is ramping down generation in an hour, the additional costs of the last 10 MW dispatched by the transmission provider should be used in calculating incremental costs for the purpose of financially settling imbalances.

313. In response to Entergy, we clarify that transmission providers may propose to assess regulation charges to generators selling in the control area, as well as generators selling outside the control area, and that the Commission will consider such proposals on a case-by-case basis, as we have in the case of Entergy's *pro forma* Generator Imbalance Agreement. In accordance with the procedures established in Order No. 890, Entergy sought continued approval of its generator imbalance provisions, including the assessment of generator regulation charges. The Commission accepted this variation as consistent with or superior to the *pro forma* OATT, based on the particular circumstances presented by Entergy.[111] We will continue to consider requests to assess regulation charges on generators on a case-by-case basis upon consideration of the facts and circumstances presented.

e. Inadvertent Energy Treatment

314. The Commission found in Order No. 890 that inadvertent energy is not comparable to energy and generator imbalances and, therefore, allowed inadvertent energy to be treated differently from imbalances. The Commission explained that variables affecting inadvertent interchange often depend on the actions or the omissions of utilities other than the individual transmission providers and are distinct from those resulting in energy and generator imbalances. The Commission concluded that the historic practice of paying back inadvertent interchange in kind has not proven to have adverse effects on reliability.

Requests for Rehearing and Clarification

315. TDU Systems contend that the Commission's acceptance of in-kind compensation for interchange energy undermines its rejection of requests to allow transmission customers to address monthly imbalances with in-kind transfers. TDU Systems argue that there is no evidentiary basis for the Commission to conclude that transmission providers have little control over the causes of system imbalances. TDU Systems state that transmission providers typically control 80–90 percent of the load on their systems and the dispatch of resources to serve that load. In TDU Systems' view, both transmission provider and transmission customer imbalances result from circumstances beyond their control, namely: telemetry failure, meter error, generator governor response to system problems, human error, uncontrollable load forecast errors due to rapidly changing weather, and under- or over-supply of generation.

316. TDU Systems state that deviations between load and supply, whether in the form of energy imbalances or inadvertent energy, each require adjustment or compensation and that there is no reason why that adjustment or compensation should be different among transmission users. TDU Systems argue that failure to allow for in-kind payment for imbalances within the month provides a competitive advantage to transmission providers and constitutes undue discrimination in violation of the FPA. In their view, the Commission remedied this discrimination within RTOs by requiring in Order No. 2000 that the same imbalance rules apply to transmission users and control area operators.[112] TDU Systems argues that the Commission fails to explain its departure from its resolution of this issue in the RTO context and that it is irrelevant that transmission providers may have historically paid back inadvertent interchanges with in-kind transfers without problem.

Commission Determination

317. The Commission denies rehearing of the decision in Order No. 890 to allow inadvertent energy to be treated differently from energy and generator imbalances. As the Commission explained in Order No. 890, inadvertent energy is not comparable to energy and generation imbalances and the variables affecting each are distinct. It is therefore

[110] *See* Order No. 888 at 31,740.

[111] *See Entergy Services, Inc.,* 120 FERC ¶ 61,042 at P 66 (2007).

[112] *Citing Regional Transmission Organizations,* Order No. 2000, 65 FR 809 (Jan. 6, 2000), FERC Stats. & Regs. ¶ 31,089 at 31,142 (1999), *order on reh'g,* Order No. 2000–A, 65 FR 12088 (Mar. 8, 2000), FERC Stats. & Regs. ¶ 31,092 (2000), *aff'd sub nom. Public Utility District No. 1 of Snohomish County, Washington* v. *FERC,* 272 F.3d 607 (D.C. Cir. 2001).

appropriate to treat inadvertent energy and imbalances differently notwithstanding the fact that both inadvertent exchanges and imbalances may be beyond the control of the transmission provider or customer, respectively.

318. Our primary concern with respect to inadvertent energy continues to be avoidance of incentives that could degrade reliability. To date, the return-in-kind approach to inadvertent energy has proven adequate as a general matter. Petitioners do not present any evidence that in-kind payment of inadvertent energy is no longer sufficient to maintain reliability or allows certain entities to lean on the grid to the detriment of other entities. We disagree that this treatment of inadvertent energy is inconsistent with Order No. 2000. There the Commission required both control area operators and transmission customers within an RTO to clear imbalances through a real-time balancing market.[113] In the absence of a real-time balancing market, we continue to believe it is appropriate for transmission providers operating under the *pro forma* OATT to treat inadvertent interchange differently than customer imbalances.

f. Netting of Energy and Generator Imbalances

319. In Order No. 890, the Commission concluded that it is not appropriate to require transmission providers to allow netting of generator and energy imbalances outside of the tier one band. While the Commission recognized that allowing transmission customers to net energy and generator imbalances would have competitive benefits and enhance comparability, the Commission determined that it could lessen the incentive for accurate scheduling and, in turn, increase imbalances that create reliability or economic issues for specific areas of the system.

Requests for Rehearing and Clarification

320. Several petitioners ask that the Commission clarify that netting and settling within the first deviation band should be done on a financial basis, based on hourly incremental and decremental costs, rather than netting imbalances on the basis of megawatt-hours of imbalance and settling the net imbalance on a financial basis.[114] EEI, MidAmerican and Progress Energy assert that otherwise customers would be able to offset energy shortfalls in on-peak, high-cost periods against excess energy in off-peak, lower-cost hours, which would inappropriately shift costs to native load customers. If imbalances are netted based on megawatt-hours prior to financial settlement, EEI and Progress Energy argue that it would be impossible to calculate charges for net imbalances at the end of the month because the transmission provider would not be able to correlate monthly net imbalances with hourly incremental and decremental costs without exercising subjective judgment. Southern and EEI contend that the Commission, at a minimum, should require the imbalances to be netted separately for on-peak periods and off-peak periods if it determines that imbalances should be netted on a megawatt-hour basis. EEI suggests that the price for net first tier imbalances then be based on each month's average incremental and decremental costs, calculated separately for on-peak periods and off-peak periods.

321. Other petitioners assert that the Commission should allow netting outside of the first tier band.[115] Ameren argues that the threshold of the first tier band is unnecessarily low, suggesting it would be more appropriate to allow imbalances of less than 10 MW to be netted. For imbalances from 10 MW up to as much as 50 MW, Ameren suggests that the Commission allow netting of imbalances equal to the greater of 10 MW or 50 percent of its scheduled amount. TDU Systems argue that transmission customers should be allowed to net all imbalances across the transmission system within a month, reflecting appropriate differences for imbalances incurred during peak and off-peak hours. TDU Systems contend that netting should be unrestricted within the month so long as the results keep the transmission provider economically whole. TDU Systems argue that there is no evidence that netting creates reliability problems and that limiting netting is not comparable to the transmission provider's treatment of imbalances of its retail native load, generation affiliates, and marketing affiliates. TDU Systems also argue that restricting netting within the month is an unexplained departure from the Commission's treatment of natural gas pipeline imbalances.

322. NRECA asks the Commission to confirm, either on clarification or rehearing, that separate imbalance charges may not be assessed on each of a customer's separate transactions on an interface or within a control area in a single hour. NRECA contends that a customer's contribution to area control error (ACE) on a given interface is no more than the aggregate difference between schedules and deliveries and, therefore, its impact on the balance of resources and loads within a control area is no more than the aggregate difference between its resources' output and its load. If a transmission provider's system is so underdeveloped that constraints prevent transactions sourcing at different locations within the control area from being treated comparably, the Commission should require the transmission provider to upgrade its system rather than penalize the customer with multiple sets of imbalance charges on separate transactions.

Commission Determination

323. The Commission affirms the decision in Order No. 890 to allow netting of imbalances within the first tier deviation band. As the Commission explained in Order No. 890, there is a tradeoff between allowing customers to net imbalances, which would enhance comparability between the transmission provider's dispatch and the customers serving load, and the need to create incentives to limit customer imbalances due to the reliability or economic issues they can cause for specific areas of the system.[116] Netting can cause problems because it lessens the incentive for transmission customers to schedule accurately and inaccurate schedules, in turn, can require actions by the transmission provider even when imbalances offset. We believe the Commission struck the appropriate balance in Order No. 890 between the customer's need for flexibility and the transmission provider's need for accuracy and, therefore, deny TDU Systems' request to require netting of imbalances outside the tier one band and Ameren's related request to expand the tier one band for purposes of netting.

324. We also deny NRECA's request that separate imbalance charges not be assessed on each of a customer's separate transactions on an interface or within a control area in a single hour. Where transmission constraints exist, a customer whose load and generation was on net equal could still have an effect on the transmission system if some generation is ramping up to respond to some imbalances while other generation is ramping down exactly at the same time. We disagree with TDU Systems that our decision is an unexplained departure from the Commission's treatment of natural gas

[113] *See* Order No. 2000 at 31,142.

[114] *E.g.,* EEI, MidAmerican, Southern, Progress Energy, and Entergy.

[115] *E.g.,* TAPS, Ameren, and TDU Systems.

[116] *See* Order No. 890 at P 715.

pipeline imbalances. Natural gas pipelines frequently have opportunities to use storage and line pack to absorb day-to-day imbalances. Individual pipelines have tailored their imbalance requirements, including penalty provisions as needed, to meet their specific circumstances. The transmission of electricity, in contrast to the transportation of natural gas, requires instantaneous balancing which makes the need for imbalance provisions on a shorter-term basis important for the protection of reliability. NERC has created standards such that each control area is responsible for managing its Area Control Error and operating within line limits in order to protect reliability. Imbalances created by transmission customers impose an additional burden on the transmission provider to manage imbalances within the hour (as well as shorter time periods) justifying a different tariff approach under the *pro forma* OATT. As such, the imbalances provisions adopted in the *pro forma* OATT are used to protect reliability during the applicable time period.

325. With regard to netting within the tier one band, we clarify that netting should be done on a megawatt-hour basis, rolling over the month. Imbalances remaining at the end of the month should be settled at the load weighted average of the hourly incremental costs during that month.[117] We decline to require that imbalances be netted separately for on-peak and off-peak periods. Netting only applies to imbalances within the tier one band, which are relatively minor and largely within the normal range of uncertainty that cannot be avoided even under optimal operating conditions. We therefore disagree that it is necessary to adopt a more granular imbalance pricing mechanism when netting imbalances within the first tier. However, if a transmission provider finds that its customers are arbitraging on-peak and off-peak prices within the first tier, it may propose a more granular approach to netting subject to a showing that it is necessary under the circumstances.

g. Distribution of Penalty Revenues Above Incremental Cost

326. With regard to revenues received through imbalance charges, the Commission required transmission providers to develop a mechanism for crediting such revenues to all non-offending transmission customers, including affiliated transmission customers, and the transmission provider on behalf of its own customers. The Commission concluded that such distribution of revenues recognizes that transmission providers bear the responsibility to correct imbalances and often use their own facilities to do so.

Requests for Rehearing and Clarification

327. Ameren contends that the transmission provider should be allowed to keep all the penalty revenues associated with correcting imbalances and that development of a credit mechanism imposes an unnecessary and unwarranted administrative burden on transmission providers. Ameren argues that the transmission provider should receive any amounts above its incremental costs of providing imbalance service as a contribution towards the fixed costs of providing this service and that any revenues from penalties assessed on customers for leaning on the system should be credited to long-term firm transmission customers.

328. TDU Systems, however, object to the Commission's decision to allow transmission providers to retain a portion of the imbalance penalty revenues for their own retail customers. TDU Systems contend that transmission providers do not pay imbalance penalties when they over- or under-schedule their loads and, thus, receipt of related penalty revenues by transmission providers would constitute a windfall. TDU Systems argue that the Commission failed to explain its departure from *Carolina Power & Light*[118] because the Commission's decision in that case to deny credits to CP&L on behalf of its retail customers was based on those customers not being subject to energy imbalance penalties in the first place. TDU Systems contend that this fundamental paradigm has not changed with reform of the OATT.

329. MidAmerican requests clarification that it is appropriate to propose its imbalance penalty distribution mechanism in the compliance filing containing the non-rate terms and conditions of the *pro forma* OATT. Joined by NorthWestern and Mark Lively, MidAmerican also requests guidance as to the particular information the Commission would require in those filings with regard to the penalty distribution mechanism. NorthWestern asks the Commission to specify how the transmission provider should determine what customers are non-offending and over what period of time. Mark Lively seeks clarification of the time frame during which there is to be a matching of penalty revenue and credits to non-offending customers. If the matching is done on a monthly basis, Mark Lively contends that most if not all transmission customers will be found to be offending at some time during the month and thus not be eligible to be in the class of customers to receive a credit for part of the penalty revenue collected by the transmission provider. Mark Lively suggests an alternative crediting mechanism to synchronize penalties and credits by having the variance from full incremental cost be uniform for any hour or any intra-hour period, with revenues from over-deliveries shared with non-offending load and revenues from under-deliveries shared with non-offending supply.

330. NorthWestern also asks the Commission to expressly confirm that the transmission provider is not required to distribute penalty revenues until after it recovers all costs (including any associated transmission costs) incurred in providing imbalance service. NorthWestern contends that the market for such services is limited and, as a result, it has had to contract with entities located outside its control area for system balancing and load following services in order to provide imbalance service.

Commission Determination

331. The Commission affirms the decision in Order No. 890 to require transmission providers to credit revenues from imbalance charges in excess of incremental costs to all non-offending customers, including affiliates, and the transmission provider on behalf of its retail customers. As the Commission explained in Order No. 890, transmission providers with significant imbalance penalties have been required in the past to develop a mechanism to credit penalty revenues to non-offending transmission customers.[119] We disagree with Ameren that this imposes an unreasonable administrative burden on transmission providers. We note that Ameren did not seek rehearing of the decision to require transmission providers to develop a similar mechanism to distribute unreserved use penalties to non-offending customers, discussed in section III.C.4.b.[120] We would not

[117] For example, if a generator had 5 imbalances within the first deviation band in a month of +2 MWh, −6 MWh, +4 MWh, −2 MWh, −1 MWh, the net MWh imbalance for the generator at the end of the month would be −3 MWh. The generator would pay the transmission provider for 3 MWh at the load weighted average of the hourly incremental costs during that month.

[118] 103 FERC ¶ 61,209 (2003) (*CP&L*).

[119] *See* Order No. 890 at P 727 (*citing CP&L*, 103 FERC ¶ 61,209 at P 25; *Entergy Services, Inc.*, 105 FERC ¶ 61,319 (2003), *reh'g denied*, 109 FERC ¶ 61,095 (2004)).

[120] *See id.* at P 860–61.

expect development of that distribution mechanism to be any more burdensome than distributions of imbalance penalty revenues.

332. We also disagree with TDU Systems that the transmission provider on behalf of its native load customers should be excluded from the distribution of imbalance revenues. Transmission providers bear the responsibility to correct imbalances, often using their own facilities to do so, and thus their receipt of imbalance revenues does not constitute a windfall. While it is true that the Commission in *CP&L* considered relevant the fact that CP&L's customers were not subject to imbalance charges, the Commission expressly rejected CP&L's proposal to retain revenues because it would have been ''contrary to the Commission's objective to eliminate incentives for transmission providers to use penalties as a profit center.'' [121] The imbalance charges adopted in Order No. 890 more closely relate to incremental cost and therefore minimize any incentive on the part of the transmission provider to rely on penalty revenues rather than seeking other methods of encouraging accurate scheduling. Under these circumstances, there remains no reason to exclude the transmission provider from receiving an appropriate share of penalty revenues.

333. Regarding the time frame during which there is to be a matching of penalty revenue and credits to non-offending customers, we clarify that the transmission provider should distribute the penalty revenue received in a given hour to those non-offending customers in that hour, *i.e.*, those customers to whom the penalty component did not apply in the hour. Customers that were out of balance, but within the first tier, should therefore be included in the distribution. Since most transmission customers will be out of the first deviation band at some hour during the month, we agree that it would not be appropriate to exclude these customers from receiving a *pro rata* portion of penalty revenues in the other hours. In response to NorthWestern, we clarify that the transmission provider, as part of its distribution methodology, may address how distributions may be affected by the transmission provider's inability to recover the costs incurred to provide imbalance service.

2. Credits for Network Customers

a. Severance of Credits and Planning

334. In Order No. 890, the Commission adopted the NOPR proposal to sever the link in the *pro forma* OATT between joint planning and credits for new facilities owned by network customers. The Commission concluded that linking credits for new facilities to a joint planning requirement can act as a disincentive to coordinated planning, which is contrary to the Commission's original objective in adopting the provision. The Commission also concluded that the coordinated planning initiatives adopted in Order No. 890 will ensure that most, if not all, transmission facilities are planned on a coordinated basis, notwithstanding the severance of the link between credits for new facilities and joint planning.

Requests for Rehearing and Clarification

335. E.ON U.S. argues on rehearing that the Commission failed to adequately address comments suggesting that severing the link will excuse network customers from participating in the joint planning process and permit a network customer to build facilities without oversight or input from a transmission provider. While Order No. 890 places an affirmative burden on the transmission provider to coordinate long-term transmission planning, E.ON U.S. states that no corresponding obligation is placed on the transmission customer. E.ON U.S. argues that transmission service credits for facilities constructed by network customers should be available only when the facility is jointly planned with the transmission provider.

336. NorthWestern agrees, arguing that if a network customer is permitted to construct facilities and later declare them to be worthy of a credit, such facilities will not serve the overall grid as efficiently as jointly planned facilities. NorthWestern also argues that severing the link will lead to protracted litigation regarding what facilities qualify for credits. To ensure efficient coordination of facility planning, NorthWestern requests that the Commission reconsider its decision to sever joint planning and transmission service credits.

Commission Determination

337. E.ON U.S. and NorthWestern both argue that, by severing the link between joint planning and credits for network customers, the Commission is sacrificing the benefits that resulted when a transmission provider made credits available as part of its centralized planning process. We disagree. As the Commission explained in Order No. 890, the linkage between credits and joint planning gave the transmission provider an incentive to deny coordinated planning to avoid granting credits for customer-owned facilities.[122] Therefore, it was necessary to sever the link between credits and joint planning. Any efficiencies that may be lost by severing that link should be offset by the increased efficiencies resulting from the coordinated planning initiative required in Order No. 890, which the Commission noted will ensure that most, if not all, transmission facilities are planned on a coordinated basis.[123] With the clarifications provided below, we do not expect that severing the link between joint planning and credits will lead to unnecessary litigation.

b. The New Test To Determine Eligibility for Credits

338. In Order No. 890, the Commission declined to adopt the credits test for new facilities proposed in the NOPR and, instead, revised the test to more accurately reflect the Commission's intent as expressed in the NOPR. A transmission customer is required to meet the integration standard under *pro forma* OATT section 30.9 to receive a credit for its facilities. Under the integration standard, the customer must demonstrate that its facilities not only are integrated with the transmission provider's system, but also provide additional benefits to the transmission grid in terms of capability and reliability and can be relied on by the transmission provider for the coordinated operation of the grid.[124] Because joint planning will no longer be required to obtain credits, the Commission noted that it is particularly important in this context to require a showing that a network customer's facilities provide benefits to the transmission provider's grid. To ensure comparability, the Commission adopted the presumption of integration for transmission customer facilities that, if owned by the transmission provider, would be eligible for inclusion in the transmission provider's annual transmission revenue requirement as specified in Attachment H of the *pro forma* OATT.

Requests for Rehearing and Clarification

339. NRECA, TAPS and the TDU Systems request that the Commission confirm that the integration requirement under Order No. 890 does not require a more stringent standard for network customer facilities than for transmission provider facilities or in any way

[121] *CP&L*, 103 FERC ¶ 61,209 at P 26.

[122] *See* Order No. 890 at P 735.

[123] *See id.* at P 736.

[124] *See id.* at P 754, n.436 (*citing Southwest Power Pool, Inc.*, 108 FERC ¶ 61,078 (2004), *reh'g denied*, 114 FERC ¶ 61,028 (2006)).

compromise the language in section 30.9 of the *pro forma* OATT. NRECA argues that the language in Paragraph 754 of Order No. 890 and, in particular the affirmation of the ''benefits to the grid'' test in footnote 436, contradict section 30.9 by establishing an explicitly different and harder test for transmission customer facilities than for transmission provider facilities. Other petitioners agree,[125] requesting that the Commission explain that it did not intend to impose the ''additional benefits to the grid'' and ''relied on by the transmission provider'' criteria (which they state are not required for a transmission provider's facilities) on a network customer's facilities.

340. Several petitioners argue that an integration standard requiring the showing of benefits to the grid is unduly discriminatory because it maintains the presumption that a transmission provider's transmission facilities provide benefits while requiring a network customer to make an affirmative showing that its facilities provide benefits to qualify for credits.[126] FMPA and TDU Systems argue that comparability requires the same presumption of integration to be applied to all transmission facilities. To provide certainty for those building new infrastructure, TDU Systems contend that the Commission should require transmission providers to credit third parties for the costs of new facilities in a manner comparable to the compensation provided for a transmission provider's comparable facilities.

341. APPA contends that the presumption of integration is confusing because it is unclear how a network customer would make a showing that facilities would be eligible for inclusion in a transmission provider's revenue requirement if owned by the transmission provider or what the specific legal effect would be if the network customer succeeded in making such showing. APPA suggests that the Commission require credits if the customer can show that the transmission provider includes in its own revenue requirement or gives credits to other customers for facilities similar to those for which the networks customer seeks credits.

342. In implementing the presumption of integration to obtain credits, TAPS and APPA maintain that the Commission cannot require a network customer to show more than that its facilities are comparable to similar facilities the transmission provider actually includes in its rate base. TAPS argues that the Commission should clarify that the presumption cannot be overcome by evidence that the transmission provider and the transmission provider's other customers do not use or directly benefit from the customer-owned facilities. TAPS therefore requests that the Commission make clear that it will not follow precedents developed in credit cases decided under the original OATT section 30.9 regarding the types of ''benefits'' provided by a customer's facilities. Specifically, TAPS argues that a network customer of a transmission provider that includes the cost of facilities (including radials) that are used solely to serve the transmission provider's retail customers must be able to use the Order No. 890's presumption to obtain credits for similar facilities that serve only that transmission customer's retail customers.

343. FMPA also oppose any implementation of the Commission's integration test that treats customers and transmission providers differently. FMPA argue that, if a customer's facilities are necessary to serve the customer's load, the customer should be provided a credit since the transmission provider includes in rate base the cost of its facilities used to serve load. In their view, the same presumption of integration applies to all transmission facilities, *i.e.*, that transmission is integrated when, if owned by the transmission provider, it would be includable in rate base. FMPA cite legislative history and the court's decision in *TAPS* v. *FERC*[127] in support of their argument that the comparability principle is central to the issue of cost recognition for customer facilities. FMPA contend that recognizing their members' transmission through credits is beneficial because it involves all owners in joint planning and the exchange of information that results in grid construction and operation that will better serve the needs of all consumers. Without this role in joint planning, less reliable transmission and fewer generation and power supply options for systems will result. In addition, if credits are denied, FMPA will be inhibited from contributing necessary capital to the grid and likely result in reduced public support for transmission construction.

344. Other petitioners contend that the Commission should eliminate any presumption that a network customer is entitled to credits, arguing that the presumption violates the cost-causation principle by shifting costs to customers for whom the facilities were not planned and who are not benefited by their use.[128] These petitioners contend that a network customer's facilities are not planned around the needs of the transmission provider to meet its obligations and many customer facilities are designed only to pick up power from the transmission provider's grid and deliver it to that network customer's distribution network.[129] These petitioners request that the Commission allow for credits only when the customer's facilities provide a benefit to the transmission provider's grid, *i.e.*, when the transmission provider relies on a network customer's facility to serve the transmission provider's transmission customers (including the network customer seeking credits) or the transmission provider's retail customers. They argue that there is no basis to presume integration simply because the transmission provider would include the cost of such facilities were it the owner.

345. South Carolina E&G argues a presumption of integration will encourage customer overbuilding paid for by a transmission provider's native load customers. South Carolina E&G asks that the Commission confirm that it is not departing from the decade-old two-part test for credits for customer-owned facilities that requires that the facilities are both integrated into the network grid and provide benefits to the grid. South Carolina E&G disagrees that any revision to that test is required by comparability. In its view, customer-owned facilities are not comparable to transmission provider-owned facilities for purposes of credit eligibility, since each are built for different purposes and are subject to different regulatory oversight.

346. Florida Power argues that the application of the rebuttable presumption may impact reliability. Florida Power contends that, under the new test for credits, a transmission provider must show that it does not need the network customer's facilities to provide transmission service to any other customer in order to deny credits. Florida Power states that this could result in a network customer being denied credits for a facility even if the transmission provider needs the facility to reliably serve the network customer.

347. Entergy and Florida Power also request that the Commission change its policy of applying a stricter standard to a transmission provider's own facilities

[125] *E.g.,* TAPS and TDU Systems.

[126] *E.g.,* APPA, FMPA, NRECA and TAPS.

[127] 225 F.3d 667, 681 (D.C. Cir. 2000), *aff'd sub nom., New York* v. *FERC,* 535 U.S. 1 (2002).

[128] *E.g.,* Entergy and Florida Power.

[129] *E.g.,* Entergy, Florida Power and South Carolina E&G.

when a network customer has been denied credits. These petitioners state that, when the Commission denies credits for customer-owned facilities, it applies the same integration test to the transmission provider's facilities as that applied to the network customer's facilities. The petitioners argue that application of the integration test to the transmission provider's facilities in that instance is unreasonable since the nature of those facilities does not change. They argue that different tests for transmission providers and network customer systems are appropriate since each are planned for and used differently. In their view, concerns about comparability can be addressed by allowing a transmission provider's looped facility to be rolled into rate base only if the transmission provider uses the facility to serve a transmission customer or the transmission customer's retail customers.

348. Entergy and Florida Power further claim that the Commission's approach is inconsistent with the treatment of generator interconnections because the Commission's policy entitling an interconnecting generator to credits against transmission charges does not change simply because the Commission has denied a network customer credits. These petitioners contend that an interconnecting generator could be entitled to credits when at the same time the transmission provider could be prohibited from rolling the costs of those credits into its rates.

Commission Determination

349. The Commission denies rehearing of the decision in Order No. 890 to modify the credits test for new customer-owned facilities. In Order No. 890, the Commission explained that it was retaining the existing integration standard, but adopting a new presumption of integration for customer-owned facilities that would be included in rate base if owned by the transmission provider.[130] The integration standard to be applied to new facilities under section 30.9 therefore remains unchanged, so Commission precedent regarding application of the standard will continue to apply. Specifically, to satisfy the integration standard set forth in section 30.9 of the *pro forma* OATT, it must be shown that a new facility is integrated with a transmission provider's system, provides additional benefits to the transmission grid in terms of capability and reliability, and can be relied on by the transmission provider for the coordinated operation of the grid.[131] However, in recognition of the new requirement for transmission providers to plan their system on an open and coordinated basis, a customer's transmission facilities will be presumed to be integrated if the facilities, if owned by the transmission provider, would be eligible for inclusion in the transmission provider's annual transmission revenue requirement as specified in Attachment H of the *pro forma* OATT.

350. The adoption of this presumption is necessary to ensure comparability between network customers and transmission providers serving native load. It is reasonable to presume, without application of any particular standard or test, that the transmission provider's facilities benefit the network because they are planned, constructed and owned, from the beginning, by the transmission provider to meet its obligations to its customers. In comparison, because customer-owned facilities are generally constructed to serve that individual customer's needs, the Commission requires the customer to satisfy the integration standard in order to qualify for credits. The Commission concluded in Order No. 890 that it is now reasonable to presume that any new customer-owned facilities satisfy the integration standard, to the extent they would be included in the transmission provider's revenue requirement if they were owned by the transmission provider, in light of the requirement imposed on transmission providers to implement an open and coordinated transmission planning process that applies to all transmission facilities.

351. To the extent necessary, we clarify that these presumptions of integration are rebuttable both as applied to the transmission provider and the network customer. For the network customers' facilities, transmission providers may challenge the presumption that the customer's facilities are integrated by showing they do not actually meet the integration standard, notwithstanding the fact that they are similar to facilities in the transmission provider's rate base. Similarly, the presumption that a transmission provider's facilities benefit the network could be overcome by a showing that the facilities, in fact, do not provide such benefit. By allowing the presumptions of integration to be rebutted, the Commission will ensure that only the costs of facilities that are actually part of the integrated network that serves all customers will receive credits. It also serves as an incentive for the transmission provider to give credits to network customers that own integrated facilities and remove from its rate base its own non-integrated facilities.

352. In light of the modifications to the credits test adopted in Order No. 890, we further clarify that denial of credits for a network customer no longer triggers a need for the transmission provider to demonstrate that its own facilities satisfy the integration standard, because credits for network customer facilities can now be denied only after an affirmative showing by the transmission provider that its facilities are not similar under the integration test to those of the network customer (*i.e.*, by overcoming the presumption of integration). This approach departs from the approach adopted in *FP&L,*[132] but reflects the fact that the new rebuttable presumption in favor of the transmission customer has shifted the burden to the transmission provider to provide evidence that credits for the customer are not warranted.

353. To provide clarity regarding how to implement the presumption that a network customer's facilities are integrated, we make clear that a network customer may justify application of the presumption by reference to the existing facilities in the transmission provider's rates. A customer need only show that its new facilities are similar in design and purpose to facilities owned by the transmission provider that are included in rates. A transmission provider may overcome the network customer's presumed integration by demonstrating, with reference to its own facilities that meet the integration standard, that the network customer's new facilities do not meet the standard. To the extent there are disputes regarding whether a customer's new facilities are sufficiently similar to those in the transmission provider's rate base, we encourage transmission providers and customers to resolve those disputes informally or with the assistance of the Commission's Dispute Resolution Service.

354. We reject requests to eliminate the presumption of integration for new customer-owned facilities, as advocated by certain transmission providers. The planning-related reforms adopted in

[130] Order No. 890 at P 753–754.

[131] *Southwest Power Pool, Inc.,* 108 FERC ¶ 61,078 at P 17 (2004) (citing Order No. 888–A at 30,271), *reh'g denied,* 114 FERC ¶ 61,028 (2006).

[132] *Florida Mun. Power Agency* v. *Florida Power and Light Co.,* 74 FERC ¶ 61,006 at 61,010 (1996) (finding that the integration of facilities into the plans or operations of a transmitting utility is the proper test for cost recognition), *reh'g denied,* 96 FERC ¶ 61,130 at 61,544–45 (2001), *aff'd sub nom. Florida Mun. Power Agency* v. *FERC,* 315 F.3d 362 (D.C. Cir. 2003).

Order No. 890 will ensure that a process exists to jointly plan all transmission facilities, including new facilities developed by customers. Comparability requires that transmission providers and customers alike benefit from a presumption of integration. It is also appropriate for both the transmission provider and its customers to be subject to the integration standard to the extent the presumption of integration is overcome, notwithstanding any coordinated planning of those facilities. Under Order No. 890, the Commission therefore will not apply, as some petitioners imply, a different or stricter standard to a transmission provider's own facilities when a network customer has been denied credits.

355. We disagree with claims that a presumption of credits for certain customer-owned facilities will encourage over-building or harm reliability. Facilities owned by transmission providers have long enjoyed a presumption of integration, yet petitioners do not object to the presumption as applied to those facilities. Petitioners offer no reason to believe that application of a comparable presumption for new customer-owner facilities would lead to reliability or operational difficulties, particularly in light of the obligation for transmission providers under Order No. 890 to plan their transmission systems on an open and coordinated basis.[133] We also believe that it is unlikely that a transmission provider would be required to provide credits to an interconnecting generator, but be prohibited from rolling the same credits into its rates. Nevertheless, should any such circumstance arise, the transmission provider should bring the issue to the Commission's attention for resolution.

c. Application of the New Test to Existing Facilities

356. In Order No. 890, the Commission concluded that the new test for determining credits will apply only to transmission facilities added subsequent to the effective date of Order No. 890. The Commission found that there is no reason to revisit the determinations with respect to the number of customer-owned transmission facilities that have been developed, and resulted in credits negotiated and litigated, under the prior test that the Commission determined to be just and reasonable at the time.[134] On a prospective basis, however, given the increased planning and coordination required in Order No. 890, the Commission stated that it is appropriate to apply the new test for determining credits.

Requests for Rehearing and Clarification

357. Several petitioners contend that it is inappropriate for the Commission to conclude that the newly announced test for determining credits under OATT section 30.9 will apply only to transmission facilities added subsequent to the effective date of Order No. 890, arguing that the Commission should remedy past undue discrimination against network service customers such as the failure of transmission providers to jointly plan facilities with transmission customers.[135] APPA also asks that the Commission explain why this result is legally appropriate.

358. NRECA contends that the Commission should apply the new test for transmission credits to both existing and new facilities, but clarify that existing credit agreements or determinations will not be impacted. NRECA argues that *Mobile-Sierra* concerns can be avoided by applying the new test to facilities that are built but not yet the subject of a credits agreement or determination. APPA suggests that allowing network customers to obtain credits going forward for existing facilities that are comparable to those the transmission provider includes in its revenue requirement would be a reasonable remedy for past discrimination. Noting the Commission's requirement for transmission providers to remove all generator step-up facility costs from their transmission rates (not only those costs incurred after the Commission changed its policy in Order No. 888), TAPS maintains that the ''correct and fair approach'' is to prospectively remedy such discrimination by applying the new standard to both existing and new facilities.[136] To do otherwise would, in TAPS' view, undermine comparability.

359. TDU Systems argue that the Commission cannot endorse rates that it knows are unjust and unreasonable and, therefore, agree that transmission customers should be credited for transmission facilities regardless of their vintage to the extent the facilities have not been subject to a prior determination. TDU Systems contend that Order No. 890 failed to adequately justify allowing rates to remain in place that reflect undue discrimination. FMPA argue that comparability similarly requires that the Commission apply the presumption of integration to existing as well as new customer-owned facilities, since both existing and new transmission provider-owned facilities are presumed to provide benefits to the grid.

360. Entergy and Florida Power ask that, to the extent the Commission applies the new test to transmission provider facilities, the rule apply only to new facilities constructed by the transmission provider, not to existing facilities.

Commission Determination

361. The Commission denies rehearing of the decision to apply the modified test for credits only to transmission facilities added subsequent to the effective date of Order No. 890. In light of the new planning and coordination required in Order No. 890, it is appropriate to apply the new test on a prospective basis.[137] Existing facilities, by definition, have been developed without the benefit of the planning-related reforms adopted in Order No. 890 and, therefore, are not similarly situated to new facilities developed after the effectiveness of Order No. 890. As a result, only a network customer's new facilities will be subject to the presumption of integration standard. Similarly, the existing presumption applied to the transmission provider's facilities will continue to allow it to include in its rate base from the outset all network facilities constructed to meet its obligations to its customers, provided the presumption is not rebutted.

d. Cost of Customer Facilities Automatically Included in Transmission Provider Cost of Service Without a Rate Filing

362. Noting that automatic recovery of the costs of credits would be contrary to the Commission's long-standing policy concerning single-issue rate adjustments, the Commission declined to generically allow automatic recovery of the costs of credits associated with integrated transmission facilities to the transmission provider's cost of service. The Commission explained that transmission providers continue to have

[133] As we discuss in section III.B, planning activities must be open to all customers, who must provide information regarding expected uses of the system so that the transmission provider can plan for their needs.

[134] *See East Texas Electric Coop., Inc.* v. *Central and South West Services, Inc.,* 114 FERC ¶ 61,027 (2006).

[135] *E.g.*, APPA, East Texas Cooperatives, FMPA, NRECA, TAPS and TDU Systems.

[136] TAPS also cites *Tennessee Gas Pipeline Co.,* 104 FERC ¶ 61,063 (2003), *order on reh'g,* 108 FERC ¶ 61,177 (2004), *order on reh'g,* 110 FERC ¶ 61,385 (2005) for the proposition that new policies can be implemented for existing contracts.

[137] Order No. 890 at P 758.

the option to propose an automatic adjustment clause in their rates under FPA section 205 to address the time lag between incurring costs associated with credits and the transmission provider's next rate case.

Requests for Rehearing and Clarification

363. Florida Power requests that the Commission grant rehearing of the decision that customer credits do not warrant an exception to the Commission's general policy regarding single-issue rate adjustments. Florida Power argues that a transmission provider should not be required to dedicate the extensive resources required by a full-blown rate case to recover costs that, in its view, it has been forced to incur by the Commission's policy and over which it has no control.

364. E.ON U.S. requests that the Commission clarify that payment of credits is dependent on the transmission provider's ability to recover the costs of the credits. E.ON U.S. asks that the Commission adopt one of the following requirements: if the network customer's facilities are to be eligible for credits, the network customer must petition the Commission for a declaratory order stating that the transmission provider will be able to recover costs for the credits in the transmission provider's next rate case; the transmission provider need not provide the network customer with credits for its facilities until the costs of the credits are approved in the transmission provider's next rate case; or if the cost of the credits are rejected in the transmission provider's next rate case, the network customer is required to refund any amounts collected through the transmission credits, plus interest.

365. APPA asks that the Commission clarify that, if a transmission provider denies credits for network customer owned facilities, the transmission provider has a corresponding obligation to take steps to strip the costs of similar transmission facilities out of its own transmission revenue requirement where comparability requires such a result. TAPS argues that nothing in Order No. 890 altered the transmission provider's existing obligation to remove from its rate base transmission provider facilities comparable to those for which it denies credits to network customers.

Commission Determination

366. The Commission affirms its decision in Order No. 890 not to generically allow automatic rate recovery of the costs of credits associated with integrated transmission facilities to the transmission provider's cost of service. As explained in Order No. 890, automatic recovery would be contrary to our long-standing policy concerning single-issue rate adjustments, and transmission providers continue to have the option to propose an automatic adjustment clause in their rates under FPA section 205 to address the time lag between incurring costs associated with credits and the transmission provider's next rate case.[138] Since transmission providers may choose to add an automatic adjustment clause to their rates to address any lag in cost recovery, we reject as unnecessary the alternative proposals offered by E.ON U.S.

367. As for APPA's argument regarding the transmission provider's obligation to remove nonintegrated facilities from its revenue requirement, as explained above, the denial of credits for a network customer will no longer trigger an examination of the transmission provider's own facilities. Rather, the presumption of integration shall be rebuttable for transmission providers and customers alike. If it becomes apparent that the transmission provider has included facilities in its revenue requirement that are ineligible, such as when the transmission provider relies on its own facilities to demonstrate the lack of integration for customer-owned facilities, the network customer or the Commission, as appropriate, may initiate a complaint proceeding to have such facilities removed from rates.

e. RTO and ISO Issues

368. The Commission concluded in Order No. 890 that it would not be appropriate to generically exempt all RTOs and ISOs from the revised requirements regarding credits for network transmission customers. The Commission stated that it would address issues relating to network transmission customer credits in the RTO and ISO context in orders addressing OATT reform compliance filings submitted by each RTO and ISO. The Commission noted its prior determination that the existing tariffs of certain RTOs and ISOs provide opportunities for transmission customers to receive credit or the equivalent (*e.g.*, Transmission Congestion Contracts, Firm Transmission Rights or Auction Revenue Rights) for building facilities or upgrades that are consistent with or superior to Order No. 888 requirements.[139] The Commission explained that each RTO and ISO would have the opportunity to show on compliance that this continues to be the case given the reforms adopted in Order No. 890.

369. The Commission also addressed a request by NRECA to prohibit RTOs and ISOs from using a non-public utility's transmission facilities without compensating the entity because it is not a member of the RTO/ISO. The Commission found that there is not enough evidence on the record to make a generic determination on that issue. The Commission instead concluded it would be appropriate to address such issues on a case-by-case basis in response to appropriate filings under FPA sections 205 and 206.

Requests for Rehearing and/or Clarification

370. TAPS is concerned that Order No. 890 suggests that RTOs/ISOs can justify an exemption from OATT section 30.9 by claiming that firm transmission rights or similar mechanisms are the ''equivalent'' of credits under section 30.9. TAPS states that the RTO/ISO tariff provisions referred to by the Commission relate only to upgrades, which are funded by a customer but owned by a transmission owner, for a new service request or generator interconnection. TAPS therefore requests clarification that the rules with respect to whether a network customer funding facilities owned by a transmission owner should receive firm transmission rights in lieu of credits are unrelated to, and should not be confused with, the requirement in OATT section 30.9 that a network customer must be compensated for customer-owned facilities in a manner comparable to transmission owners.

371. NRECA reiterates its argument that the Commission should require RTOs/ISOs to compensate non-jurisdictional entities for use of the non-jurisdictional entities' transmission facilities as required by the principle of comparability. NRECA argues that the issue is purely legal and that no additional evidence is necessary, since NRECA is not seeking a ruling that a particular entity is entitled to compensation. NRECA states that the Commission's reliance on a ''case-by-case'' approach will be illusory if the Commission dismisses a complaint by a non-jurisdictional utility on the ground that the Commission has no jurisdiction over the non-jurisdictional entity's rates

[138] *See id.* at P 766.

[139] *See id.* at P 773, n.447.

under sections 205 and 206 of the FPA, as it did in *Central Iowa Power Coop.*[140]

Commission Determination

372. It was not the Commission's intention in Order No. 890 to prejudge whether Transmission Congestion Contracts, Firm Transmission Rights or Auction Revenue Rights should be treated as equivalents to the credits available under section 30.9 of the pro forma OATT. The Commission simply noted that those mechanisms exist and that the Commission would determine, as it evaluated compliance filings from individual ISOs and RTOs, whether such mechanisms served the same purpose and goal of section 30.9 and, in turn, should be considered proper substitutes for network customer credits. To the extent TAPS or others object to proposals made by a particular RTO or ISO, the appropriate forum to address those concerns is in the relevant compliance docket.

373. In response to NRECA, we continue to believe that it is appropriate to consider on a case-by-case basis customer claims that RTOs or ISOs are using the transmission facilities of a non-public utility without compensation. It would not be appropriate to address this issue in a vacuum, without a complete discussion by interested parties of the legal and policy merits of both sides of this issue.

3. Capacity Reassignment

a. Removal of the Price Cap

374. The Commission concluded in Order No. 890 that it is appropriate to lift the price cap for all transmission customers reassigning point-to-point transmission capacity, *i.e.*, resellers. The Commission found that the price cap had served to reduce transmission options for customers and impair the development of a secondary market for transmission capacity. The Commission concluded that removing the price cap will allow capacity to be allocated to those entities that value it the most, thereby sending more accurate price signals for identification of the appropriate location for construction of new transmission facilities to reduce congestion.

375. To enhance oversight and monitoring by the Commission of the secondary market for transmission capacity, certain reforms were adopted to the underlying rules governing capacity reassignments. First, the Commission required that all sales or assignments of capacity be conducted through, or otherwise posted on, the transmission provider's OASIS on or before the date the reassigned service commences. Second, the Commission required that assignees of transmission capacity execute a service agreement with the transmission provider prior to the date on which the reassigned service commences. Third, in addition to existing OASIS posting requirements, the Commission required transmission providers to aggregate and summarize in an electric quarterly report (EQR) the data contained in the service agreements for reassigned capacity. The Commission explained that, taken together, these reforms will increase the transparency of capacity reassignments and facilitate our monitoring of the secondary market for transmission capacity.

Requests for Rehearing and Clarification

376. Several petitioners request rehearing of the decision to lift the price cap on reassigned capacity.[141] Some petitioners question the Commission's stated justifications for the removal of the price cap. TDU Systems contend that the non-cost factors cited by the Commission, including promotion of the secondary market, enabling customers to better manage the risk of their long term commitments required by the reform of rollover rights, and sending more accurate price signals for capacity, do not justify lifting the price cap or substitute for analyzing the potential for the exercise of market power before lifting it. TDU Systems, APPA, and NRECA challenge the Commission's conclusion that removing the price cap for capacity reassignments will stimulate greater infrastructure investment by sending more accurate price signals as to the incremental cost of transmission capacity. They argue that explicit congestion price signals in RTO markets have failed to stimulate investment and, in any event, are useless for transmission customers that lack the regulatory certainty required to facilitate third-party construction of new facilities. APPA argues that entrenched economic interests often find it more profitable to pocket the remaining dollars than to invest in new facilities.

377. These petitioners all disagree with the Commission's finding that the price cap has impaired the development of a secondary market for transmission. They argue that the Commission cites no support for this finding and that it failed to address comments in response to the NOPR stating that non-price limitations on capacity reassignment, such as the requirement that the assignee use the same source and sink as original customers, are the real reason that reassignments of capacity do not occur. APPA also contends that the Commission failed to explain why the lifting of the price cap is necessary to spur investment in light of other reforms adopted in Order No. 890, such as a more robust transmission planning process and the provision of planning redispatch and conditional firm point-to-point service.

378. TAPS argues that the precedent relied upon by the Commission in Order No. 890 does not support the decision to lift the price cap for reassigned capacity. TAPS states that, in *Alternatives to Traditional Cost-of-Service Ratemaking for Natural Gas Pipelines and Regulation of Negotiated Transportation Services of Natural Gas Pipelines*,[142] the Commission actually required a market power analysis to justify market-based rates. TAPS argues that in *Interstate Nat'l Gas Ass'n of America* v. *FERC*,[143] the D.C. Circuit relied on empirical evidence to affirm the Commission's decision to lift the cap on gas pipeline capacity releases. In that case, TAPS argues that: there was a significant amount of firm capacity going unused, suggesting that excess capacity could constrain prices and with evidence that it did in fact put a downward pressure on prices; evidence existed that new entry could restrain prices; and, the price cap at issue was lifted only for two years during an experiment. TAPS argues that similar empirical evidence is required, showing that prices for secondary transmission capacity above the cap would be competitive and that new entry could constrain prices.

379. Petitioners generally argue that removal of the price cap may expose transmission customers to market power and is therefore contrary to Commission and judicial precedent. APPA and TAPS argue that the Supreme Court has rejected seller claims justifying higher prices for electricity based upon the value ascribed to the product by the buyer, stating that a ''focus on the willingness to pay or ability of the purchaser to pay for a service is the concern of a monopolist, not a government agency charged both with assuring the industry a fair return and with assuring the public reliable and efficient service, at a reasonable

[140] *Central Iowa Power Coop.* v. *Midwest ISO*, 110 FERC ¶ 61,093, *order on reh'g,* 113 FERC ¶ 61,116 (2005).

[141] *See, e.g.*, APPA, NRECA, and TDU Systems.

[142] 74 FERC ¶ 61,076, *reh'g denied*, 75 FERC ¶ 61,024 (1996), *petitions for review denied sub. nom. Burlington Resources Oil & Gas Co.* v. *FERC*, 172 F.3d 918 (D.C. Cir. 1998).

[143] 285 F.3d 18 (D.C. Cir. 2002) (*INGAA*).

price.'' [144] In their view, this precedent requires the Commission to maintain the price cap in the absence of hard evidence of a competitive market for reassigned capacity.

380. Joined by NRECA and TDU Systems, APPA and TAPS argue that the Commission is allowed to authorize market-based rates only with empirical proof that existing competition would ensure that the actual price is just and reasonable and that undocumented reliance on market forces will not suffice.[145] In their view, the Commission must engage in an ex ante competitive analysis to find that the seller lacks market power, or take sufficient steps to mitigate market power, as well as adopt sufficient post-approval reporting requirements.[146] These petitioners argue that the Commission's reliance on competition among resellers, continued rate regulation of primary capacity, and the reassignment-related reforms adopted in Order No. 890 is insufficient to justify lifting the cap.

381. With regard to competition among resellers, APPA contends that transmission capacity is a scarce commodity and demand is currently inelastic, due in part to substantial load growth. APPA argues that allowing point-to-point customers to make virtually unlimited profits from reassignments of their firm service will not further competition among resellers and, instead, may discourage participation in joint planning to support expansion or acceptance of increased rates to support new facilities. APPA acknowledges that firm transmission not scheduled will be released on a non-firm basis, but argues that is of little use to LSEs in need of firm transmission to deliver their firm power supplies.

382. NRECA and TDU Systems argue that it is contradictory for the Commission to conclude that competition among resellers will assure just and reasonable prices when, elsewhere in Order No. 890, the Commission acknowledges congestion and the number of curtailments has dramatically increased in recent years. These petitioners question what market forces would constrain prices for secondary capacity at or below the price of primary capacity if primary capacity is so scarce. They question how it can be just and reasonable to price secondary rights at a level higher than the just and reasonable price of primary capacity. TAPS argues that a market power study of particular transmission paths is necessary to support a finding that competition among resellers will restrict market power.

383. With regard to the availability of primary capacity at cost-based rates, TAPS argues that the Commission has presented no factual basis to conclude that entry will be timely, likely or sufficient to defeat price increases due to transmission market power. TAPS contends that, where capacity is fully subscribed, non-existent capacity cannot act as a price restraint. APPA argues that any requirement for the transmission provider to build new facilities in future years has little if any bearing on the price an LSE is willing to pay for the next day, week or month to ensure it meets its service obligation. NRECA and TDU Systems contend that, notwithstanding the planning-related reforms of Order No. 890, transmission providers can continue to exert market power by refusing to expand the system to meet competitors' needs. TDU Systems contends that failure to mandate expansion of the grid or to encourage third party construction of needed upgrades will ensure a lack of expansion, allowing the holder of rights to transmission capacity to exert monopoly power in a secondary market unprotected by price caps.

384. Petitioners maintain that the revised oversight and reporting requirements adopted in Order No. 890 are insufficient to protect transmission customers from the exercise of market power. APPA and NRECA argue that post hoc reporting cannot prevent real-time harm to transmission customers and the end-users they serve or relieve the Commission of the obligation to ensure, at the outset, that the secondary market for capacity is competitive. TDU Systems similarly contend that the new posting and reporting requirements are unlikely to restrain the exercise of market power, since monthly reports will lag significantly behind the daily and hourly market transactions, even though greater price transparency may make market power easier to detect after the fact.

385. MISO argues that, instead of relying on continued regulation in the primary market and competition in the secondary market to limit the exercise of market power in the secondary market, the Commission should provide for a sharing mechanism between the reseller and the owner of the transmission asset to allocate any market premium obtained from the resale. MISO contends that revenue sharing would reduce incentives to engage in hoarding on the part of the reseller and encourage efficient use of the grid. In its view, sharing market premiums would have a solid ground in equity, ensuring that the owners of transmission, constrained by cost-based rates, are not unduly discriminated against in favor of the reseller.

386. APPA also contends that the use of value-of-service pricing for firm transmission service that LSEs require to meet their loads' needs violates FPA section 217(b)(4) because it does not enable the LSEs to secure the firm transmission rights they need to serve their loads as Congress intended. While not specifically opposing the Commission's decision to lift the price cap on reassignments of transmission capacity, South Carolina E&G makes a similar request that removal of the price cap be subject to the Commission's assurances that the resulting increased use of the grid will not compromise service to native load customers. In its view, an active secondary market could crowd the limits of the grid and increase the likelihood of curtailments. Southern Carolina E&G argues that FPA section 217 requires that native load service not be marginalized a result of any increased use of the grid.

387. If the Commission declines to reinstate the price cap on assignments of transmission capacity, TAPS asks that the Commission take two steps to offer consumer protection. First, TAPS asks the Commission to require utilities seeking to reassign transmission capacity to demonstrate a lack of transmission market power. TAPS argues that this demonstration should examine each point of receipt/point of delivery pair as a distinct market, unless the public utility can show that alternative paths provide meaningful substitutes. Second, TAPS asks the Commission to lift the price cap only for short-term services and only for a period of two years. TAPS suggests that, at the end of this period, the Commission should assess whether prices for reassigned capacity are competitive and whether the experiment produced the desired increase in reassigned capacity.

Commission Determination

388. The Commission affirms the decision in Order No. 890 to remove the price cap on reassignments of transmission capacity. We continue to believe that removal of the price cap will give market participants additional options for acquiring transmission. Point-to-point transmission service

[144] *Quoting Gainesville Utilities Department, et al.* v. *Florida Power Corp.*, 402 U.S. 515, 528 (1971).

[145] *Citing Farmers Union Cent. Exch., Inc.* v. *FERC*, 734 F.2d 1486 (D.C. Cir. 1984) (*Farmers Union*) (finding that the Commission failed to justify relaxation of cost-based regulation of oil pipeline companies because it did not ensure rates would remain within the zone of reasonableness).

[146] *Citing California ex. rel. Lockyer*, 383 F.3d 1006 (9th Cir. 2004) (*Lockyer*).

customers will have increased incentives to resell their service whenever others place a higher value on it. Existing transmission therefore will be put to better, more efficient use. Point-to-point customers also may be willing to commit to buy additional transmission service (such as for periods long enough to get rollover rights) since they are able to resell above the price cap during periods in which they do not need the capacity. On this basis alone, we find that establishing a competitive market for secondary transmission capacity will send more accurate signals that promote efficient use of the transmission system by fostering the reassignment of unused capacity.

389. We agree with petitioners that restricting reassignment to the same point of receipt and point of delivery has limited, and may continue to limit, the number of reassignments that take place. It does not follow, however, that the price cap is irrelevant or that lifting the cap will not encourage additional reassignments of transmission capacity. Petitioners acknowledge that the secondary market for transmission capacity is underdeveloped. Even if the price cap is not the sole cause for this lack of development, it is at least a contributing factor. While other reforms adopted in Order No. 890 also will facilitate use of and investment in the transmission system, this does not mean that lifting the price cap on capacity reassignments is unnecessary or unimportant. The reforms adopted in Order No. 890, including the decision to lift the price cap, work together to enhance customer options and the transmission provider's operation of the grid.

390. We are sensitive, however, to the concerns expressed by petitioners and grant rehearing to limit the period during which reassignments may occur above the cap. In Order No. 890, the Commission directed staff to closely monitor the quarterly reassignment-related data submitted by transmission providers to identify any problems in the development of the secondary market and to prepare a report on staff's findings for the Commission within 6 months of the receipt of two years worth of data, *i.e.*, by May 1, 2010. Upon further consideration, we conclude that it is most appropriate to lift the price cap on reassignments of capacity only to accommodate this study period and amend section 23.1 of the *pro forma* OATT to reinstate the price cap as of October 1, 2010. Upon review of the staff report and any feedback from the industry, the Commission can determine whether it is appropriate to continue to allow reassignments of capacity above the price cap beyond that date.

391. We disagree that a market power study or other empirical competition analyses are required to lift the price cap on capacity reassignments during this study period. Contrary to petitioners' assertions, market power analyses are not the only method to ensure that market-based rates remain just and reasonable.[147] In *INGAA*,[148] the court affirmed the Commission's removal of price ceilings for short-term capacity releasing shippers in the natural gas market without requiring sellers to submit market power analyses, recognizing non-cost factors such as the need to lift price ceilings to facilitate movement of capacity into the hands of those who value it most. The court concluded that these non-cost factors, combined with the limitation of negotiated rates to the secondary market, distinguished the case from *Farmers Union*.[149] Similarly, continuing rate regulation of the transmission provider's primary capacity, competition among resellers, and reforms to the secondary market for transmission capacity, combined with enforcement proceedings, audits, and other regulatory controls, will assure that prices in the secondary market for transmission capacity remain within a zone of reasonableness.[150]

392. Petitioners inappropriately discount the importance of these regulatory protections, particularly the continued rate regulation of primary transmission capacity. Unlike gas pipelines, transmission providers are obligated to construct new facilities to satisfy a request for service if that request cannot be satisfied using existing capacity. The *pro forma* OATT does not, and will not, permit the withholding of transmission capacity by the transmission provider and effectively establishes a price ceiling for long-term reassignments at the transmission provider's cost of expanding its system. Petitioner arguments to the contrary assume non-compliance with the transmission provider's obligations under the *pro forma* OATT. If a customer has evidence of such non-compliance, it should bring the matter to the Commission's attention through a complaint or other appropriate procedural mechanism. Absent such evidence, the Commission concludes that the continued rate regulation of the primary market, and the transmission provider's obligation to expand its system to accommodate service requests, adequately mitigates any market power that resellers may have in the long-term secondary market.

393. Pending the completion of upgrades, we acknowledge that delays associated with constructing new facilities could limit the downward effect that the transmission provider's cost of expansion has on prices. Resellers could attempt to gain market power through economic or physical withholding of their primary capacity when congestion arises. As the Commission found in Order No. 890, however, competition among resellers, as well as the ability of customers desiring additional capacity to access primary capacity using conditional firm point-to-point service or the modified planning redispatch implemented in Order No. 890, will mitigate the exercise of market power in the interim.[151] Moreover, any primary capacity that is not scheduled is made available to other customers on a non-firm basis, frustrating any attempts to withhold capacity.[152]

394. Reforms to the rules governing reassignments and associated reporting obligations also increase our regulatory oversight of the secondary market, allowing the Commission to effectively monitor that market for any attempts to exercise market power. All reassignments must now be conducted through or otherwise posted on OASIS and assignees must execute service agreements prior to the date on which service commences. Transmission providers must provide information regarding reassignments in their EQRs.[153] As noted above, Commission staff will also closely monitor the

[147] *See Alternatives to Traditional Cost-of-Service Ratemaking for Natural Gas Pipelines and Regulation of Negotiated Transportation Services of Natural Gas Pipelines*, 74 FERC ¶ 61,076 at 61,227–36 (1996). The Commission ultimately determined in that case that a market power analysis was required in order to allow a pipeline to use market-based pricing instead of cost-of-service rates. The Commission has not proposed to allow transmission providers to engage in sales of primary capacity at market based rates and, as explained below, sufficient protections exist to ensure the secondary market for transmission capacity remains sufficiently competitive without requiring market power analyses from each reseller.

[148] 285 F.3d at 33.

[149] *INGAA*, 285 F.3d at 31–34.

[150] *See* Order No. 890 at P 811.

[151] *See* Order No. 890 at P 809, 812.

[152] *See id.* at P 811.

[153] As TDU Systems point out, the reports will lag behind the daily and hourly transactions in the market. As explained above, competition among resellers and regulatory protections embedded in the *pro forma* OATT will ensure that prices remain within the zone of reasonableness in the immediate near-term. The reports will enable the Commission to identify trends in the market and inefficiencies that may occur. Furthermore, if parties see that particular holders of transmission capacity are attempting to exercise market power through hoarding or other tactics, they can report such instances to the Office of Enforcement for investigation without delay.

quarterly reassignment-related data submitted by transmission providers and prepare a report on staff's findings for the Commission's consideration. The Commission takes seriously the possibility that resellers may attempt to exercise market power in the secondary market for transmission capacity. We continue to believe, however, that the regulatory protections in place and our increased oversight of this market will limit the potential for market power abuse during the period in which the price cap is lifted. There is no need for particularized market power studies regarding secondary transmission capacity, as suggested by TAPS.

395. We disagree with NRECA and TDU Systems that the potential for secondary prices to rise above primary capacity prices indicates that rates may not be just and reasonable. As the courts have recognized, prices in a competitive market should rise during periods when capacity is truly scarce in order to ensure that capacity is being allocated appropriately.[154] The precedent cited by petitioners clearly permits the Commission to implement alternative pricing structures provided that safeguards are in place to ensure that rates remain within a zone of reasonableness.[155] We continue to believe that the regulatory framework governing the reassignment of transmission capacity, combined with our increased oversight and enforcement authority, will ensure that the rates for secondary transmission capacity remain within the zone of reasonableness. At the same time, lifting the price cap will give primary transmission customers greater incentives to commit to long-term service because they will be able to resell above the cap during periods when they do not need the capacity.

396. We decline to adopt a mechanism to share revenues from capacity reassignments with the transmission provider. Allocation of the entire reassignment premium to the reseller is appropriate because it promotes an efficient allocation of transmission capacity, while sharing of the premium could make a potential seller less likely to resell even though another customer places a higher value on the transmission service. The Commission addressed a similar request in Order No. 636–A and concluded that releasing shippers in the gas market should be entitled to receive the proceeds from reselling their capacity.[156] Notwithstanding differences in the secondary market for transmission capacity, we believe that a similar approach should be followed for transmission providers, particularly since they already receive their full cost-of-service through payments for the underlying primary capacity. In any event, it would only be fair to share premiums with the transmission provider if losses were also shared when capacity was resold for less than the cost to the reseller of the capacity. Such sharing could lead to under-recovery of costs contrary to the premise of cost-of-service rates.

397. Finally, we do not believe that assignments will impose risks upon native load customers in contravention of FPA section 217 by increasing the likelihood of curtailments. Transmission providers should be planning the operation of their system to accommodate all reserved uses. Simply reassigning primary capacity from one customer to another should not alter the transmission provider's ability to satisfy its service commitments. We also disagree that lifting the price cap on reassignments of capacity will make it more difficult for LSEs to obtain firm capacity to serve their load or otherwise marginalize native load service, as APPA suggests. Lifting the price cap should encourage primary capacity holders to make more, not less, transmission available to other customers, including LSEs. While it is true that secondary capacity may at times be more expensive than primary capacity, establishing a competitive market for secondary transmission capacity will benefit all customers, including LSEs, by sending more accurate signals that promote efficient allocation of transmission capacity.

b. Lifting the Price Cap for Merchant Function and Affiliates

398. The Commission declined in Order No. 890 to adopt the NOPR proposal to retain price caps for capacity resold by a transmission provider's merchant function or its affiliates. After reviewing the comments submitted in response to the NOPR, and further considering its experience regulating capacity reassignments, the Commission concluded that retaining price caps for this portion of the market would continue to impair development of the secondary market and that price caps for such capacity are not otherwise necessary to ensure just and reasonable rates. The Commission found that there are no significant market power concerns to justify retaining the price caps for any transmission customer, noting that the Commission did not distinguish between affiliated and non-affiliated transmission customers when the Commission initially found in Order Nos. 888 and 888–A that excess capacity reserved could be reassigned.

Requests for Rehearing and Clarification

399. The same petitioners challenging the Commission's decision to lift the price cap for reassignments of capacity object specifically to lifting the price cap for reassignments by the transmission provider and its affiliates. APPA argues that this decision will result in more limited primary capacity, since it will be in the economic interest of the transmission provider's corporate family for the merchant function and/or affiliates of the transmission provider to buy any primary capacity that is available. APPA contends that such transactions would technically satisfy the transmission provider's obligation to make primary capacity available to customers, but effectively convert primary capacity into secondary capacity not subject to a price cap. APPA acknowledges that the Commission found in Order No. 890 that the Standards of Conduct will mitigate the ability of an affiliate to hoard capacity, but argues that the Commission failed to explain how such mitigation would occur.

400. TAPS expresses similar concern that the transmission provider will have an incentive to sell primary capacity to its merchant function or affiliates to get around the rate ceiling on primary capacity. If the secondary market is clearing at rates above the transmission provider's rate ceiling, TAPS argues that the parent corporation will have the incentive to put as much capacity in the hands of its merchant function or affiliates as possible, reducing the amount of price-restraining primary capacity and producing higher revenues for the parent corporation for sales of monopoly transmission service. In TAPS' view, costs associated with hoarding will not encourage resale if withholding profitably raises prices in the secondary market. TAPS also argues that the Commission's decision is

[154] *See INGAA*, 285 F.3d at 18, 32 (''[B]rief spikes in moments of extreme exigency are completely consistent with competition, reflecting scarcity rather than monopoly * * * A surge in the price of candles during a power outage is no evidence of monopoly in the candle market.'').

[155] *See Farmers Union*, 734 F.2d at 1509–10; *INGAA*, 285 F.3d at 32–34; *Lockyer*, 383 F.3d at 10–13; *see also Environmental Action* v. *FERC*, 996 F.2d 401, 410 (D.C. Cir. 1993).

[156] *See Pipeline Service Obligations and Revisions to Regulations Governing Self-Implementing Transportation; and Regulation of Natural gas Pipelines After Partial Wellhead Decontrol,* Order No. 636–A, 57 FR 36128 (August 12, 1992) FERC Stats. & Regs., Regulations Preambles January 1991–June 1996 ¶ 30,950 at 30,562 (1992) (''Since the pipeline is not releasing the capacity, no efficiency or other pro-competitive goal would be furthered by allowing it to retain incremental proceeds.'').

inconsistent with its conclusion elsewhere in Order No. 890 that transmission providers have an incentive to over-designate CBM, which TAPS states is a form of hoarding. TAPS complains that, although the Commission stated in Order No. 890 that it will monitor for hoarding behavior by transmission providers and their affiliates, it proposed no remedy in the event they engage in this behavior.

401. APPA, TAPS and TDU Systems argue that lifting the price cap for the transmission provider's merchant function and affiliate sales also will discourage transmission providers from constructing transmission capacity in an attempt to raise prices in the secondary market. They contend that corporate families profiting more from transmission capacity resold by its merchant function or unregulated affiliates will have a disincentive to build new transmission that would lower those resale prices. APPA argues that much of Order No. 890 is devoted to attempting to ensure that transmission providers do not discriminate in order to favor their own generation, yet lifting the resale cap for the transmission provider's merchant function and affiliates gives transmission providers incentives to favor their own and their affiliates' sale of reassigned capacity at unregulated rates and to limit construction of new transmission facilities and upgrades to keep the rates for such reassignments high. NRECA and TDU Systems agree, arguing that shareholders and senior management will be indifferent as to whether the profits are from primary or secondary markets, or from transmission or generation, and will seek to drive profits to monopoly levels if possible. TDU Systems argue that the fact that both affiliated and non-affiliated transmission customers were permitted in Order No. 888 to engage in reassignments of capacity is irrelevant because the ability to reassign capacity invoked few market power concerns so long as the price cap remained.

402. APPA also requests clarification as to whether the transmission capacity that a transmission provider's merchant function uses to serve the transmission provider's own retail loads is eligible for reassignment. If so, APPA argues that it is unduly discriminatory to deny network customers the ability to reassign their capacity. APPA contends that network service was developed specifically to provide to other LSEs a transmission service comparable to the transmission service that public utilities provide themselves.

Commission Determination

403. The Commission affirms the decision in Order No. 890 to lift the price cap for capacity resold by any point-to-point transmission customer, including the transmission provider's merchant function and its affiliates. We continue to believe that retaining the price cap for this portion of the market would impair development of the secondary market and is not otherwise necessary to ensure just and reasonable rates. In light of the protections discussed above, we find there are not significant market power concerns that would justify retaining resale price caps for any transmission customer.

404. While it is true that lifting the price cap for reassignments of capacity could provide an economic incentive for the transmission provider's merchant function or its affiliates to acquire transmission capacity in an attempt to exercise market power, the same is true for any customer. Under the Standards of Conduct, affiliated and unaffiliated customers have equal access to transmission-related information and, through the OASIS, equal opportunity to acquire primary transmission capacity. Thus, any customer could engage in speculative purchasing in an attempt to gain market power. The Commission found in Order No. 890 that the entire secondary market is now sufficiently competitive, in light of the reforms adopted, market forces, and other considerations, to justify lifting the price cap for all transmission customers reselling capacity.[157] As we explain above, there are sufficient structural and regulatory protections to ensure that no holder of capacity is able to exercise market power, regardless of whether the customer is affiliated with the transmission provider. The transmission provider must offer all firm (including long-term conditional firm) and non-firm capacity that is available and award that capacity in a non-discriminatory manner, which will undermine any customer's attempt to exercise market power. It therefore would not be appropriate to distinguish between classes of customers when lifting the price cap for reassignments.

405. We disagree that our decision will lead to lower investment in new facilities by transmission providers. The *pro forma* OATT places an affirmative obligation on transmission providers to expand their system in order to accommodate requests for service. In addition, Order No. 890 requires transmission providers to establish an open and transparent planning process to ensure that transmission plans are developed on a non-discriminatory basis. Transmission providers are also required to file reports with the Commission if they are late processing requests for new service and pay penalties if they are consistently late with service request studies. We conclude that these protections are adequate to ensure that transmission providers do not forego upgrades in an attempt to increase the value of capacity that has been assigned to their affiliates.

406. Because the Commission has found the secondary market for transmission capacity to be sufficiently competitive, it would not be appropriate to distinguish between classes of customers reselling their capacity. As we state above, however, the Commission takes seriously allegations of market abuse and we reiterate our intent to be vigilant in overseeing this market. If the Commission finds evidence of market abuse, we will exercise our enhanced authority by restricting the ability of an offending reseller (and possibly its affiliates) to participate in the secondary market for transmission capacity or imposing other remedies, including civil penalties, as appropriate. Should any customer believe that capacity is being preferentially allocated to a transmission provider's affiliates, that particular holders of transmission capacity are attempting to exercise market power through hoarding or other tactics, or that the transmission provider is failing to meet its expansion obligations, the customer should bring the matter to the Commission's attention through a complaint or other appropriate procedural mechanism. We direct staff to include in its report any evidence of abuse in the secondary market for transmission capacity.

407. With regard to APPA's request for clarification regarding the ability of the transmission provider's merchant function to reassign transmission capacity used to serve the transmission provider's retail load, we reiterate that only point-to-point transmission customers may reassign their transmission capacity.[158] To the extent the transmission provider's merchant function or a network customer has acquired point-to-point transmission, either may resell that capacity in the secondary market.

[157] *See* Order No. 890 at P 809. There the Commission distinguished its decision from the determination in Order Nos. 888 and 888–A to implement the price cap on all reassignments based on a finding that the entire secondary market was not sufficiently competitive to justify market-based pricing.

[158] *See* Order No. 890 at P 825.

c. Contracting and Posting Issues

408. As noted above, the Commission required in Order No. 890 that all sales or assignments of capacity be conducted through or otherwise posted on the transmission provider's OASIS on or before the date the reassignment commences. The Commission thus eliminated the ability of transmission customers to assign transmission rights to another party with subsequent notification to the transmission provider. The Commission also directed transmission providers, working through NAESB, to develop appropriate OASIS functionality to allow such postings. Transmission providers were not required to implement this new OASIS functionality or any related business practices until NAESB develops appropriate standards.

409. The Commission also required that assignees of transmission capacity execute a service agreement prior to the date on which the reassigned service commences. Transmission customers with market-based rate tariffs were no longer permitted to execute and implement assignments of capacity without involving the transmission provider, subject to after-the-fact reporting and posting. The Commission explained that this effectively returns the specified capacity to the transmission provider for the purpose of reassignment to the assignee and eliminates the need for the assigning party to have a rate schedule governing reassigned capacity on file with the Commission. The transmission provider's OATT will govern the reassigned service, with the assignee paying the transmission provider for service at the negotiated rate and the transmission provider billing or crediting the reseller with any difference between the negotiated rate and the reseller's original rate. All the non-rate terms and conditions that otherwise would apply to the transmission provider's sale of transmission capacity continue to apply in the case of a reassignment.

410. In addition to already existing OASIS posting requirements, the Commission required transmission providers to aggregate and summarize in an EQR the data contained in the service agreements for reassigned capacity. The Commission directed that the quarterly report be submitted in the EQR so that it is readily accessible to the Commission and the public. The Commission also revised section 23 of the *pro forma* OATT to address reassignments of transmission capacity and added a *pro forma* service agreement for reassignments in a new Attachment A–1.

Requests for Rehearing and Clarification

411. Several petitioners request rehearing and clarification of the requirement that there must be a service agreement in place between the transmission provider and the assignee prior to the assignment commencing. Bonneville argues that requiring transmission providers to execute service agreements with assignees is too onerous and that it is unnecessary for the Commission to monitor more closely the secondary market for transmission capacity. Bonneville further argues that it would be virtually impossible to execute a service agreement for daily or hourly reassignments, harming the market for reassignments of short-term transmission. Bonneville also suggests that requiring a written contract for assignments may cause OASIS transactions between a reseller and assignee to be non-binding and force the transmission provider to maintain two systems for transactions, one electronic and one for paper transactions.

412. Bonneville also contends that if an assignee fails to return an executed service agreement under the Commission's new rules, transmission service could not commence even though the reseller and assignee concluded an assignment on OASIS. Bonneville claims that, under the Commission's OASIS standards, the transmission provider has no ability to invalidate, refuse, decline, retract or annul an assignment on OASIS and, therefore, no ability to recall the assigned capacity from the assignee and return it to the reseller. Bonneville states that OASIS would show the reservation in the name of the assignee and the assignee would be able to schedule transmission without a service agreement, effectively nullifying the requirement.

413. Joined by EEI, Bonneville suggests that the Commission clarify that the requirement to execute a service agreement with the assignee is satisfied by a previously executed umbrella agreement between the transmission provider and the assignee and that the execution of a service agreement covering a particular assignment is not required. EEI contends that this would be consistent with the current requirement for customers taking short-term firm and non-firm service under the *pro forma* OATT. EEI requests clarification that, regardless of whether the assignee has executed a service agreement with the transmission provider, the same OASIS posting requirements would apply to reassignments as apply to any reservation of transmission service. EEI argues that an assignee should be required to inform the transmission provider through an OASIS posting of the terms and conditions of the assignment so that the transmission provider and other customers are informed of the existence of a reservation for transmission capacity.

414. Constellation argues that there is no basis in the record for the Commission to adopt formal assignment procedures for short-term reassignments. Constellation asks that the Commission grant rehearing to allow short-term and temporary assignments of transmission capacity to occur without a formal reassignment of the transmission service agreement. Constellation suggests that the Commission consider other means of separating the filing requirements for capacity reassignment from those for market-based rates tariffs, such as by establishing standardized tariff terms in its regulations and authorizing entities, upon notice to the Commission, to adopt those regulations as their filed tariff for reassignments.

415. Several petitioners object to the billing mechanism adopted for capacity reassignments. Bonneville argues that transmission providers should be allowed to continue billing the reseller for the assigned capacity. Bonneville contends that requiring transmission providers to bill at the negotiated rate will insert the transmission provider into the financial arrangements of the reseller and the assignee, obligating the transmission provider to monitor the parties' business arrangements and adjust its own operations to compensate. Bonneville also contends that transmission providers are not set up to charge assignees rates that are different from the normal transmission rate. If a robust assignment market develops, Bonneville states that transmission providers could have to charge dozens of different rates varying from day to day or even hour to hour. Bonneville suggests that both the reseller and assignee would likely be purchasing other transmission in addition to the assigned capacity, requiring the transmission provider to charge at least two different rates to the same customer. Bonneville contends that significant changes will have to be made to all transmission providers' billing systems at substantial cost to the industry to accommodate the Commission's reform of the rules governing capacity reassignment.

416. EEI and Southern suggest that transmission providers be required to charge the assignee at the same rate that

the reseller originally agreed to pay and allow the reseller and assignee to arrange for any difference between the original price and the negotiated reassignment price. Southern argues that requiring the transmission provider to act as settlement agent unnecessarily complicates and duplicates the transmission provider's burdens and responsibilities, noting the Commission declined to impose such an obligation when third party generators provide planning redispatch.[159] EEI argues that the service agreement with the reseller terminates when the assignee executes a new service agreement and, as a result, the transmission provider has no contractual basis to collect revenues from the reseller if the reseller has resold its capacity at a price lower than the price it agreed to pay the transmission provider.[160] Joined by Washington IOUs, EEI suggests that requiring the transmission provider to charge the assignee at a rate different from the price stated in its OATT would violate either the discount rule or the ceiling price. If the Commission declines to change its billing rules on rehearing, EEI requests that Schedules 7 and 8 of the *pro forma* OATT be amended to provide that ceiling prices and discounting rules do not apply in the context of reassigned transmission capacity.

417. EEI contends that the Commission's concerns with respect to the reporting of the price of reassigned capacity can be addressed without requiring the transmission provider to become involved in the payment stream related to the reassignment. EEI argues that all jurisdictional resellers of transmission report those transactions in their EQRs. If the Commission wants all capacity reassignments on a system to be in a single report, EEI argues it can require the assignee to inform the transmission provider of the price and other terms of service and the transmission provider can include this information in its EQR.

418. Washington IOUs distinguish between long-term and short-term reassignments, arguing that different rules should be adopted for each type of transaction. For long-term reassignments, Washington IOUs argue that transmission providers should only be required to take on a bilateral relationship with an assignee where all rates, terms and conditions of the assignment are the same as the original rates, terms and conditions of the purchase of primary capacity. Otherwise, they contend the transmission provider may be unable to recover the rate owed to it in the event of a dispute between the reseller and assignee. For short-term reassignments, they argue the transmission provider should continue to bill the reseller for the assigned capacity scheduling rights, with the assignee paying the reseller directly. Washington IOUs contend that NAESB distinguishes between long-term and short-term reassignment transactions, which they argue is appropriate to ensure transmission providers are not unduly burdened by being forced to act as a middleman between resellers and assignees.

419. TranServ contends that the NAESB standards distinguish between resales of scheduling rights and transfers of all obligations, including financial responsibilities. TranServ states that, under the NAESB standards, a resale does not alter the financial obligation for the capacity reassigned, which remains with the reseller. TranServ argues that the billing mechanism adopted in Order No. 890 inappropriately shifts this financial obligation to the assignee, unduly burdening the transmission provider with the responsibility to manage settlement of the reassignment.

420. EEI asks the Commission to refer to NAESB the issue of whether any modifications to the OASIS protocols are required to implement the modifications to transmission reassignments required in Order No. 890. EEI requests that NAESB be directed to report to the Commission on whether modifications are required to implement transmission reassignments being posted before-the-fact rather than after-the-fact and if so, NAESB's estimated timeline for development of such modifications.

421. Several petitioners complain about the cost to the transmission provider of providing the accounting and billing for capacity reassignments. EEI and Washington IOUs contend that the Commission's billing rules require the transmission provider to subsidize the administrative costs of the reassignment by collecting and distributing payments on behalf of the reseller and assignee. Washington IOUs argue that the transmission provider's limited resources would be better used in areas more central to the transmission provider's core responsibilities. MidAmerican asks that the Commission expressly limit the ability of assignees to further assign capacity, arguing that the administrative tracking and posting of additional reassignments would be costly. To the extent the Commission requires transmission providers to continue to credit and charge revenues from reassignments of capacity, E.ON U.S. and TranServ ask the Commission to clarify that transmission providers should be compensated for the accounting services they provide to act as billing agents for reassignments of capacity. Unless a compensation mechanism is spelled out in the *pro forma* OATT, these petitioners argue that the financial obligations between the reseller and assignee should remain with those parties.

Commission Determination

422. The Commission affirms the decision in Order No. 890 to require assignees to execute a service agreement with the transmission provider governing reassignments of transmission capacity prior to scheduling use of that capacity. We provide clarification of this requirement, however, in response to the concerns raised by petitioners. In Order No. 890, the Commission required that all reassignments be accomplished by the assignee executing a service agreement with the transmission provider that will govern the provision of reassigned service.[161] The Commission did not intend to impose contracting obligations that are more onerous than the acquisition of primary transmission capacity, which may be accomplished through execution of a service agreement followed by scheduling on OASIS. We clarify that it is equally sufficient for an assignee to execute a service agreement governing its reassignments of capacity generally and to complete a particular assignment through the OASIS. However, as with reservations of primary transmission capacity, there remains a threshold requirement to execute a service agreement with the transmission provider in order to commit the assignee to abide by the terms and conditions of the transmission provider's OATT governing the reassignment of transmission service.

423. It would not be appropriate to relieve assignees of the obligation to execute a service agreement with the transmission provider since such agreements establish the necessary contractual relationship between the assignee and the transmission provider. As we explain above, sales of reassigned capacity now take place under the transmission provider's OATT and, thus, there must be a contractual relationship between these parties. This does not mean, however, that all of the

[159] *Citing* Order No. 890 at P 1160.

[160] *Citing id.* at P 816, n.496.

[161] *See id.* at P 816. The Commission adopted corresponding revisions to section 23.1 of the *pro forma* OATT requiring the execution of a service agreement prior to the date on which the reassigned service commences that will govern the provision of reassigned service.

terms and conditions of a particular assignment must be stated in the service agreement. Like short-term firm and non-firm reservations of primary capacity, the transmission provider and assignee may rely on OASIS to provide information regarding the reseller, quantity, and price associated with a particular reassignment of service. This information would then become part of the binding agreement between the transmission provider and assignee governing the assignment,[162] just as confirmation of short-term firm and non-firm transactions on OASIS constitute binding contractual commitments. Because execution of a service agreement with the transmission provider governing reassignments of capacity is a threshold requirement for an assignee wishing to accomplish a particular reassignment on OASIS, Bonneville's concern regarding the failure of an assignee to return its service agreement is misplaced. The assignee in that instance would have no right to schedule a reassignment on OASIS since it has not first executed the appropriate service agreement with the transmission provider.

424. Some of the confusion regarding these contracting requirements may have been caused by the Commission's reference in section 23.1 of the revised *pro forma* OATT to a service agreement ''that will govern the provision of reassigned service,'' which could be interpreted to refer to transaction-by-transaction service agreements for reassignments. Inclusion of the words ''Long-Term Firm'' in both the title of the form of service agreement and the attached specifications in the new Attachment A–1 to the *pro forma* OATT adopted in Order No. 890 may have added to the confusion by potentially implying that use of the service agreement is limited to long-term firm point-to-point transactions instead of also applying to short-term firm point-to-point and non-firm point-to-point reassignments, as intended by the Commission.[163] We revise section 23.1 of the *pro forma* OATT and the title of Attachment A–1 to make clear that use of the form of service agreement for reassigned capacity, and associated posting of schedules and transaction information on OASIS, should be similar to the use of such agreements for primary capacity.[164]

425. The execution of a service agreement by the assignee does not itself terminate the reseller's service agreement, as EEI argues. The reseller's service agreement remains in place, granting the reseller scheduling rights for the reserved capacity and obligating the reseller to pay for that reservation. During the term of the assignment, the reseller will continue to be billed under its agreement with the transmission provider. The assignment of service simply transfers to the assignee some or all of the reseller's scheduling rights for the period of the reassignment and, in return, obligates the assignee to pay the transmission provider the negotiated rate. In order to prevent over-recovery by the transmission provider, the transmission provider must therefore credit the reseller the reassignment rate, which leaves the reseller with the net difference between the resale rate and the reseller's original rate.[165] If the assignee defaults and fails to pay for the reassigned capacity, the transmission provider should reverse the credit to the reseller to reflect the lack of payment by the assignee.[166]

426. We disagree that these billing requirements are unduly burdensome. While it is true that the transmission provider may be required to bill at different rates, that is already the case under the *pro forma* OATT. Transmission providers are permitted to offer discounts from the rates stated in their OATT, provided they offer such discounts to all eligible customers. Offering discounts thus creates different rates for different customers depending on when they negotiate service. The transmission provider therefore should already have mechanisms in place to bill customers based on rates other than those stated in its OATT. In any event, the need to bill assignees directly for reassignments is inextricably linked to the decision to require that all reassignment transactions take place pursuant to the rate on file in the transmission provider's OATT, rather than bilateral agreements between customers.[167] We therefore do not intend for the discount rule or the price ceilings otherwise stated in the transmission provider's OATT to apply to reassignments of capacity. We have revised schedules 7 and 8 of the *pro forma* OATT accordingly.

427. We clarify that, to the extent necessary, the costs incurred by the transmission provider to account and bill for reassignments of transmission capacity should be included in the transmission provider's cost of service, just like accounting and billing costs for any other service under the transmission provider's OATT. We decline MidAmerican's request to prohibit further assignments of reassigned capacity. Order No. 888 allowed for multiple reassignments under the *pro forma* OATT and MidAmerican does not justify departing from this practice. Just as the original transmission customer may find that it has excess capacity it can reassign, so may an assignee. Denying the assignee's right to further assign its scheduling rights would inhibit customers who value the capacity most from accessing it and thereby contradict the Commission goal of creating a competitive secondary market for transmission capacity.

428. With regard to OASIS modifications necessary to allow for the reassignment of transmission capacity, the Commission in Order No. 890 already directed transmission providers working through NAESB to develop appropriate OASIS functionality to allow for reassignment-related postings.[168] We understand that this work is on-going and expect any necessary modifications to NAESB's business practices that are necessary to reflect our rulings in this order will be adopted prior to the submission of those standards for Commission review. In the interim, transmission providers should identify in their business practices any

[162] The EQR for reassignments of transmission capacity must contain all relevant transaction data, whether stated in the service agreement or related OASIS schedule.

[163] *See pro forma* OATT Attachment A–1, Form of Service Agreement for the Resale, Reassignment or Transfer of Long-Term Firm Point-to-Point Transmission Service.

[164] As with the form of service agreement for firm point-to-point transmission service, we retain the specifications attachment for the form of service agreement governing reassignments. We understand that long-term agreements for reservations of primary capacity rely on the specifications attachment, so we would expect similar practices to be used regarding long-term reassignments of transmission capacity. As with any transaction, however, actual uses of primary and secondary capacity should be scheduled on OASIS consistent with applicable business procedures.

[165] If the reseller and assignee agree to a full transfer of the reseller's rights and obligations, the reseller would only make payments to the extent the transfer is executed at a lower rate than the rate agreed to between the reseller and transmission provider, to ensure that the transmission provider receives the full contract price agreed to by the reseller. If the full transfer is executed at a rate in excess of the reseller's contract with the transmission provider, the transmission provider must credit the reseller with the additional revenue as a result of the transfer.

[166] The transmission provider may take action against the assignee as it would any other default under the *pro forma* OATT. We recognize that, in this instance, the transmission provider may have little incentive to pursue collection since it will recover its original contract rate from the reseller, but it could transfer to the reseller its legal rights to enforce the assignee's payment obligations.

[167] It is therefore irrelevant that payments for third-party planning redispatch are settled bilaterally, since the underlying planning redispatch service is not provided under the transmission provider's OATT.

[168] *See* Order No. 890 at P 815.

procedures necessary to accomplish the reassignment of capacity by their customers.

d. Market-Based Rate Tariffs

429. Because purchasers of transmission capacity in the secondary market will execute a service agreement directly with the transmission provider, the Commission stated in Order No. 890 that there will no longer be a need for the assigning party to have on file with the Commission a rate schedule governing reassignment capacity. The Commission explained that the transmission provider's OATT will govern the reassigned service.

Request for Rehearing and Clarification

430. EPSA and Powerex question how sellers with market-based rates are to proceed regarding the removal of the price cap stated in their market-based rates tariffs. In order not to violate their market-based rate tariffs, these petitioners contend that sellers may be obligated to file revisions of their tariffs and receive an order approving those revisions prior to reselling transmission above the cap. Powerex also suggests that existing market-based rate tariffs require a seller of transmission capacity to continue reporting in its quarterly reports the name of an assignee. Powerex and EPSA request that the Commission deem void, as of the effective date of Order No. 890, the provisions in each individual seller's market-based rate tariffs that impose a cap on resale prices and reporting obligations. Petitioners suggest that these resellers be permitted to update their market-based rate tariffs at such time as the tariff is amended or with their next triennial update.

Commission Determination

431. In Order No. 890, the Commission explained that reassignments of transmission capacity will now be governed by the transmission provider's OATT.[169] Each assignee must execute a service agreement directly with the transmission provider, which we clarify above may be an umbrella service agreement governing multiple reassignment transactions scheduled on OASIS. As a result, the sale of reassigned capacity is made by the transmission provider pursuant to the terms and conditions of its OATT, not by the reseller under its market-based rate tariff. Although the reseller may negotiate the relevant price with the assignee, the reassignment itself is governed by the transmission provider's OATT. The reseller's market-based rate tariff is no longer relevant or controlling. The Commission therefore explained in Order No. 890 that the reseller does not need to have on file with the Commission a rate schedule governing reassigned capacity.

432. In Order No. 697, the Commission affirmed this approach, explaining that it is no longer appropriate to include in the market-based rate tariff transmission-related services.[170] The Commission stated that reassignments of capacity are, instead, provided for in the revised *pro forma* OATT and that capacity holders seeking to reassign transmission capacity should adhere to the provisions of Order No. 890. Because these reassignment-related provisions of the market-based rate tariff were no longer needed, the Commission directed sellers to revise their market-based rate tariffs to remove the provisions at the time they otherwise revise their tariffs to conform them to the standard provisions adopted in Order No. 697.[171]

433. To the extent confusion remains as to the relationship between the market-based tariff and the transmission provider's OATT, we reiterate that, as of the effective date of the reforms adopted in Order No. 890, all reassignments of capacity must take place under the terms and conditions of the transmission provider's OATT. To the extent a reseller has a market-based tariff on file, the provisions of that tariff, including a price cap or reporting obligations, will not apply to the reassignment since such transactions no longer take place pursuant to the authorization of that tariff. As the Commission directed in Order No. 697, sellers should amend their market-based rate tariff to remove provisions regarding the reassignment of capacity when they otherwise revise their tariffs to conform them to the standard provisions adopted in Order No. 697.

4. ''Operational'' Penalties

a. Unreserved Use Penalties

(1) Unreserved Use of Transmission Service and Inappropriate Use of Network Service

434. In order to eliminate a potential source of discretion in the implementation of the *pro forma* OATT and to enhance the Commission's enforcement of OATT obligations, the Commission clarified, in Order No. 890, the application of unreserved use penalties. The Commission determined that a transmission customer would be subject to unreserved use penalties in any circumstance where the transmission customer uses a transmission service that it has not reserved. Specifically, a transmission customer will be subject to an unreserved use penalty in circumstances where a transmission customer has a transmission reservation, but uses transmission service in excess of its reserved capacity. A transmission customer also will be subject to an unreserved use penalty if the transmission customer uses transmission service without the appropriate transmission reservation.

435. The Commission declined to exempt any class of customers from the potential assessment of unreserved use penalties, including LSEs serving native load in multiple control areas, and noted that the transmission provider itself is subject to the same penalties when it takes transmission service under its OATT. The Commission stated that a network customer or transmission provider that inappropriately uses network transmission service to support off-system sales may be required to disgorge unjust profits from such sales, as the Commission may determine on a case-by-case basis. The Commission stated that it would evaluate the appropriateness of civil penalties in addition to unreserved use penalties on a case-by-case basis. The Commission concluded that it is appropriate to subject both a network customer and transmission provider inappropriately using network transmission service to unreserved use penalties because such action potentially uses or acquires, without an appropriate reservation, transmission service that could be allocated to other customers. The Commission modified the language of section 30.4 of the *pro forma* OATT to clarify that network customers are subject to unreserved use penalties when they schedule delivery of off-system non-designated purchases using transmission capacity reserved for designated network resources.

436. The Commission clarified that a network customer may use the undesignated portion of a remote network resource to serve network load using secondary network service and may use the undesignated portion of the resource for other non-network service purposes, such as third-party sales, as long as the network customer acquires the appropriate point-to-point service. The Commission also noted that, because the transmission provider does not have to ''take service'' under its OATT for the transmission of power

[169] *See id.* at P 816, n.496.

[170] *See Market-Based Rates For Wholesale Sales Of Electric Energy, Capacity and Ancillary Services By Public Utilities,* Order No. 697, 72 *FR* 39,904 (July 20, 2007), FERC Stats. & Regs. ¶ 31,252 (2007).

[171] *Id.* at P 920.

that is purchased on behalf of bundled retail customers, it is free to use the undesignated portion of a remote network resource to serve its bundled retail customers. The Commission affirmed that, if the transmission provider desires to use a remote network resource for non-native load purposes, such as third-party sales, it must acquire the appropriate point-to-point service.

437. In order to ensure that the transmission provider has a basis for charging an unreserved use penalty, the Commission modified section 13.4 of the *pro forma* OATT to provide that a customer that takes unreserved point-to-point transmission service and does not have a service agreement with the transmission provider is deemed to have executed the transmission provider's form of service agreement for point-to-point service. The Commission also clarified that a customer that uses more transmission service than it has reserved is also subject to charges for ancillary services based on the period of unreserved use. The Commission modified section 3 of the *pro forma* OATT to reflect that rule.

Requests for Rehearing and Clarification

438. AWEA seeks clarification of the Commission's statement that intermittent resources could avoid unreserved use penalties by reserving sufficient transmission capacity to deliver the resource's full output. AWEA asks that the Commission confirm that it did not intend to require resources to always reserve point-to-point transmission service based on the maximum potential output in order to avoid unreserved use penalties. AWEA contends that such a practice would be cost prohibitive for a wind generator, which often operates at less than full output, and could require multiple transmission reservations, up to full nameplate capacity, on multiple transmission paths for generators that market their output at multiple trading points from day to day. AWEA contends that determining whether a positive imbalance event results in an unauthorized use of transmission depends on whether the transmission provider is contractually obligated to deliver a resource's actual or full output, or only a fixed amount of power, and, to the extent the positive generation imbalance is physically delivered from point A to point B, whether such delivery is covered by a transmission service reservation.

439. If the Commission does not grant the requested clarification, AWEA requests rehearing to the extent Order No. 890 authorizes transmission providers to impose unreserved use penalties for every instance of positive generator imbalance. AWEA argues such a requirement would be inconsistent with the Commission's refusal to delineate the specific circumstances that constitute unreserved use of the transmission system. AWEA further argues that applying unreserved use penalties in every instance of positive generation imbalance would subject generators to duplicative charges for an imbalance and would render uneconomic substantial numbers of wind power transactions. AWEA argues such a policy would be unjust, unreasonable and unduly discriminatory against wind power generators that have no ability to control the actual output of their facilities.

440. TDU Systems argue that it is unjust and unreasonable for the Commission to subject LSEs to penalties for inadvertent uses of network service when managing loads and resources across a neighboring control area. TDU Systems contend that serving native load in multiple control areas requires managing resources across those boundaries and the flexibility to respond to changes in service requirements on a timely basis in a cost-efficient manner comparable to the way in which transmission providers use network service to manage their retail native load service obligations. In their view, inadvertent takes of transmission service in excess of reservations occur for reasons beyond the control of the LSE and, therefore, assessing unreserved use penalties is inappropriate. TDU Systems also object to the Commission's statement that it would not, as a general policy, exempt an LSE's unreserved use from potential civil penalties. TDU Systems argue that the imposition of civil penalties on LSEs that inadvertently violate the prohibition on unauthorized use would be unjust and unreasonable on its face. TDU Systems suggest that payment for the increment of service actually used but not reserved makes the transmission provider whole without visiting further penalties on behavior that is by definition unintentional.

441. TDU Systems argue that inadvertent takes of transmission service in excess of reservations by an LSE serving native load in multiple control areas should be treated as an energy imbalance in the control area in which the energy imbalance occurs, rather than as an unauthorized use of point-to-point service. TDU Systems object to the Commission's characterization of energy imbalance charges as compensation to the transmission provider for the additional expense it incurs to compensate for a transmission customer's failure to schedule sufficient energy to serve its load, arguing that imbalance charges contain a penal, above-cost component that make the transmission provider more than whole. In their view, the more onerous unreserved use charges should be reserved for intentional over-scheduling of transmission reservations.

442. In order to prevent inadvertent uses from occurring in the first place, TDU Systems contend that transmission providers should be required, as a condition of being able to impose penalties, to use software designed to identify unreserved uses. TDU Systems suggest that such software could disallow tags for service that exceeds reserved levels. They argue that the Commission missed the point by rejecting this suggestion in Order No. 890 based on the expectation that the reforms adopted would reduce the level of unreserved use penalties for instances of inadvertent uses. TDU Systems contend that the Commission's stated objective of discouraging disorderly use of the transmission system would be better achieved by requiring the use of software designed to identify inadvertent uses, rather than the assessment of steep unreserved use penalties.

443. TDU Systems further argue that prior Commission approval of penalties should have been required, arguing that due process requires nothing less than Commission notice, review, and approval, as well as an opportunity for a hearing, before application of any unreserved use penalty. TDU Systems argue that the burden should be on the transmission provider to justify any requested penalties, rather than on the transmission customer to disprove the reasonableness of a penalty through the complaint process.

444. TAPS requests clarification of the Commission's statement that the transmission provider is free to use the undesignated portion of a remote network resource to serve its bundled retail customers since it does not have to ''take service'' under its OATT for the transmission of power that is purchased on behalf of bundled retail customers. TAPS contends that, although a transmission provider is not required to take network service to meet the needs of its bundled retail loads, it does have to abide by all of the requirements of designating network resources for such purpose [172] and that the non-tariff

[172] *Citing pro forma* OATT section 28.2; *Wisconsin Public Power Inc. SYSTEM* v. *Wisconsin Public Svc. Corp.*, 84 FERC ¶ 61,120 (1998).

service the transmission provider uses for itself must be comparable to the network service provided to its transmission customers.[173] TAPS argues that the transmission provider's own use of non-designated resources (or portions of resources) to meet bundled retail therefore must be on a non-firm basis supported by secondary network service, as is the case for network customers.[174] TAPS requests rehearing to the extent the Commission intended to allow transmission providers preferential use of the transmission system.

445. TAPS also requests clarification that the Commission's discussion of secondary network service was intended to address only what a network customer (or the transmission provider) can and cannot do with respect to the host transmission provider's system and does not place any limitations on the use of resources on the remote systems. TAPS asks that the Commission clarify that the host transmission provider cannot impose a penalty for scheduling delivery of designated or undesignated portions of a customer's remote resources when such delivery does not utilize the host transmission provider's transmission system.

446. Washington IOUs contend that established rules in place since Order No. 888 have allowed network customers to use a firm transmission path reserved for a designated network resource for any power (including economy purchases) as long as the use did not exceed the amount of the firm network reservation. Washington IOUs argue that the Commission reversed this long-standing policy by prohibiting the use of a reserved firm path for network capacity to deliver power from a non-designated resource, which, in turn, improperly and unreasonably devalued network service in comparison to point-to-point service. Washington IOUs contend that whether the megawatts using the reserved transmission capacity are coming from a designated network resource or a replacement power source is largely irrelevant because this distinction does not affect grid use and causes no harm to any other customer so long as the quantity does not exceed the amount of the reservation. Washington IOUs state that the Commission places no restrictions on the resource used to provide the megawatts flowing over a capacity reserved in a long-term firm point-to-point reservation and that it would degrade the quality of network service to impose such restrictions, and associated penalties, on network customers. In their view, providing penalties for such uses of the transmission system would provide a windfall to other transmission customers because the circumstances giving rise to these penalties cause no harm to other customers.

Commission Determination

447. The Commission declines to distinguish between intentional and unintentional unreserved transmission uses and reiterates that all unreserved uses will be subject to operational penalties. We conclude that maintaining penalties for any unreserved use of transmission service will create the right incentives for customers to take appropriate measures to minimize any unreserved use before it occurs, whether intentional or not. As the Commission noted in Order No. 890, any unreserved use of transmission service can harm reliability and disrupt the allocation of transmission rights.[175] It is therefore appropriate to maintain penalties for both intentional and unintentional unreserved uses. The Commission was sensitive, however, to the concerns of commenters, determining in Order No. 890 that penalties should be based on the period of unreserved use rather than the period for which service is reserved, which could be much longer. This penalty structure more closely approximates the penalty charge with the impact on the transmission system while maintaining the correct incentive for transmission customers to take the necessary steps to ensure that they reserve appropriate service.

448. The Commission continues to believe that it would not be appropriate to exempt any class of customers from unreserved use penalties. While we appreciate that intermittent resources have limited ability to precisely forecast or control generation levels, they are able to reserve sufficient transmission capacity to deliver their full output in the event it is produced, thereby mitigating potential unreserved use penalties. In this regard, intermittent resources are no different than any other generator and, thus, application of unreserved use penalties is not discriminatory. Exempting these or any other type of resource from unreserved use penalties would diminish incentives to reserve adequate transmission to deliver the resource's output, potentially creating reliability problems for the transmission provider and discriminating in favor of the resource in the allocation of transmission rights.

449. The Commission also disagrees that imposing unreserved use penalties on generators for inadvertent positive generation imbalances is duplicative of imbalance charges that may be assessed. As the Commission explained in Order No. 890, imbalance charges and unreserved use penalties serve different purposes.[176] Imbalance charges result from a transmission customer's failure to schedule adequate capacity for energy deliveries, whereas unreserved use penalties result from a transmission customer's failure to reserve adequate capacity for energy deliveries. Even though a transmission customer may be assessed charges for both an imbalance and an unreserved use in a particular scenario, that is appropriate because the transmission customer has delivered energy in excess of what it reserved *and* scheduled. In that instance, application of an imbalance charge in addition to an unreserved use penalty recognizes that the transmission customer both failed to reserve adequate transmission as well as failed to properly schedule its energy deliveries.

450. We acknowledge, as TDU Systems argue, that imbalance charges contain a penalty, above-cost component, but disagree that this alone justifies relieving a customer of an unreserved use penalty. As a threshold matter, we note that revenues from imbalance charges or unreserved use penalties in excess of the transmission provider's costs or relevant transmission rate are distributed to transmission customers, not retained by the transmission provider. More to the point, however, imbalance charges and unreserved use penalties are associated with different actions and, as such, are designed to compensate the transmission provider for different things, while also providing appropriate incentives to transmission customers. We continue to believe that both imbalance charges and unreserved use penalties should apply to the extent the customer's reservation and schedule are insufficient.

451. We also acknowledge that, in certain circumstances, inadvertent unreserved uses by an LSE serving load in multiple control areas may be beyond the LSE's control at the moment they occur. This does not mean, however, that penalties should not apply to such unreserved uses. Like any customer, the LSE is able to protect itself against unreserved use penalties by reserving sufficient capacity. We also reject the argument that civil penalties would be unjust and unreasonable on their face if applied to inadvertent unreserved uses

[173] *Citing pro forma* OATT section 28.3.

[174] *Citing In re SCANA Corp.*, 118 FERC ¶ 61,028 (2007); *Idaho Power Co.*, 103 FERC ¶ 61,182 (2003).

[175] *See* Order No. 890 at P 838.

[176] *See id.* at P 837.

by an LSE. As with any civil penalties, the Commission will consider the facts and circumstances before it when determining whether to impose a civil penalty for unreserved use of transmission service.

452. As the Commission explained in Order No. 890, we will not require transmission providers to use software designed to identify unreserved uses as a condition of being able to impose operational penalties.[177] It is the obligation of the transmission customer, not the transmission provider, to ensure that the customer has reserved the transmission service that it uses. Moreover, we do not have sufficient evidence before us now to decide that, as a general matter, development and implementation of such software would be more appropriate than assessing penalties for inadvertent unreserved uses, which we note were significantly reduced by the reforms adopted in Order No. 890. For the same reasons expressed in Order No. 890, we reject TDU Systems' argument that Commission approval is required prior to assessing an unreserved use penalty.[178]

453. With regard to TAPS' concern about the transmission provider's use of the system to serve native load, Order No. 890 did not disturb the requirement from Order No. 888 that transmission providers serving native load must designate network resources and load. Although transmission providers are not required to take service under their OATT in such circumstances, we reiterate that, to the extent a transmission provider takes power from a non-designated network resource to serve bundled retail load, such power must be on a non-firm basis comparable to secondary network service.[179] To the extent necessary, the Commission clarifies that Order No. 890 was not intended to grant transmission providers greater flexibility than other network customers when using undesignated network resources or undesignated portions of designated network resources to serve bundled retail load.

454. We also clarify, as TAPS requests, that the Commission's discussion of secondary network service in Order No. 890 was intended to address only what a network customer (or the transmission provider) can and cannot do with respect to the host transmission provider's system.[180] The host transmission provider cannot impose a penalty for scheduling delivery of designated or undesignated portions of a customer's remote resources when such delivery does not utilize the host transmission provider's transmission system. Unreserved uses of the host transmission provider's system can, however, be charged an unreserved use penalty, and section 13.4 of the *pro forma* OATT provides that the customer using the unreserved service shall be deemed to have executed a service agreement with the host transmission provider to govern that service. To the extent necessary, we clarify that all unreserved uses of the host transmission provider's system are to be considered uses of firm point-to-point transmission service, even if the customer is taking network service or non-firm point-to-point service for the reserved portion of its service.

455. We disagree with Washington IOUs that a network customer's use of firm transmission capacity reserved for a designated network resource to deliver power from a non-designated resource causes no harm to other customers. The Commission has long required network customers to use secondary network service to deliver energy from non-designated resources to serve network load.[181] To allow network customers to use the firm transmission capacity reserved for designated network resources in such circumstances would unduly preference the network customer over other potential users of that firm capacity. In such a case, the transmission customer could avoid potential curtailments because the purchased energy is scheduled with a higher curtailment priority under NERC guidelines than it would receive had the transmission customer used secondary network or non-firm point-to-point transmission service.[182] In addition, the transmission customer uses service that would have potentially been unavailable if it had requested service as required.

(2) Penalty Rate for Unreserved Use of Transmission Service

456. The Commission determined in Order No. 890 that it will continue giving transmission providers discretion in setting their unreserved use penalty rates to the extent they are consistent with that order. If a transmission provider elects to charge unreserved use penalties, the Commission explained that such penalty charges must be based on the period of unreserved use rather than the period for which service is reserved, subject to certain principles. First, the unreserved use penalty for a single hour of unreserved use will be based on the rate for daily firm point-to-point service, even if the transmission provider has a rate for hourly firm point-to-point service on file. Second, as a general rule, more than one assessment for a given duration (*e.g.*, daily) will increase the penalty period to the next longest duration (*e.g.*, weekly).

457. The Commission affirmed the requirement that a transmission provider wishing to charge unreserved use penalties must explicitly state the penalty rate in its OATT. The Commission also retained the current policy established in *Allegheny Power Sys., Inc.* that the unreserved use penalty rate may not be greater than twice the firm point-to-point rate for the period of unreserved use.[183] The Commission established a rebuttable presumption that unreserved use penalties no greater than twice the firm point-to-point rate for the penalty period are just and reasonable. The Commission further stated that transmission providers proposing an unreserved use penalty in excess of twice the relevant firm point-to-point rate for pervasive unreserved use could do so in a filing under section 205 of the FPA. Transmission providers proposing such a rate must establish that a higher penalty rate is required to combat pervasive unreserved use of transmission and why the standard rate that penalizes repeated unreserved use is not adequate to discourage repeated instances of unreserved use of transmission service.

Requests for Rehearing and Clarification

458. TDU Systems contend that a 200 percent penalty rate is excessive and unnecessary to the extent it is based on periods greater than the unreserved use period. TDU Systems argue that, if system integrity and reliability are the bases upon which the penalty policy is founded, then penalties for a single hour should be based on the rate for hourly transmission service, and so forth. TDU Systems state that that they generally agree that a transmission customer must face a penalty in excess of the firm point-to-point rate in order to have an incentive to reserve the appropriate amount of service, but contend that the Commission fails to justify charging 200 percent penalties on periods greater than the unreserved use period. In their view, a 200 percent penalty might be

[177] *See id.* at P 835.

[178] *See id.* at P 836.

[179] *See, e.g.*, Order No. 888 at 31,745.

[180] *See* Order No. 890 at P 839.

[181] *See pro forma* OATT section 28.4; Order No. 888 at 31,748.

[182] *See MidAmerican Energy Co.*, 112 FERC ¶ 61,346 (2005); *PacifiCorp*, 118 FERC ¶ 61,026 (2007).

[183] *Allegheny Power Sys., Inc.*, 80 FERC ¶ 61,143 at 61,545–46 (1997).

appropriate if based only on the period of unreserved use but is excessive and unnecessary when applied to periods greater than the unreserved use.

459. TDU Systems further contend that a 200 percent penalty is excessive in any event for an isolated inadvertent use. In their view, the Commission should limit any application of the 200 percent penalty charge to intentional or persistent, repeated unauthorized uses. TDU Systems claim that the Commission misconstrued this proposal in its comments on the NOPR. TDU Systems states that they do not argue that only repeated unreserved uses should be subject to a penalty. Rather, they argue that the 200 percent penalty in particular should apply only to intentional or persistent unauthorized uses.

460. E.ON U.S. maintains that the Commission failed to address whether, or how, a transmission provider may recover a penalty from customers whose unauthorized use of transmission service also includes unauthorized use of ancillary services. E.ON U.S. asks the Commission to clarify that ancillary service rates for unauthorized uses are subject to the same price cap (twice the applicable ancillary services rate for the period of unauthorized use) and pricing criteria that apply to the unauthorized transmission penalty rates. If not, E.ON U.S. contends that the charge for such unauthorized uses of ancillary services will not discourage unauthorized use of ancillary services.

Commission Determination

461. The Commission affirms the adoption of a rebuttable presumption that unreserved use penalties up to two times the transmission provider's applicable point-to-point service rate are just and reasonable. This penalty structure provides appropriate incentives to transmission customers to purchase the correct amount of transmission capacity, yet is not unduly harsh in light of changes to the definition of the penalty period. Prior to Order No. 890, transmission providers could assess unreserved use penalties based on the length of the transmission customer's reservation. The Commission reformed that practice in Order No. 890, significantly relaxing unreserved use penalties by requiring that they be based on the period of use.[184] The Commission balanced the penalty rate of 200 percent against that reform, and we continue to believe that the balance struck provides transmission customers a just and reasonable incentive to reserve the correct amount to transmission capacity.

462. It is therefore appropriate to apply the 200 percent penalty rate to all unreserved uses, whether inadvertent or intentional. As explained above, all unreserved uses have the potential to impair reliability and disrupt the allocation of transmission rights and, therefore, all should be subject to a penalty. Underlying TDU Systems' request for rehearing on this point is an apparent belief that persistent unauthorized uses should be subject to higher penalties to distinguish them from inadvertent uses. In response, we note that the penalty structure adopted in Order No. 890 already provides for increased penalties for persistent unreserved uses since more than one assessment for a given duration will increase the penalty period to the next longest duration. To the extent a transmission provider believes additional penalties are necessary to prevent pervasive unauthorized use, it may make a filing under FPA section 205 to propose such additional penalties.[185]

463. In response to E.ON U.S., the Commission clarifies that all charges for ancillary service costs associated with unreserved uses must be based on the actual costs of the ancillary service attributable to the unreserved use, *i.e.*, not subject to the 200 percent penalty rate. For example, a transmission customer with one hour of unreserved use may be charged for one hour of ancillary service costs associated with that use, even if the customer is charged twice the daily point-to-point rate for the underlying unreserved use. We believe the 200 percent penalty as applied to the firm point-to-point rate based on the period of unreserved use is an adequate incentive to accurately schedule without applying an additional penalty on the related ancillary service charge. If a transmission provider wishes to impose charges for ancillary services as a component of an unreserved use penalty, the transmission provider must expressly state so in its OATT.

b. Distribution of Operational Penalties

464. Consistent with its determination regarding the distribution of imbalance penalties, the Commission concluded in Order No. 890 that transmission providers must distribute all unreserved use and late study penalties they collect, whether from the transmission provider's merchant function or other transmission customers. The Commission required that unreserved use penalties be distributed to all non-offending transmission customers, whether or not affiliated with the transmission provider (including the transmission provider's native load) and required all late study penalties to be distributed to non-affiliates.

465. The Commission required the transmission provider to make an annual compliance filing and, in that filing, propose: (1) A mechanism to identify non-offending transmission customers; (2) a method to distribute the unreserved use penalty revenues it receives to the identified transmission customers; and (3) how it will distribute late study penalties to unaffiliated transmission customers. The Commission also required the transmission provider to make an annual filing that provides information regarding the penalty revenue the transmission provider has received and distributed.[186] The Commission declined to require the transmission provider to make an annual filing to propose a distribution method for unreserved use and late study penalties, concluding instead that the annual informational filing requirement was sufficient.

466. In order to make the transmission provider whole prior to distribution of unreserved use penalty revenues, the Commission allows the transmission provider to retain the base firm point-to-point transmission service charge and to distribute any revenue collected above the base firm point-to-point transmission service charge to all non-offending customers. The transmission provider is required to distribute the entire amount it pays under section 19.9 of the *pro forma* OATT for completing service request studies on an untimely basis. The Commission also prohibited

[184] *See* Order No. 890 at P 846. The Commission explained that penalty charges must be based on the period of unreserved use, subject to certain principles. First, the unreserved use penalty for a single hour of unreserved use will be based on the rate for daily firm point-to-point service, even if the transmission provider has a rate for hourly firm point-to-point transmission service on file. Second, as a general rule, more than one assessment for a given duration (*e.g.*, daily) will increase the penalty period to the next longest duration (*e.g.*, weekly). For example, a customer having two unreserved daily uses within a week could be charged an unreserved use penalty equal to the weekly firm point-to-point rate plus a penalty component up to 100 percent of that weekly firm point-to-point rate, for a total unreserved use penalty charge up to 200 percent of the point-to-point weekly rate.

[185] *See id.* at P 849.

[186] The annual informational filing must provide: (1) A summary of penalty revenue credits by transmission customer; (2) total penalty revenues collected from affiliates; (3) total penalty revenues collected from non-affiliates; (4) a description of the costs incurred as a result of the offending behavior; and (5) a summary of the portion of the unreserved penalty revenue retained by the transmission provider. *See* Order No. 890 at P 864.

transmission providers from recovering for ratemaking purposes or through any service under the Commission's jurisdiction any amount it or an affiliate pays as an operational penalty.

Requests for Rehearing and Clarification

467. TDU Systems argue that any retention of revenues from the unreserved use penalty by affiliated, non-offending transmission customers will dilute the impact of the penalty by returning some of it to the corporate family. While unaffiliated transmission customers pay 100 percent of the penalty, TDU Systems contend that affiliated transmission customers would pay less than the full operational penalty since some of the costs will be returned to the corporate family. TDU Systems claim that this discount constitutes undue discrimination and is inconsistent with comparability.

468. Claiming that it would be time-consuming and burdensome for a transmission provider to refile, on an annual basis, its methodology for assessing and distributing operational penalties, Ameren and EEI ask the Commission to clarify that the distribution methodology is to be proposed in a one-time compliance filing. In their view, the annual informational filing is more appropriately limited to implementation of the distribution methodology, *i.e.*, the amount of penalties assessed, the amounts distributed to customers, and the amounts retained by the transmission provider. Ameren and EEI suggest that any changes to the distribution methodology proposed after acceptance of the one-time compliance filing be submitted in a separate filing under FPA section 205. EEI also asks the Commission to clarify whether the one-time compliance filing proposing the transmission provider's distribution methodology is to be submitted when the transmission provider makes the other tariff modifications to comply with Order No. 890 or at some other date.

469. MidAmerican seeks a number of clarifications regarding the requirement to propose a distribution methodology in a compliance filing. MidAmerican asks the Commission to clarify that the transmission provider must wait for a Commission order before commencing the implementation of its filed revenue distribution plan. MidAmerican also questions whether it would be acceptable for a transmission provider to use the full annual compliance period to identify the non-offending transmission customers or, if not acceptable, whether the billing month should be used. MidAmerican suggests that an ''offending transmission customer'' should be classified as such for the entire reporting period and not for a subset of the reporting period. Finally, MidAmerican contends that it should be acceptable to allocate the penalty revenues between non-offending network customers and point-to-point customers based on the total megawatt-hours that each of these customer groups scheduled during the compliance period. If the Commission disagrees, MidAmerican seeks clarification of how to allocate the penalty revenues between the two customer groups. With regard to the annual informational filing, MidAmerican asks the Commission to confirm that it is acceptable to submit the annual informational filing some months following the compliance filing. MidAmerican also suggests that both the compliance filing and the informational filing can be submitted any time during a calendar year for penalties that were imposed during the prior calendar year.

470. MidAmerican requests further clarification that penalty revenue distribution should be treated as credits toward a future billing cycle. MidAmerican also suggests that the Commission adopt a reasonable threshold below which penalty revenue distributions become disproportionately burdensome, such as any calendar year when the total penalties are less than $10,000. Below that threshold, MidAmerican suggests that the transmission provider should have the option to make the payment to the transmission provider's regional reliability organization, which it states would contribute to reducing payments for reliability that benefits all customers.

Commission Determination

471. As some petitioners note, the discussion of the process for distributing operational penalties in Order No. 890 is somewhat unclear. We grant rehearing to explain more precisely the process transmission providers must follow in filing their unreserved use penalty rates, operational penalty distribution methodologies, and annual compliance reports with the Commission.

472. First, if a transmission provider elects to impose unreserved use penalties, it must submit to the Commission a tariff filing under FPA section 205 stating the applicable unreserved use penalty rate. Second, each transmission provider also must submit a one-time compliance filing under FPA section 206 proposing the transmission provider's methodology for distributing revenues from late study penalties and, if applicable, unreserved use penalties. This one-time compliance filing can be submitted at any time prior to the first distribution of operational penalties. Transmission providers should request an effective date for this distribution mechanism as of the date of the filing and may begin implementing the methodology immediately, subject to refund if the Commission alters the distribution mechanism on review. The distribution mechanism, as accepted by the Commission, will remain effective until the transmission provider files changes to the proposed structure or the Commission directs any such changes on its own motion. Finally, each transmission provider must report on its penalty assessments and distributions in an annual compliance report to be submitted on or before the deadline for submitting FERC Form-1, as established by the Commission's Office of Enforcement each year. This annual compliance report should be filed under in the same docket as the docket in which the proposed one-time compliance filing is submitted.

473. Although we will continue to allow transmission providers to propose a mechanism through which they will identify who is a ''non-offending'' transmission customer for purposes of making unreserved use penalty distributions, this should not be based on the entire calendar year, as MidAmerican suggests. For instance, for purposes of calculating penalty revenue distributions, it would not be appropriate for transmission providers to lump together all customers who caused any degree of unreserved use over the course of a year into one group and then distribute the penalty revenues to the remaining customers. We believe that it is best to consider the remaining details of a transmission provider's distribution mechanism, including the particular period used to identify non-offending customers (*e.g.*, quarterly, monthly, *etc.*), on a case-by-case basis on review of the one-time compliance filing proposing the distribution mechanism.

474. The Commission rejects requests for rehearing of the determination to allow revenues for unreserved use penalties to be distributed to all non-offending customers, including affiliates. We acknowledge that this may result in the transmission provider receiving penalty revenues on behalf of its native load even when its affiliate has been identified as offending customers, or vice versa. We nevertheless believe it is a more equitable and administratively efficient method for all users of the transmission system that are subject to unreserved use penalties to be eligible to receive a

portion of associated revenues. If the Commission were to distinguish between affiliates and non-affiliates in this instance, it would follow that transmission customers that are affiliated among themselves, but not with the transmission provider, should also be excluded from distributions to the extent one of the customers is offending. Given the complicated ownership structures prevalent in the electric industry, in which one company may own a small percentage of several companies, determining whether certain transmission customers are affiliates would be a time-consuming exercise for the transmission provider.

475. As the Commission stated in Order No. 890, we will require all operational penalty revenues to be distributed, with no exception. In the case of unreserved use penalties, we require penalty revenues to be distributed to non-offending customers and, in the case of late study penalties, we require penalty revenues to be distributed to all non-affiliates of the transmission provider. We will therefore deny MidAmerican's request to allow certain thresholds below which transmission providers may distribute penalty amounts to third parties such as regional reliability organizations. Such a policy could decrease the financial incentive built into the current rule, which rewards non-offending customers with a portion of the distributed revenues for abiding by Commission policies. We recognize, however, that it could be administratively difficult for some transmission providers to distribute small amounts of penalty revenues and note that transmission providers have flexibility in developing their distribution methodologies to minimize administrative burdens, by establishing reasonable minimum thresholds to trigger a distribution, provided they do not unduly restrict the distribution of penalty amounts.

c. Applicability of Operational Penalties Proposal to RTOs and Other Independent or Non-Profit Entities

476. The Commission clarified in Order No. 890 that RTOs and independent transmission coordinators, like any other transmission provider, are bound by the requirement to distribute revenues they receive when they assess operational penalties. The Commission declined to exempt non-profit transmission providers from the requirement to distribute unreserved use penalties they pay to the extent they take service under their own tariffs. If a non-profit transmission provider incurs an operational penalty as a result of its activities as a transmission customer, it is required to distribute penalties to non-offending customers.

Requests for Rehearing and Clarification

477. Ameren asks the Commission to clarify that non-profit transmission providers, including RTOs, are not liable for any operational penalties. If a penalty is assessed on an RTO or non-profit transmission provider, Ameren contends they should not be allowed to flow through to their ratepayers the costs of such penalties, regardless of whether their affiliates engage in for-profit activities. Ameren contends that allowing for such recovery would be inconsistent with Commission policy.[187] With respect to RTOs in particular, Ameren contends that allowing RTOs to pass through penalties essentially punishes companies for participation in an RTO. To the extent a non-profit transmission provider is assessed an operational penalty at all, Ameren contends it should only be obligated to pay such penalty to the extent it can do so through any operations in which the transmission provider retains any proceeds above its costs, such as wholesale marketing operations of the transmission provider or its affiliates. If the Commission wishes to sanction an RTO, ISO, or independent system administrator, Ameren argues that it should consider different measures, such as reductions in management bonuses.

478. New York Transmission Owners agree that penalties must be structured so they do not flow through to other parties and similarly suggest that penalties be paid through items like variable pay or bonus programs. With respect to potential penalties paid by NYISO, New York Transmission Owners ask the Commission to require that they be paid out of compensation and incentive programs and that the Commission tailor such penalties to recognize NYISO's limited ability to pay them.

479. NYISO and the ISO/RTO Council, however, object to disallowance of cost recovery for operational penalties. They state that the Commission neither generically allowed nor disallowed pass-throughs of reliability-related penalty costs in Order No. 672 and, instead, adopted a case-by-case approach, inviting RTOs and ISOs to make filings under FPA section 205 to propose penalty cost recovery mechanisms. They argue that the Commission failed to identify any difference between reliability and operational penalties that would justify departing from the case-by-case approach adopted in Order No. 672.

480. The ISO/RTO Council argues that use of variable employee bonus funds to pay operational penalties would penalize employees for issues beyond their control and impair the ability to hire and retain qualified management. It contends the Commission would have no authority under FPA section 316A to impose penalties on particular employees for tariff violations of their employer utility. The ISO/RTO Council objects to potential personal liability as a violation of due process and an attempt to dictate the internal management decisions of a public utility.

481. NYISO contends that the prohibition on recovering penalty costs in rates is inconsistent with the Commission's Policy Statement on Enforcement,[188] which provides that the level of penalties should account for the effect on the financial viability of the company that committed the wrongdoing and reasonably reflect the seriousness of an offense. NYISO acknowledges that the Commission indicated it would consider financial impacts on RTOs and ISOs when deciding whether to assess penalties, but argues the Commission erred in assuming that non-profit RTOs and ISOs can somehow absorb penalty costs.

482. NYISO states that the premise underlying the Commission's decision in Order No. 890 that RTOs and ISOs have other sources of revenue that could absorb penalty costs is flatly incorrect. NYISO explains that it collects revenues for both transmission and non-transmission services (*i.e.*, market administration) through Rate Schedule 1 and that all revenues from sources other than Rate Schedule 1 (*e.g.*, interconnection studies, customer trainings, and interest earnings) are used to reduce Rate Schedule 1 charges. NYISO therefore contends that it has no excess funds available to pay penalties. NYISO states that it does interpret Order No. 890 to allow it to recover penalty costs through any rates and thus questions how a non-profit RTO and ISO could recover those costs. NYISO asks the Commission to grant rehearing and allow non-profit RTOs/ISOs to argue, on a case-by-case basis, for an opportunity to recover penalty costs or to explain why sanctions other than financial penalties should be imposed.

483. National Grid agrees that the Commission should consider the unique problems associated with the non-profit

[187] *Citing* Order No. 890 at P 865; *Cleco Corp.,* 104 FERC ¶ 61,125 at 61,441 (2003).

[188] *Enforcement of Statutes, Orders, Rules, and Regulations,* 113 FERC ¶ 61,068 (2005) (Policy Statement on Enforcement).

status of RTOs/ISOs in determining the type and treatment of penalties applicable to such entities. Absent extraordinary circumstances that warrant a monetary penalty for RTOs/ISOs, National Grid argues the Commission should use non-monetary penalties in the first instance to address violations by the RTO or ISO. To the extent that penalties are imposed, National Grid contends that the RTO or ISO should be authorized to pass the costs of such penalties to its customers and that these customers, in turn should be authorized to recover the costs of such penalties from their own customers.

Commission Determination

484. The Commission denies rehearing of the decision in Order No. 890 not to categorically exempt any class of transmission providers from the potential imposition of operational penalties. As we explain in section III.D.4.a., competing internal policies or staffing issues could lead an RTO or ISO to treat particular types of requests differently notwithstanding their organizational independence from market participants. By imposing late study penalties on RTOs and ISOs, the Commission has established financial incentives for those transmission providers to complete request studies in a timely manner or otherwise justify their inability to do so. RTOs and ISOs are like any other transmission provider in this regard. We will nonetheless take into consideration the relative ability of non-profit transmission providers to pay late study penalties on review of their notification filings, consistent with the Enforcement Policy Statement.[189]

485. We acknowledge, as NYISO points out, that non-profit transmission providers may not have sources of revenue from which they can absorb late study penalties other than revenues collected under a Commission-jurisdictional tariff. As we explain in section III.D.4.a., the intent of prohibiting transmission providers from automatically passing on to customers the costs of late study penalties was to preclude those transmission providers from designing their rates to accommodate a pass through of the penalties, *i.e.*, effectively including penalties in its cost of service. The 60-day due diligence standard is in place to protect customers and it would therefore be inappropriate to automatically recover from those customers penalties assessed for non-compliance. An RTO or ISO is permitted to use revenues previously collected under Commission-approved rates to pay late study penalties by reallocating funds as necessary to distribute late study penalty amounts. This does not mean, as the ISO/RTO Council implies, that the Commission is imposing personal liability on employees for penalties applied to an RTO or ISO. Each RTO and ISO has discretion to determine, as an organization, how to reallocate its funds.

486. We decline to state generically which particular sources of funds should be used to pay late study penalties, since that question would best be answered on a case-by-case basis. If the RTO or ISO is unable to identify any appropriate funds from which to pay a late study penalty, the Commission will consider case-specific cost-recovery proposals under FPA section 205, provided they do not allow for automatic pass-through of penalties applied to the RTO or ISO.

5. ''Higher of'' Pricing Policy

487. In Order No. 890, the Commission did not address proposals to change or clarify the ''higher of'' pricing policy and, instead, addressed only the narrow issue of whether changes to the *pro forma* OATT are necessary to ensure that, consistent with the ''higher of'' policy, incremental cost transmission rates are presented as monthly rates for service.[190] Rather than quoting incremental costs as monthly rates, the Commission noted that some transmission providers had been quoting incremental rates as lump sum payments, a practice that is inconsistent with our ratemaking policy. In Order No. 890, the Commission concluded that changes to the *pro forma* OATT are not needed to address this matter. The Commission explained that the transmission provider must continue to include a proposed monthly incremental rate with its offer of service whenever it proposes to charge the customer an incremental rate. The transmission provider must also provide cost support for the derivation of the rate consistent with the cost support that the transmission provider would provide to the Commission in a section 205 rate filing.

Requests for Rehearing and Clarification

488. EEI requests clarification that transmission providers may calculate the incremental costs of network upgrades so as to allow incremental rates to vary over the term of the contract to reflect changes in the transmission provider's cost of service. While recognizing that the Commission declined to grant this clarification in Order No. 890, EEI believes that this clarification will enhance compliance with the Commission's policies and is therefore within the scope of this proceeding.

489. Great Northern seeks rehearing of the Commission's decision not to require transmission providers to permit a customer to opt for a longer contract term (to obtain a longer amortization period and a lower rate) once the incremental cost of transmission upgrades has been determined. Great Northern argues that failure to grant this option will result in uncertainty and delay in the development of competitive generation resources. Great Northern claims that there is no record evidence that adopting its request would be problematic for any transmission provider, customer, or market participant. Great Northern contends that, if an increase in contract term would trigger a need for additional, or different, upgrades, it would be the responsibility of the transmission customer to pay for those upgrades over the term of the contract.

490. If the Commission does not allow general flexibility for transmission customers to adjust the term of their requested transmission service contract to provide a longer period for amortizing the costs of system upgrades once the incremental cost of expansion is disclosed by the transmission provider, Great Northern requests the Commission to allow contracts to be extended in the specific circumstances where pending transmission service requests were made for one year (or longer if necessary to pay for any required system upgrades) and the transmission provider is on notice of the potential need for a longer contract term. Great Northern states that it has made twenty-three transmission service requests on transmission provider systems which are currently being studied, and in each instance the request was made for a one year term or longer if necessary to pay for any required system upgrades.

[189] *See* Policy Statement on Enforcement at P 20 (indicating that assessment of penalties should take account of the financial viability of the offender).

[190] Order No. 890 at P 884. In Order No. 888, the Commission stated that system expansions should be priced at the higher of the embedded cost rate (including the expansion costs) or the incremental cost rate, consistent with the Transmission Pricing Policy Statement. *See Inquiry Concerning the Commission's Pricing Policy for Transmission Services Provided by Public Utilities Under the Federal Power Act,* Policy Statement, 59 FR 55031 at 55037 (Nov. 3, 1994), FERC Stats. & Regs. ¶ 31,005 at 31,146 (1994), *order on reconsideration,* 71 FERC ¶ 61,195 (1995) (Transmission Pricing Policy Statement).

Commission Determination

491. We continue to believe that the specific pricing proposal suggested by EEI is outside the scope of this proceeding, as the NOPR and Order No. 890 addressed only the narrow issue of whether changes to the *pro forma* OATT are necessary to ensure that incremental cost transmission rates are presented as monthly rates for service. As the Commission explained in Order No. 890, such issues are best addressed on a case-by-case basis in particular rate proceedings. We note, however, that the capital costs of upgrades, as estimated in a facilities study, and eventually specified in a service agreement through an incremental rate, are not subject to change once the customer has executed the service agreement. It would not be appropriate to vary capital costs over the term of such contracts.

492. Great Northern presents no new arguments or information on rehearing that cause us to revisit the decision not to require the transmission provider to permit the customer to opt for a longer contract term once the incremental cost of the upgrades has been determined. The Commission explained in Order No. 890 that the specific upgrades required to provide the requested transmission service may depend on the time period over which the service is provided. Allowing the customer to opt for a longer contract term may therefore trigger a need for additional, or different, upgrades. If this were to happen, there would be disruption of the study process and costs could increase.

493. Additionally, such changes could undermine the fundamental first-come, first-served aspect of long-term transmission service. Order No. 888 provided for long-term firm point-to-point transmission service on a first-come, first-served basis.[191] Lengthening the term of a contract once the incremental costs of upgrades is determined would be a material change to the original transmission service request, voiding the original request and creating a new request. Allowing a customer to lengthen its contract term as Great Northern suggests could allow the transmission customer to supersede another eligible customer's first-in-time claim to future transmission service in violation of Order No. 888. The fact that the transmission customer would be responsible for paying for any additional upgrades, or the possibility that development of competitive generation could be delayed, does not address the potential uncertainty and chaos that could arise from undermining the first-come, first-served foundation of long-term point-to-point transmission service. We therefore deny rehearing on this issue.

6. Other Ancillary Services

a. Demand Response

494. The Commission affirmed in Order No. 890 the existing *pro forma* OATT provision that transmission customers may purchase from third parties, or make alternative comparable arrangements for the provision of all ancillary services except for scheduling, system control and dispatch service, and reactive supply and voltage control service. Regarding the sale of other ancillary services, the Commission clarified that the sale of such services by load resources should be permitted where appropriate on a comparable basis to service provided by generation resources. The Commission modified Schedules 2, 3, 4, 5, 6, and 9 of the *pro forma* OATT to make clear that reactive supply and voltage control, regulation and frequency response, energy imbalance, spinning reserves, supplemental reserves and generator imbalance services, respectively, may be provided by non-generation resources such as demand resources where appropriate.

Requests for Rehearing and Clarification

495. E.ON U.S. asks the Commission to clarify on rehearing that, for purposes of providing reactive supply and voltage control service, non-generation resources only include dynamic resources. Without such a clarification, E.ON U.S. contends that capacitors added in big blocks could claim to be resources capable of providing reactive power, even though such resources only supply VARS and would need to be properly sized and located in order to provide effective reactive capability. E.ON U.S. also argues that ''non-generation sources'' must be a controllable resource, *i.e.*, a resource that a transmission provider can connect to via an automatic signal, to be followed automatically and immediately by the resource within a time period that is useful for providing reactive power.

496. E.ON U.S. requests further clarification that, for regulation and frequency response service, the non-generation resource must be able to match and follow the corresponding generation resource provider instantaneously, in the same manner that generation resources now provide this service for load. If the non-generation resource does not have this capability, E.ON U.S. contends that the transmission system could be placed in jeopardy and the transmission provider could be subject to potential reliability penalties.

497. Southern asks the Commission to confirm that demand response resources should satisfy the same reliability criteria for providing ancillary services as are required of generation resources. Specifically, Southern argues that such resources must meet regional reliability council requirements and, if no such requirements have been formalized, balancing authority requirements for the qualification of such resources, so long as those qualification requirements are not unduly discriminatory. Southern contends the Commission's focus in Order No. 890 on the capability of demand resources to provide ancillary services may not take into consideration qualification of those resources under non-discriminatory, reliability-based criteria.

498. Southern also notes that transmission providers have a certain degree of discretion, within the bounds of applicable criteria, to determine the quantity, mix and distribution of resources held to provide various system reliability functions. Southern states, for example, that it holds and maintains reserves from the lowest-cost resources available for that purpose. Southern requests clarification that transmission providers are under no obligation to purchase from non-generation resources on a non-economic basis relative to otherwise comparable generation resources or to somehow discriminate in favor of non-generation based resources.

Commission Determination

499. The Commission affirms the decision in Order No. 890 that the sale of ancillary services by load resources should be permitted where appropriate on a comparable basis to service provided by generation resources. A transmission provider may impose appropriate technical criteria, comparable to the requirements placed on generation resources, in order to reliably allow load resources to provide the different ancillary services. We note that such criteria and requirements have been implemented in RTO markets that allow demand response to participate as an ancillary service resource.[192] As

[191] *See pro forma* OATT section 13.2.

[192] PJM, for example, allows load resources to provide regulation service, but requires telemetering ability and pre-certification to show the resource can meet the physical characteristics in order for the resource to qualify. To participate in the synchronized reserve market in PJM, demand response resources must install infrastructure such that they can curtail consumption within ten

Southern suggests, any such reliability-based qualification criteria should be developed and imposed on a non-discriminatory basis. We also agree with Southern that transmission providers should give comparable, not preferential, consideration of load resources in selecting the mix of resources to supply ancillary services.

b. Pricing and Procurement of Reactive Power

500. The Commission rejected requests to modify requirements regarding the provision and pricing of reactive power. The Commission reiterated the policy stated in Order No. 2003, *et al.*, that interconnection customers must be treated comparably with the transmission provider and its affiliates in terms of reactive power compensation.[193] If the transmission provider pays its own generators or those of its affiliates for reactive power, then the transmission provider also should pay interconnecting generators for providing reactive power within the specified range.[194] The Commission stated that it would continue to resolve compensation issues for reactive power to qualifying generators on a case-by-case basis.

Requests for Rehearing and Clarification

501. E.ON U.S. requests that the Commission commence a separate rulemaking to address the conflicts that continue to arise regarding reactive power. E.ON U.S. argues that the Commission should provide the proper incentives for locating resources to provide the maximum benefit in terms of reactive power, and that consumers should not be forced to pay for reactive power for units that provide no benefit in terms of reactive capability. E.ON U.S. contends it is inappropriate to compensate units for reactive power unless they are built in a location where reactive power output is desirable from an engineering standpoint and are available in the time period needed in order to be useful to the system. E.ON U.S. contends that initiating a rulemaking to consider the locational requirements for reactive power payments would ensure a good supply of reactive power and reduce the amount of time-consuming and wasteful litigation.

Commission Determination

502. We again decline the request to initiate a separate rulemaking process to address issues regarding compensation for reactive power. The Commission does not believe that acting generically on pricing for reactive power is necessary at this time. As the Commission explained in Order No. 890, we will continue to resolve compensation issues for reactive power to qualifying generators on a case-by-case basis.[195]

c. Operating Reserves

Requests for Rehearing and Clarification

503. Sempra Global contends that the Commission failed to address its comments requesting clarification that transmission providers are obligated to offer and make available operating reserves to a generator located within the transmission provider's control area, even if the generator-customer is serving load outside of the transmission provider's control area. Sempra Global states that various transmission providers within the WECC interpret the requirement to provide operating reserves to customers serving load within the control area differently. Sempra Global explains that some in the WECC have argued that power cannot be sold as firm unless it includes operating reserves and that the current calculation of operating reserve requirements for WECC control area operators includes a netting of firm imports and exports.

504. As a result, Sempra Global argues that transmission providers that operate control areas are able to effectively shift portions of their operating reserve requirements by contracting for firm power from other control areas, provided that the selling control area carries additional operating reserves for the sale. Sempra Global contends that this limits the abilities of generators to make firm power sales to entities outside the control area in which the generator is located. Sempra Global also argues that this practice allows the transmission provider to thwart competition from non-utility generators by limiting the ability of merchant generators to make firm power sales outside of the control area. Sempra Global asks the Commission to clarify that transmission providers are obligated to offer and make available operating reserves regardless of where the merchant generation-customer is serving load.

Commission Determination

505. We disagree with Sempra Global that the transmission provider should be obligated to offer and make available operating reserves under Schedules 5 and 6 of the *pro forma* OATT when transmission service is used to serve load outside the transmission provider's control area. Operating reserves are needed to serve load within the control area in the event of system contingencies. Unless alternative arrangements are made, the transmission provider provides these reserves from its own resources. It would be inappropriate to require the transmission provider to use its resources to provide additional operating reserves to loads in other control areas because the transmission providers in those control areas are under their own obligation to make operating reserves available.

506. We therefore conclude that the existing requirements of the *pro forma* OATT are sufficient to ensure that operating reserves are available to serve the type of transaction discussed by Sempra Global. A generator serving load outside the control area can make alternative comparable arrangements to provide reserves on behalf of its load by contracting with third parties. The generator could also request, as part of its negotiation with a customer, that the customer acquire reserves from its transmission provider as necessary to support the transaction. Modification of the *pro forma* OATT is not necessary to enable generators to engage in firm power sales to loads outside of their control area.

D. Non-Rate Terms and Conditions

1. Modifications to Long-Term Firm Point-to-Point Service

507. In Order No. 890, the Commission concluded that the methods for evaluating requests for long-term point-to-point transmission service may not be comparable to the manner in which transmission service is planned for bundled retail native load and, therefore, may no longer be just, reasonable and not unduly discriminatory. To remedy this potential for undue discrimination, the Commission amended the *pro forma* OATT to require transmission providers, other than most RTOs and ISOs, to offer a modified form of planning redispatch as well as a conditional firm option to long-term point-to-point customers. A number of

minutes and also must provide metering information needed to account for their response.

[193] *See Standardization of Generator Interconnection Agreements and Procedures,* Order No. 2003, 68 FR 49845 (Aug. 19, 2003), FERC Stats. & Regs. ¶ 31,146 (2003), *order on reh'g,* Order No. 2003–A, 69 FR 15932 (Mar. 26, 2004), FERC Stats. & Regs. ¶ 31,160 (2004), *order on reh'g,* Order No. 2003–B, 70 FR 265 (Jan. 4, 2005), FERC Stats. & Regs. ¶ 31,171 (2004), *order on reh'g,* Order No. 2003–C, 70 FR 37,661 (Jun. 30, 2005), FERC Stats. & Regs. ¶ 31,190 (2005), *aff'd sub nom. National Association of Regulatory Utility Commissioners* v. *FERC,* No. 04–1148, 2007 U.S. App. LEXIS 626 (D.C. Cir. Jan. 12, 2007).

[194] *Citing* Order No. 2003–B at P 119.

[195] *See* Order No. 890 at P 898.

petitioners have requested rehearing of the Commission's decision to modify the planning redispatch requirements and institute a new obligation to offer the conditional firm option. We first address the threshold requirement to offer these options and then turn to implementation of each option.

a. Requirement To Offer Planning Redispatch and Conditional Firm

508. The requirement to offer planning redispatch was adopted in Order No. 888 under section 19.3 of the *pro forma* OATT. Transmission providers were required to identify, in each system impact study, system constraints as well as redispatch options available to resolve those constraints and provide planning redispatch to the extent redispatch was more economical than the cost of transmission upgrades. In Order No. 890, the Commission modified the planning redispatch requirement, adding specificity to the information required in the system impact study and limiting planning redispatch to an option that is reassessed every two years if the customer chooses not to pay for upgrades. The Commission also removed the limitation of offering planning redispatch only when it is more economical than the cost of transmission upgrades. The Commission rejected arguments against the underlying requirement to offer planning redispatch as collateral attacks on Order No. 888.

509. The Commission also found that transmission providers were using a service analogous to the conditional firm option, in addition to planning redispatch, to serve their own loads. The Commission concluded that transmission providers must evaluate transmission availability to serve long-term firm point-to-point service requests in a manner that is comparable with the method used to evaluate their own transmission needs and to integrate their resources to serve bundled retail native load. The Commission therefore required non-ISO/RTO transmission providers to make available both the planning redispatch and conditional firm options to long-term firm point-to-point customers. The Commission emphasized, however, that transmission providers are not required to offer either the planning redispatch or conditional firm option if doing so would impair the transmission provider's ability to reliably serve other firm customers, including native load and network customers.

510. The Commission also placed several limitations on the nature of the planning redispatch and conditional firm options to limit the their potential impact on reliability. First, the Commission required that the planning redispatch and conditional firm options be made available to long-term point-to-point customers. While a transmission provider might choose to propose planning redispatch or conditional firm on a shorter-term basis, it would not be required to under the *pro forma* OATT. Second, the Commission distinguished between two different types of customers that may request the service: customers who support the construction of upgrades and those who do not. For customers supporting the construction of upgrades, the planning redispatch or conditional firm options need only be offered until the time when the upgrades are constructed. The conditions or redispatch applicable to the interim period must be specified in the service agreement and will not be subject to change. For customers choosing not to support the construction of new facilities, the planning redispatch or conditional firm options must be made available as a reassessment product, *i.e.*, subject to reassessment every two years by the transmission provider. Every two years, or sooner if at the continuation of the term of service, the transmission provider must reassess the redispatch required to keep the service firm or the conditions or hours under which the transmission provider may conditionally curtail the service.[196]

511. With regard to transmission service provided by RTOs and ISOs, the Commission found that it would be inappropriate to require RTOs and ISOs with real-time energy markets to adopt the provisions for conditional firm point-to-point service. The Commission explained that customers transacting in RTOs and ISOs are able to buy through transmission congestion in the real-time energy markets and need no prior reservation in order to access transmission. The Commission did require, however, RTOs and ISOs that already provided planning redispatch pursuant to section 13.5 of the Order No. 888 *pro forma* OATT to modify the relevant provisions of their tariffs consistent with the directives of Order No. 890.[197] RTOs and ISOs not already providing planning redispatch were not required to amend their tariffs to include the planning redispatch option.

512. The Commission declined to adopt the conditional firm option for network service and made no changes to the planning redispatch provisions for network customers.

(1) Planning Redispatch

Requests for Rehearing and Clarification

513. Several petitioners object to the requirement that transmission providers offer planning redispatch point-to-point service.[198] They argue that the planning redispatch requirement can degrade the quality of service to existing firm customers by increasing loop flow and creating reliability problems or by shifting costs to them. They argue that planning redispatch increases curtailment risks to existing customers because generators are used in a manner that is different than the planned use of those generators. Ameren argues that planning redispatch is unduly discriminatory in that it requires the use of the transmission provider's generation resources but not the resources of network customers or third parties. Ameren also argues that planning redispatch is not superior to the options already in place in the *pro forma* OATT adopted in Order No. 888. Other petitioners assert that the modifications to planning redispatch will remove incentives for transmission expansion because planning redispatch will always be cheaper and easier for customers than paying for new transmission capacity.[199]

514. Several petitioners argue that the merits of commenter arguments on planning redispatch should be addressed rather than rejected as collateral attacks against Order No. 888.[200] Ameren asks the Commission to revisit the requirement imposed in Order No. 888 to provide planning redispatch to point-to-point customers as the Commission revisited all Order No. 888 requirements in Order No. 890. E.ON LSE asserts that arguments about the reliability impacts of the planning redispatch service are not barred as collateral attacks because the Commission changed the service by removing the expansion price cap. E.ON LSE states that by removing the expansion cap the Commission placed a burden on transmission providers to provide planning redispatch even if it

[196] The Commission acknowledged that some transmission providers may be able to provide conditional firm service over a period longer than two years without the need for reassessment. In the event a transmission provider is able to extend the assessment period, the Commission stated that waiver or extension of the right to reassess the availability of the option would be permitted, provided that the waiver or extension is provided consistently for all similarly situated service.

[197] The Commission explained such modification would include the transmission provider's obligation to post monthly redispatch costs for each transmission facility over which planning and reliability redispatch are provided.

[198] *E.g.*, Ameren, NRECA, and TDU Systems.

[199] *E.g.*, E.ON LSE, NRECA, and TDU Systems.

[200] *E.g.*, Ameren, E.ON LSE, and Southern.

would be more costly than the construction of transmission upgrades.

515. Ameren and Southern reiterate concerns that modeling of planning redispatch will be challenging given the difficulty of projecting redispatch costs and the availability of generating units, even if the projections are limited to a two-year period. Ameren expects that it may deny service on reliability grounds for every request. Given this expectation, Ameren argues that the Commission should develop clear reliability guidelines so that transmission providers can comply without subjecting themselves to claims of discrimination for denying service. E.ON LSE states that projecting redispatch costs will be difficult and likely result in inaccurate estimates.

516. Other petitioners express concern that a transmission provider may avoid its obligation to provide planning redispatch or conditional firm service by rejecting requests based on an arbitrary, unreasonable and conservative definition of reliability.[201] Constellation states that oversight is necessary to ensure that transmission provider conclusions are sufficient to demonstrate that planning redispatch options were properly considered. EPSA supports publicly posting on OASIS reserve margin measures to eliminate the inflation of margins exceeding reliability requirements. Williams recommends adoption of a reliability standard to ensure the options are not improperly rejected on reliability grounds.

517. Ameren argues that the Commission should grant a blanket exemption from the planning redispatch requirement for all RTOs because: RTO markets are independent; RTOs do not own or operate generation; and the redispatch requirement could exacerbate seams issues and affect the calculation and distribution of financial transmission rights (FTRs). Ameren expresses concern that the planning redispatch requirement will also adversely impact the calculation of the revenue sufficiency guarantee charges in MISO.

518. Several petitioners contend that the obligation to provide the planning redispatch option contradicts section 217 of the FPA to the extent it impinges on native load service.[202] South Carolina E&G argues that requiring transmission providers to offer planning redispatch could marginalize native load, in violation of section 217, unless the Commission modifies section 13.6 of the *pro forma* OATT to eliminate comparable curtailment of native load and non-native load service. South Carolina E&G contends that the Commission is precluded under section 217(k) from making a finding that it is unduly discriminatory if practices governing the evaluation of long-term firm point-to-point service are not comparable to the manner in which transmission service is planned for bundled retail native load. South Carolina E&G contends that recognition of the curtailment primacy of native load service would provide a necessary escape mechanism should the planning redispatch or conditional firm options threaten native load service. South Carolina Regulatory Staff objects to the planning redispatch and conditional firm options to the extent that native load purchasers of electricity are required to bear the costs of additional transmission capacity necessitated by transmission to non-native consumers.

519. E.ON LSE also argues that FPA section 217 prohibits requiring transmission providers to offer native load redispatch to non-native load customers on the basis of claimed discrimination. E.ON LSE asks the Commission to clarify that, in real time, LSEs may use all or a portion of their resources to serve native load rather than redispatch for third parties. E.ON LSE also requests clarification that the generation facilities having restricted run times may be reserved for the use of native load needs and not be offered for firm point-to-point planning redispatch service.

520. NorthWestern requests that the Commission grant waiver of the redispatch requirements for transmission providers who do not have the ability to dispatch generation. Washington IOUs request Commission clarification that when a viable, parallel path is available to a transmission customer to move its power, the transmission provider is not required to offer planning redispatch service. Washington IOUs state that in the Pacific Northwest transmission customers may be able to move power to the same point more easily by purchasing transmission service over a neighboring transmission system. Washington IOUs argue that in such a situation requiring a jurisdictional utility to offer planning redispatch service would unreasonably increase the costs of providing transmission service.

521. Washington IOUs further argue that the Commission erred in not exempting hydro-based systems from the planning redispatch requirements. Washington IOUs argue that the Commission failed to recognize that hydro units may not be available due to recreational, flood control, fish mitigation and other non-power related requirements. Washington IOUs further assert the Commission should exempt hydro-based systems from providing planning redispatch because of possible occurrence of pricing disputes, under-recovery of costs, and disputes over study of planning redispatch opportunities.

522. TAPS asserts that the Commission failed to revise to insert new planning redispatch provisions into *pro forma* OATT section 32.3 pertaining to network service system impact studies. TAPS also argues that the Commission must ensure that transmission service provided to network customers is comparable to the service transmission providers provide themselves through planning redispatch and low granularity system models. TAPS argues that transmission providers use planning redispatch combined with their system-wide modeling to designate network resources that otherwise might be undeliverable. TAPS asserts they do this by treating their control areas as a whole for sink purposes while selectively disaggregating their resources for sourcing purposes. TAPS asserts that undue discrimination arises because a network customer's request to bring on new network resources is modeled with granularity, without the benefit of planning redispatch and the redispatch assumed by modeling the transmission provider's own load as a single system sink when designating resources. TAPS asks the Commission to redress this discrimination by prohibiting the transmission provider from denying any request for transmission to a network customer, or requiring upgrades or mitigation, the costs of which are not shared on a load-ratio basis, if the request would have been accepted if the transmission provider's own load had been the designated sink.

523. Finally, EEI requests clarification of the length of the service request that would qualify for these options. EEI notes that sections 15.4(b) of the *pro forma* OATT does not qualify the provision of planning redispatch only to long-term firm point-to-point customers. EEI asks the Commission to amend sections 15.4(b) of the *pro forma* OATT to make this section consistent with the statements in Order No. 890 providing that a transmission provider is obligated to provide planning redispatch service to customers requesting long-term firm point-to-point service, but not to customers requesting short-term firm service.

[201] *E.g.*, Constellation, EPSA, and Williams.

[202] *E.g.*, E.ON LSE, South Carolina E&G, South Carolina Regulatory Staff, and Southern.

Commission Determination

524. The Commission affirms the decision in Order No. 890, originally established in Order No. 888, to require transmission providers to redispatch their generation resources in certain circumstances to create additional capacity on the transmission grid. Petitioners arguing for removal of this requirement have failed to show any actual degradation of reliability, degradation of service to other firm customers, or delay in grid expansion caused by planning redispatch service during the first 10 years in which the requirement was in place. We therefore decline to eliminate this long-standing option for point-to-point customers.[203]

525. We also affirm the limitation placed on the planning redispatch requirement, which we believe adequately address petitioners' concerns regarding potential effects on reliability or service quality. The Commission in Order No. 890 scaled back the obligation to provide planning redispatch service by severing the link between it and transmission upgrades, no longer requiring the provision of planning redispatch for an indefinite period.[204] Under the modified planning redispatch option, transmission customers must agree to pay for transmission upgrades or agree to have the conditions of their planning redispatch service reassessed every two years. These modifications more appropriately balance customers' needs with transmission providers' reliability and native load obligations. Planning redispatch service under Order No. 890 is, therefore, superior to that service under Order No. 888, contrary to Ameren's assertions.

526. We disagree that planning redispatch will remove incentives for transmission expansion. As modified in Order No. 890, planning redispatch may provide a means for greater transmission investment as customers will be able to receive the bridge service prior to the completion of upgrades. The benefit of immediate access to the transmission grid could result in more attractive financing and cash flow options for new resources, in turn resulting in more investment in transmission. Moreover, customers taking the reassessment product may identify over time others willing to jointly fund upgrades, leading to further investment. In asserting a negative impact on transmission expansion, petitioners imply that planning redispatch will always be a less expensive option than investment in upgrades. But if that were true then planning redispatch would have proliferated over the last 10 years given that transmission providers were obligated to provide planning redispatch if it was more economical than transmission upgrades.

527. Petitioners' concerns about harms to existing customers through increases in loop flow and curtailment risks are not unique to rights granted through the use of planning redispatch. The efficient use of the existing transmission grid, including every incremental new firm use, brings with it an increased risk in the instances and megawatt quantity of curtailment for all existing users of the grid. As the Commission explained in Order No. 890, the modifications to planning redispatch will enable transmission providers to better manage the risks of curtailment for current users of the transmission grid because the obligation to redispatch will no longer be open-ended.[205] We reject TDU Systems' assertion that planning redispatch will increase costs for network customers because it is based upon an incorrect assumption that Order No. 890 would require transmission providers to redispatch network customers' resources for point-to-point customers.[206]

528. We disagree with NRECA and TDU Systems that planning redispatch service increases curtailment risk because generation is used differently than planned. By definition, transmission providers must study the resources that they will redispatch in order to offer each individual planning redispatch service. Thus, generation will be used by transmission providers as planned. While we acknowledge that planning redispatch service presents complicated modeling issues, even when limited to a two-year period, modeling difficulties exist throughout the utility industry. If anything, the modifications to the planning redispatch option adopted in Order No. 890 lessen the modeling burden by scaling back the planning redispatch requirement.

529. With regard to loop flows, we agree with NRECA that changing and unpredictable loop flows make it more difficult for system operators to understand their systems and respond to contingencies properly. We do not agree, however, that planning redispatch will have any greater adverse effect on loop flows than the addition of a new generator to the grid or the addition of or a change to a firm point-to-point use. The effects of planning redispatch service will be studied in a system impact study well before the service is provided, like any other proposed firm use of the system. Transmission providers will therefore be able to adjust to planning redispatch uses of the system in the same way they now adjust to additions of generation and all new or changed firm point-to-point uses.

530. Planning redispatch service does not unduly discriminate against transmission providers by requiring them to use their resources to provide service. The Commission does not require the use of network customer and third party resources to provide planning redispatch point-to-point service because third parties and network customers do not provide the associated transmission service. Third parties or network customers that create additional grid capacity by redispatching, such as through a transaction that flows counter to the majority of flows on a line, cannot sell the additional transmission capacity that they create. A transmission provider using its resources to serve loads on its system can however create and sell additional transmission capacity on its system through control of those resources. It is therefore not unduly discriminatory to require the use of transmission provider resources to provide planning redispatch to long-term point-to-point customers.

531. We decline to develop reliability guidelines or standards for implementing planning redispatch. The underlying obligation to provide planning redispatch has been in place for 10 years without such guidelines. This is not surprising given that each transmission system is different and any industry-wide guidelines would necessarily be over- or under-inclusive. Transmission providers must already comply with those reliability standards approved by the Commission and we will not unnecessarily layer additional standards upon the transmission providers for planning redispatch or conditional firm service. Transmission providers should retain responsibility for incorporating reasonable

[203] Arguments that the Commission has no authority to impose a planning redispatch obligation are a collateral attack on Order No. 888. We disagree with E.ON LSE's assertion that removal of the expansion cap placed a new burden on transmission providers by fundamentally changing the nature of the service. While Order No. 890 required planning redispatch to be provided even when it is more expensive than transmission upgrades, service is only guaranteed for two years if customers do not pay for upgrades. This puts a bound upon the service for transmission providers that benefits rather than burdens them.

[204] Order No. 890 at P 926.

[205] *See id.* at P 593.

[206] TDU Systems cites to an argument made by NRECA that concerns the transparent dispatch advocates' proposal for inclusive bid-based real-time redispatch. NRECA Supplemental, Affidavit at 27.

assumptions into their models in order to manage risks.

532. We do, however, clarify herein additional valid reasons for denying service on reliability grounds. We will not require publication of the metrics underlying these reliability grounds or, as EPSA requests, identification of reserves set aside for customers; these metrics likely contain competitive information or relate to state-imposed requirements. If eligible customers believe they have been unreasonably denied redispatch or conditional firm service on reliability grounds, they should bring the matter to the Commission's attention through a complaint or other appropriate procedural mechanism. Transmission providers can proactively address claims of discrimination resulting from denials of planning redispatch (or conditional firm) service by publishing modeling assumptions and free flow of information between the transmission provider and potential customers.[207]

533. Concerns about a transmission provider's inability to project redispatch costs are misplaced. In Order No. 890, the Commission directed transmission providers to provide eligible customers with non-binding estimates of the incremental costs of redispatch.[208] The Commission expects that transmission providers will use due diligence in providing the costs estimates, but as with any non-binding estimate they will not be liable for their inability to accurately predict future costs.

534. The Commission grants rehearing of the decision to require RTOs and ISOs to modify planning redispatch provisions that remain in their tariffs. The tariffs of many RTOs and ISOs were developed to layer energy markets and financial transmission rights on top of the existing *pro forma* OATT physical rights systems. Upon consideration of petitioner's arguments, we conclude it is more appropriate not to disturb these developments by requiring changes to the existing planning redispatch provisions stated in sections 13.5, 15.4, 19.1 and 19.3 of the *pro forma* OATT.[209]

535. We will not, however, grant RTOs and ISOs a blanket exemption from the planning redispatch requirement, as requested by Ameren. RTOs and ISOs that currently offer planning redispatch in addition to the redispatch offered through their energy markets prior to issuance of Order No. 890 must continue to provide that service.[210] Where such service is offered, customers should not be excluded from accessing the service through planning redispatch unless the Commission has previously found or finds in the future that such exclusion is consistent with or superior to the provisions of the *pro forma* OATT. The exacerbation of seams issues and disruption of FTR processes are issues that we would consider if an RTO or ISO seeks to terminate its existing planning redispatch service.[211]

536. We also decline to provide a blanket exemption from the planning redispatch requirement for transmission providers without generation or the ability to dispatch generation. We clarify, however, that transmission providers without the ability to dispatch generation cannot reliably provide planning redispatch service and have no obligation to procure generation to provide the service. We deny a blanket exemption because transmission providers' situations can change over time so that they gain the ability to dispatch generation.

537. We affirm our decision to not generically exempt hydroelectric-based systems from the provision of planning redispatch service. Contrary to Washington IOU's assertion, the Commission took into consideration the fact that hydroelectric units may not be available due to recreation, flood control or fish mitigation when it acknowledged the ''added difficulty of predicting water availability'' in hydroelectric systems.[212] While there is potential for disputes regarding the availability and cost of a hydroelectric unit, such disputes are not unusual for other types of units that are equally subject to the planning redispatch requirements.

538. We disagree that the availability of firm transmission service over a parallel path on another transmission provider's system should relieve a transmission provider of the obligation to provide planning redispatch. In order to obtain planning redispatch service, a customer must agree to and pay for a system impact study, await the results of the study and sign a non-conforming transmission service agreement. We would not expect a customer to undertake the more complicated process of obtaining planning redispatch if the transmission service meeting the customer's needs is available elsewhere. We therefore see no need to limit the availability of planning redispatch service as Washington IOUs request.

539. It is not necessary to amend the curtailment priorities under the *pro forma* OATT in order for the planning redispatch requirement to be consistent with FPA section 217, as South Carolina E&G contends. As we explain in section II.B, section 217(b) provides certain protections to a specified class of utilities using their firm transmission rights, to the extent required to meet their service obligations. The provision of planning redispatch does not impair the use of those firm transmission rights, or otherwise marginalize native load, notwithstanding the curtailment priorities established in section 13.6 of the *pro forma* OATT. As the Commission explained in Order No. 890, there is no obligation to offer planning redispatch if it either (i) degrades or impairs the reliability of service to native load customers, network customers and other transmission customers taking firm point-to-point service or (ii) interferes with the transmission provider's ability to meet prior firm contractual commitments to others. We clarify that this exempts transmission providers from providing planning redispatch from resources that are expected to provide reliability redispatch in response to constraints. Further, if resources with restricted run times are required to meet the reliable service needs of native load, including reliability redispatch needs, these resources need not be offered for planning redispatch service. The obligation to offer planning redispatch is therefore consistent with the requirements of section 217.

540. Contrary to South Carolina Regulatory Staff's assertions, native load will not bear the costs of additional transmission capacity created through either the planning redispatch or conditional firm options. While the

[207] We note that increased information regarding the modeling, data, and assumptions used by the transmission provider to calculate ATC and plan the system must now be made available under Attachments C and K to the *pro forma* OATT.

[208] Order No. 890 at P 958.

[209] To the extent an RTO or ISO has already incorporated this new language into its OATT in a prior compliance filing, removal of that language is at the RTO's or ISO's discretion.

[210] For example, although SPP does not own generation, transmission owners within SPP retain the obligation through SPP's Attachment K to use their resources to provide planning redispatch for firm transmission service. *See* Southwest Power Pool FERC Electric Tariff Fifth Revised Volume No. 1, Attachment K, section B, Original Sheet No. 238–239 (Effective February 1, 2007).

[211] Ameren's concern with disruption of MISO's revenue sufficiency guarantee and FTR allocation processes due to implementation of the planning redispatch requirement is misplaced. Under MISO's tariff, the provisions of Module C (Energy Markets, Scheduling and Congestion Management) or the ITC Rate Schedule apply if redispatch is more economical than constructing transmission upgrades. *See* Midwest ISO Transmission and Energy Markets Tariff, section 13.5. MISO need not change its tariff provisions for the management of redispatch through its energy markets because the Commission has already accepted them as consistent with or superior to the Order No. 888 *pro forma* OATT.

[212] Order No. 890 at P 948.

options could lead to the construction of more transmission if customers agree to pay for transmission upgrades, during the period these services are provided they do not require the construction of transmission upgrades. Rather, they are provided by curtailing the customer or redispatching the transmission provider's resources to create long-term firm transmission. Moreover, costs otherwise recovered from native load customers are reduced by the additional revenues gained by the additional sales of conditional firm and planning redispatch service.

541. We also disagree that FPA section 217(k) precludes the Commission from finding that it is unduly discriminatory for transmission providers to engage in planning redispatch to serve native load while refusing to provide comparable service to long-term point-to-point customers. The intent of section 217(k) is to preserve the use of certain firm transmission rights to the extent required to meet the service obligations of a class of specified utilities. The statute thus protects these utilities' continued use of protected firm transmission rights during periods of constraint or emergency, when service might not otherwise be available. The transmission provider's use of planning redispatch (as well as conditional firm service) occurs *prior* to the occurrence of such conditions, when the transmission provider decides to bring a new resource onto its system. It is therefore unduly discriminatory for the transmission provider to refuse to make planning redispatch (or conditional firm service) available to similarly situated customers. Indeed, this furthers the intent of FPA section 217 by facilitating the ability of all long-term users of the transmission system to meet their service obligations, which the statute defines broadly to include not only service to end-users, but also to distribution utilities serving end-users.[213]

542. We agree with TAPS that Order No. 890 inadvertently failed to make modifications to section 32.3 that correspond to the amendments to 19.3 of the *pro forma* OATT to provide more information for customers requesting the planning redispatch option. We revise section 32.3 to make clear that the information required in a system impact study is nearly identical for network and point-to-point customers. We note that the amended section 32.3 only requires a transmission provider to provide an estimate of costs for the network customer to the extent it has cost data for the relevant network customer's resources.

543. However, we deny TAPS' request to address here the granularity of system modeling necessary to implement planning redispatch service. The ATC and planning-related reforms adopted in Order No. 890 will help address TAPS' granularity issue once these reforms are implemented. Transmission providers have been directed to address the effect on ATC of designating and undesignating network resources as part of the ongoing NERC/NAESB standardization effort.[214] To the extent TAPS has concerns regarding the modeling of ATC to respond to requests to designate network resources, those concerns should be addressed in the first instance through the NERC/NAESB process. We make no further changes to the planning and reliability redispatch services in the existing *pro forma* OATT as these services are already provided comparably to network customers.

544. We agree with EEI's requested change to provide consistency between the *pro forma* OATT and the preamble of Order No. 890. As the Commission stated repeatedly in Order No. 890, transmission providers are obligated to provide planning redispatch options only to customers requesting long-term firm point-to-point service.[215] We amend section 15.4(b) of the *pro forma* OATT accordingly. We also revise sections 19.1 and 19.3 of the *pro forma* OATT to make clear that the planning redispatch option is available to eligible customers, not just existing transmission customers, as provided in Order No. 890.

(2) Conditional Firm

Requests for Rehearing and Clarification

545. Several petitioners object to the Commission's decision to require transmission providers to offer conditional firm point-to-point service.[216] Ameren states that the conditional firm option is not superior to the options already available to customers under the *pro forma* OATT adopted in Order No. 888. Ameren contends that the conditional firm service options create more discretion and uncertainty in the processing of service requests, contrary to the Commission's stated goal of increasing transparency in the provision of transmission service. Ameren expresses concern that ill-defined conditional firm service rules could lead to non-compliance and assessment of significant penalties. Ameren and NorthWestern argue that, at a minimum, the Commission must provide detailed guidelines and limit the discretion of transmission providers in studying conditional firm service options. Ameren states that allowing conditional firm transmission to be curtailed only during selected events offers less system reliability. Ameren and NRECA ask the Commission to limit or remove the obligation to provide conditional firm service because maintaining the service will degrade reliability as system planners and operators must account for more and varied uses of the system and manage increased loadings on the system. If it is not allowed to deny service for the degradation of reliability that would occur with every service request involving conditional firm, Ameren asks that the Commission develop clear reliability guidelines so that transmission providers can comply without subjecting themselves to claims of discrimination for denying service.

546. South Carolina E&G and South Carolina Regulatory Staff contend that the obligation to offer the conditional firm option contradicts section 217 of the FPA to the extent it impinges on native load service. South Carolina E&G states that granting a secondary network service curtailment priority during conditional curtailment periods could adversely affect the reliability of native load service in direct violation of section 217 of the FPA. South Carolina E&G states that native load customers use secondary network service for redispatch when the system becomes constrained; therefore, allowing increased use of this priority non-firm service by conditional firm service customers will adversely affect native load customers in violation of FPA section 217. South Carolina E&G also argues that FPA section 217(k) precludes the Commission from finding that the practice of using conditional firm by transmission providers is unduly discriminatory.

547. MidAmerican requests clarification that transmission providers are not prohibited from voluntarily offering the conditional firm option for short-term point-to-point service. MidAmerican also requests Commission clarification that Order No. 890 did not require transmission providers to submit revised tariff sheets if the transmission providers already provide short-term conditional firm service.

548. Some petitioners ask the Commission to create a conditional firm network service.[217] TAPS and NRECA

[213] *See* EPAct 2005 sec. 1233(a)(3) (to be codified at section section 217(a)(3) of the FPA, 16 U.S.C. 824q(a)(3)).

[214] *See* Order No. 693 at P 1041.

[215] *See, e.g.,* Order No. 890 at P 4, 78, and 911.

[216] *E.g.,* Ameren, NRECA, and TDU Systems.

[217] *E.g.,* NRECA, TAPS, and TDU Systems.

contend that limiting the conditional firm option to long-term firm point-to-point service is inappropriate in light of the Commission's finding that transmission providers provide themselves conditional firm network service. TAPS and NRECA argue that the Commission has allowed continued discrimination as between transmission providers and network customers. TAPS argues that Order No. 890 enables transmission providers to continue to designate resources on a conditionally firm basis, but denies network customers the same right to do so.

549. NRECA and TDU Systems also contend that conditional firm network service is required to preserve network customers' ability to access those resources that they are able to obtain today through redirect service without being bumped by conditional firm point-to-point customers. In their view, conditional firm network service would prevent gaming and hoarding by point-to-point customers through use of conditional firm service and achieve parity in flexibility through use of secondary network service. TDU Systems assert that the provision of conditional firm network service is essential to ensure that network customers can receive the same priority in maintaining transmission access rights as those granted to conditional firm point-to-point customers.

550. NRECA and TDU Systems argue that allowing conditional firm for the import of designated network resources but not allowing it for in-control area transactions is irrational, creates perverse operational incentives and does not make legal sense. By way of example, NRECA states that a resource could be designated to serve load in a neighboring control area, but not in the control area in which the resource is located. NRECA contends that creation of a conditional firm network service would provide additional support to intermittent resources that wish to sell their services in the control area in which these resources are located.

551. Finally, EEI requests clarification of the length of the service request that would qualify for these options. EEI notes that sections 15.4(c) of the *pro forma* OATT does not qualify the provision of conditional firm service only to long-term firm point-to-point customers. EEI asks the Commission to amend sections 15.4(c) of the *pro forma* OATT to make this section consistent with the statements in Order No. 890 providing that a transmission provider is obligated to provide conditional firm service to customers requesting long-term firm point-to-point service, but not to customers requesting short-term firm service.

Commission Determination

552. The Commission affirms the decision in Order No. 890 to create a new conditional firm option in the *pro forma* OATT for customers seeking and denied long-term firm point-to-point transmission service.[218] We reiterate that, like the planning redispatch option, transmission providers are not required to provide conditional firm service if doing so would impair system reliability. Concerns regarding system reliability have thus already been addressed in the design of the conditional firm option.

553. We disagree with Ameren that the conditional firm option will create more discretion and uncertainty in processing of service requests. In Order No. 890, the Commission provided a detailed description of the characteristics, requirements and implementation of the new option, developed through multiple industry sessions and with supplemental comments. Ameren argues that the obligation to offer the conditional firm option should be eliminated unless the Commission provides further guidance regarding how to study its availability, yet Ameren does not identify the particular details that it believes are missing. Even if there is some initial uncertainty in the processing of service requests as transmission providers become comfortable with studying the conditional firm option, it is more than offset by the reduction in uncertainty faced by eligible customers whose service requests would otherwise have been rejected for lacking as little as one hour of firm service during the year.

554. We decline to develop reliability guidelines for the provision of conditional firm service, as Ameren requests. Each transmission system will have a different ability to accommodate varying requests for conditional firm service. As with planning redispatch, any guidelines we create would necessarily be over or under-inclusive and either jeopardize the reliability of some transmission providers' systems or unnecessarily restrict the amount of conditional firm service that may be offered. Transmission providers may determine the amount of conditional firm service that they can reliably provide, as long as they do not reject requests from similarly situated customers.

555. We disagree that requiring transmission providers to offer conditional firm service violates FPA section 217. As we explain above, section 217 provides certain protections to a specified class of utilities using their *firm* transmission rights, to the extent required to meet their service obligations. By its very nature, conditional firm service will be conditional when the transmission provider cannot accommodate additional firm service in light of other commitments, including the firm service obligations of LSEs on its system or other existing customers. Moreover, transmission providers are not required to offer the service if doing so would impair system reliability. The restrictions placed on conditional firm service are thus consistent with, and not in contrary to, the requirements of FPA section 217.

556. We also disagree with South Carolina E&G that conditional firm service violates FPA section 217 because it will increase the amount and use of secondary network service, in competition with the use of secondary network service by native load. Secondary network service, also called priority non-firm service, is a non-firm transmission right. Increased use of secondary network service by conditional firm customers therefore does not disturb the use of firm rights protected by section 217. Similarly, FPA section 217(k) does not preclude our finding that failure to offer the conditional firm option is unduly discriminatory since the conditional nature of the service is not within the scope of service protected by FPA section 217(b).

557. We clarify in response to MidAmerican that a transmission provider that provided short-term conditional firm service prior to issuance of Order No. 890 need not revise the existing tariff provisions relating to short-term firm service.[219] A transmission provider proposing to add short-term conditional firm service to its OATT must seek approval under FPA section 205. In either case, the voluntary provision of short-term conditional firm service does not relieve the transmission provider from the obligation to provide long-term conditional firm point-to-point service.

558. We affirm the decision in Order No. 890 not to create a conditional firm network service. Network customers may designate network resources any time firm transmission is available, and

[218] As stated above, RTOs and ISOs with real-time energy markets are not required to offer the conditional firm option. Also, those transmission providers that do not provide long-term firm point-to-point service are exempt from providing conditional firm point-to-point service.

[219] *See* Order No. 890 at P 135, n.106.

the term of the designation can include periods of less than a year. Network customers can also use secondary network service to access resources during times when firm service is not available. This flexibility to use designated network resources and secondary network service to access undesignated resources already provides a service that is like conditional firm service that can be used to integrate new resources, intermittent or otherwise.

559. We agree, however, that transmission providers must study the use of automatic devices when requested by a network customer in a system impact study. In Order No. 890, the Commission found that transmission providers employ automatic devices, such as special protection schemes, to take resources offline during certain system conditions. Comparability requires the study of these automatic devices for network customers seeking to designate network resources. We disagree with TAPS that comparability further requires the same service as between network customers and point-to-point customers. In Order No. 890, the Commission reiterated that network service and point-to-point service were not designed to be identical and, therefore, the rights and obligations of each type of customer need not be the same.[220] We therefore deny rehearing requests to create a network service that is the same as conditional firm point-to-point service, but revise section 32.3 of the *pro forma* OATT to require the study of automatic devices at the request of a network transmission customer.

560. We acknowledge that conditional firm point-to-point service may have an impact on a network customer's use of secondary network service due to increased use of priority non-firm service, but note that the conditional firm option does not reduce the availability of secondary network service any more than the use of short-term firm point-to-point service. Conditional firm point-to-point service could not possibly disrupt a network customers use of redirect service because network customers may not redirect their service,[221] as NRECA argues, nor does the conditional firm option disrupt the network customer's use of point-to-point service to secure off-system resources, since network customers may take conditional firm point-to-point service if they choose. Finally, NRECA's concerns regarding potential hoarding are based on a mistaken belief that customers taking conditional firm service are not charged the long-term transmission rate. The Commission made clear in Order No. 890 that customers taking the conditional firm option pay the rate for long-term firm point-to-point service.[222]

561. We agree with EEI's requested change to provide consistency between the *pro forma* OATT and the preamble of Order No. 890. As the Commission stated repeatedly in Order No. 890, transmission providers are obligated to provide conditional firm options only to customers requesting long-term firm point-to-point service.[223] We amend section 15.4(c) of the *pro forma* OATT accordingly. We also revise sections 19.1 and 19.3 of the *pro forma* OATT to make clear that the conditional firm option is available to eligible customers, not just existing transmission customers, as provided in Order No. 890.

b. Implementation of Planning Redispatch and Conditional Firm

(1) Characteristics of Service

562. The Commission explained in Order No. 890 that the planning redispatch and conditional firm options were not services distinct from point-to-point transmission service, but rather a modification to the procedures for granting long-term point-to-point service and the curtailment priorities for that service. The primary purpose of each option is to address the ''all or nothing'' problem associated with the current procedures for requesting long-term point-to-point service. Where a request for long-term point-to-point firm transmission service is made and cannot be satisfied out of existing capacity, the transmission provider must, at the request of the customer and in the system impact study, identify (i) the transmission upgrades necessary to provide the service and (ii) the options for providing service during the period prior to completion of those transmission upgrades. If upgrades cannot be completed prior to expiration of the requested service term, the transmission provider must, at the request of the customer and in the system impact study, identify options for providing the service during the requested term. The options studied by the transmission provider must include both planning redispatch and conditional firm options. The transmission provider, at its discretion, may study and offer a mix of planning redispatch and conditional firm options for a single service request.

563. If the transmission provider determines that planning redispatch or conditional firm options are available, the system impact study must identify the following: (i) The system constraints, identified by transmission facility or flowgate, causing the need for the system impact study; (ii) additional direct assignment facilities or network upgrades required to provide the requested service; (iii) redispatch options, including the relevant congested transmission facilities for which redispatch will be provided, the generation resources that can relieve those congested facilities, the impact of each identified resource on the congested facilities, and an estimate of the incremental costs of redispatch; and (iv) conditional firm options, including the annual number of conditional curtailment hours and the specific system conditions during which conditional curtailment may occur.[224] Transmission providers may recover the costs of studying these options through the system impact study agreement.

564. If the customer agrees to take service, the service agreement must specify the relevant congested transmission facilities and whether the transmission provider will provide planning redispatch, a mix of planning redispatch and conditional firm, or conditional firm in order to provide the point-to-point transmission service. For the conditional firm option, customers must choose among, and the service agreement must specify, either (i) specific system condition(s) during which conditional curtailment may occur[225] or (ii) annual number of conditional curtailment hours during which conditional curtailment may occur.[226] In situations in which the customer commits to paying the costs

[220] *See id.* at P 1093.

[221] *See id.* at P 1612.

[222] *See id.* at P 1047.

[223] *See, e.g., id.* at P 4, 78, and 911.

[224] The Commission did not require a standardized method of modeling the hours in which conditional firm point-to-point service would be conditional, although it did state addition of a risk factor to their calculation of annual curtailment hours would be appropriate to account for forecasting risks.

[225] Acceptable system conditions could include designation of limiting transmission elements, such as a transmission line, substation or flowgate. The Commission stated its belief that designation of system load levels, standing alone, would not qualify as an acceptable system condition. Load levels would have to be linked to a specific constraint or transmission element that is associated with the request for service, *e.g.*, load levels in a constrained load pocket.

[226] Although the Commission did not require use of monthly or seasonal caps, it encouraged transmission providers to offer them if they can overcome modeling barriers, since monthly or seasonal caps would give more certainty to customers regarding the particular aspects of their service.

associated with upgrades necessary to provide the service on a fully firm basis, the conditions or hours identified by the transmission provider must remain in effect until such time as the upgrades have been completed. For such customers, the service agreement must specify the upgrade costs as determined through the facilities study.

565. Any service agreement that incorporates planning redispatch or conditional firm options will be considered a non-conforming agreement and must be filed by the transmission provider pursuant to FPA section 205. Transmission providers therefore must also file with the Commission any amendments to these service agreements that result from reassessments. If a transmission provider proposes to change the redispatch or conditional curtailment conditions due to a reassessment, the Commission obligated transmission providers to provide the reassessment study to the customer along with a narrative statement describing the study and reasons for changes to the curtailment conditions or redispatch requirements no later than 90 days prior to the date for imposition of these new conditions or requirements.

566. During non-conditional periods, conditional firm service is subject to pro rata curtailment consistent with curtailment of any other long-term firm service. During the hours or specific system conditions when conditional firm service is conditional, conditional firm service share the same curtailment priority as secondary network service. In such circumstances, transmission providers will be allowed to curtail only for reliability reasons and conditional firm customers during conditional curtailment hours will be curtailed only after all point-to-point non-firm customers have been curtailed. If the customer selects the annual hourly cap option, the transmission provider will have the flexibility to conditionally curtail the customer for any reliability reason during those hours, including but not limited to, the system condition(s) identified in the system impact study.

567. The Commission provided that short-term firm service reserved prior to the reservation of conditional firm service will maintain priority over conditional firm service in the periods when conditional firm service is conditional, *i.e.*, when specified system conditions exist or conditional curtailment hours apply. Transmission providers were directed to work with NAESB to develop the appropriate communications protocol to allow for automatic assignment of short-term firm point-to-point service to conditional firm customers to the extent short-term service becomes available. Transmission providers need not implement this requirement until NAESB develops appropriate communications protocols.

568. Transmission providers also were directed to work with customers to facilitate the use of third party generation, where available, in provision of planning redispatch. To facilitate provision of redispatch service by third parties, the Commission further directed transmission providers, working through NAESB, to modify their OASIS sites and develop any necessary business practices to allow for posting of third party offers to provide planning redispatch. Again, transmission providers were not required to implement the new OASIS functionality and any related business practices until NAESB develops appropriate standards.

569. Finally, the Commission recognized that there may be some regional variation in the way transmission providers approach the provision of conditional firm service beyond the minimum attributes that established in Order No. 890. The Commission directed transmission providers located in the same region to coordinate among themselves to develop business practices for implementation of the conditional firm service.[227] In order to allow time for this regional coordination, the Commission directed transmission providers to implement these mechanisms and business practices within 180 days after the publication of this Final Rule in the **Federal Register**, or October 11, 2007.

Requests for Rehearing and Clarification

570. AWEA argues that the Commission erred in limiting the term of planning redispatch and conditional firm services. AWEA contends that longer-term planning redispatch and conditional firm services would better meet the needs of customers seeking long-term service that are unable to secure transmission upgrades because they are uneconomic. If the Commission declines to eliminate temporal limitations on the transmission provider's obligation to offer these services, AWEA asks the Commission to extend the reassessment period from two years to five years. AWEA argues that a five year reassessment period may allow customers to secure financing and would be reflective of a more typical planning horizon.

571. In contrast, NRECA asks that the Commission not allow planning redispatch or conditional firm point-to-point service unless customers agree to pay for transmission upgrades. NRECA argues doing so will eliminate the transmission customer's incentive to free-ride on transmission capacity built and paid for by others. Southern requests clarification that transmission customers committing to transmission construction have a higher priority for the incremental transmission capacity created by their upgrades than planning redispatch or conditional firm customers. If this priority is not granted, Southern maintains that planning redispatch and conditional customers not willing to commit to such construction could firm up their product by waiting for later-queued customers to pay for and construct the upgrades.

572. EEI and Southern argue that bridge customers should also be subject to the biennial reassessment when the period for completing upgrades exceeds two years. EEI contends that, unlike reassessment customers, bridge customers receive a lower quality of service compared to non-bridge customers because the transmission provider makes their determinations using the lowest ATC conditions that occur during the entire term of the bridge service agreement. EEI argues that the transmission provider therefore incorporates a larger margin of risk into its initial offer of service to the bridge customer than would be necessary if it were able to reassess the service biennially.

573. Constellation and EPSA request clarification that the biennial reassessment is not a *de novo* review of whether or not to provide conditional firm service and, instead, is limited to evaluation of the triggering conditions that were identified in the initial analysis. EPSA argues that if the transmission provider's studies show that only one of 10 key facilities raises reliability concerns that warrant an offer of conditional firm service, the transmission provider must be required to plan for and maintain all facilities other than the one identified limiting element on an ongoing basis. Otherwise, EPSA contends, conditional firm service denigrates into a two year service obligation. MidAmerican asks the Commission to confirm that transmission providers can waive their rights to reassess planning redispatch and conditional firm service for all similarly situated customers. MidAmerican suggests that transmission

[227] The Commission encouraged participation of non-public utility transmission providers in the region and interested transmission customers in the development of these business practices, and directed public utility transmission providers to make efforts to include these interested parties in their regional coordination efforts.

providers be able to waive reassessment rights for customers in areas experiencing infrequent changes, but maintain their reassessment rights for other customers in areas that experience frequent changes. MidAmerican contends that a transmission provider's act of waiving the reassessment should not be considered an act of discretion that requires an OASIS posting. MidAmerican also requests clarification that waiver of one reassessment period does not constitute an infinite waiver of reassessment rights. EEI asks the Commission to confirm that the transmission customer bears responsibility for the costs of the biennial reassessments since they are performed in response to its service request.

574. E.ON U.S. expresses concern that, if transmission providers are completely divorced from the third-party provided planning redispatch, there may be a negative impact on system reliability and ATC. E.ON U.S. requests clarification that the reliability coordinator for the transmission system must oversee third-party provision of planning redispatch to avoid interference with reliability redispatch.

575. MidAmerican seeks rehearing of the Commission's decision to expand the scope of the conditional firm option beyond the original NOPR proposal to include curtailment based on system conditions. MidAmerican asserts that this expansion assumes that the system has a built-in ability to absorb scheduled flow of energy from full utilization of firm or network service plus flows from contingent firm service upon an instantaneous system contingency until an operator can curtail conditional firm service. MidAmerican argues that contingencies on certain systems, such as systems susceptible to rapid voltage collapse and cascading outages, can occur before the operator can respond by curtailing.

576. Some petitioners argue that the transmission provider, not the transmission customer, should choose whether conditional firm curtailment will be based on an identified system condition or number of annual hours.[228] Ameren asserts that a system contingency event is not interchangeable with a number of hours limitation because they produce vastly different impacts on the system. Ameren and E.ON U.S. contend that modeling processes and changes in system conditions provide uncertainty and will hinder the transmission provider from specifying accurate curtailable hours. NRECA suggests that the decision of which approach to use should be driven by the results of the transmission provider's studies, local system conditions governing the availability of transmission, and a concern for preserving the reliability and value of existing firm service. E.ON U.S. asks the Commission to acknowledge that the risk factor associated with the number of hours that a customer can be curtailed for conditional firm service may be substantial to reflect the possibility of unexpected events such as a car accident, hurricane, or ice storm that require curtailment of transmission over a certain path.

577. EEI argues that the Commission should grant rehearing regarding the curtailment priority of conditional firm service during conditional periods. To allow the same curtailment priority as secondary network service, EEI asserts, would adversely impact reliable service to network and native load customers because these customers use ''secondary network service in order to serve network loads reliably.'' [229] Additionally, EEI argues that providing a curtailment priority that is below that of secondary network service instead of equal to it does not violate the prohibition against undue discrimination or impact comparability.

578. Southern, EEI and Transerv state that there is no automated process in NERC's Interchange Distribution Calculator (IDC) to convert a tag from firm priority to non-firm priority in order to accommodate conditional firm service. EEI states that currently the only way to modify the curtailment priority reflected on a tag is to cancel the existing tag and issue a new one. According to EEI, this affects the quality of service and ultimately causes the customer to incur imbalance charges. Southern, EEI and Transerv encourage implementation of uniform tagging business practices developed by NAESB to bring greater uniformity to markets. Transerv and EEI also request that the implementation deadline be extended to allow time for these modifications.

579. Southern also argues that the conditional firm service requirements may conflict with NERC reliability standards which require the transmission provider to demonstrate that its transmission system is planned such that it can be operated to supply projected demands and firm transmission services. Southern contends that if conditional firm service is modeled in the base case, it will cause overloads under N–1 contingencies resulting in the curtailment of firm transactions in contravention of NERC planning criteria. Southern asks the Commission to clarify that a transmission provider will not be in violation of NERC reliability standards by providing conditional firm service or if so that civil penalties will not be imposed for such violations.

580. TDU Systems ask the Commission to require transmission providers to update their rates to reflect the new conditional firm service revenues and to report to the Commission annually any revenues from this service.

Commission Determination

581. The Commission affirms the decision in Order No. 890 to require transmission providers to provide planning redispatch and conditional firm service subject to a biennial reassessment when transmission customers are unwilling to pay for transmission upgrades. We decline to adopt a longer reassessment period or altogether eliminate the reassessment feature of these services. There are legitimate circumstances under which a customer may choose not to support system upgrades, including high construction costs or a short term of service that does not merit construction. Balanced against these customers' needs are the needs of transmission providers to reliably provide service and of other customers to continue using their own firm transmission rights. Adopting a two year reassessment period appropriately balances these various interests.

582. The Commission did not, as AWEA suggests, limit the term of the reassessment service. A customer taking planning redispatch or conditional firm service subject to reassessment could receive an unlimited term of service, with the transmission provider reassessing every two years the redispatch required to keep the service firm or the conditions or hours under which the transmission provider may conditionally curtail the service.[230]

583. We disagree with EEI and Southern that customers supporting transmission upgrades should be subject to the biennial reassessment. In Order No. 890, the Commission required the specification of unchanging conditions in a transmission service agreement for a customer willing to pay for upgrades.[231] Customers agreeing to take service under this bridge product require certainty because they typically are financing and constructing new resources. While we recognize that a

[228] *E.g.*, Ameren, NRECA, and Southern.

[229] *Citing* Order No. 890 at P 1601.

[230] We clarify in response to EEI that conditional firm and planning redispatch customers should pay for the costs of conducting their individual biennial reassessments.

[231] *See id.* at P 980.

transmission provider may need to incorporate a larger margin of risk into the analysis of conditions when a customer has agreed to pay for upgrades that will not be brought online for several years, we do not believe that this will most often be the case. We require transmission providers to study the conditions for bridge service as they would their own use of a similar service used prior to the completion of transmission upgrades. Only those transmission providers using large margins of risk in evaluating the acquisition or construction of their own new resources with long transmission construction lead times should apply large margins of risk to the study of the conditional firm service for a customer that agrees to pay for upgrades.

584. We agree with Southern that customers paying for upgrades have priority access to the capability created by those upgrades, up to the point of the amount of transmission service requested. To do otherwise would create disincentives for transmission customers later in the queue to pay for upgrades because upgrades must necessarily be sized to accommodate all earlier-queued customers. We note, however, that any capacity created in excess of the service request should be allocated to those planning redispatch and conditional firm customers earlier in the queue, based on their order in the queue.

585. We also agree with MidAmerican that a transmission provider's waiver of a reassessment for conditional firm or planning redispatch service does not constitute a waiver of all reassessments for the duration of the service, unless explicitly agreed to by the transmission provider. We reiterate, however, that only one reassessment may be performed in each two-year period of service. We also affirm that any waiver must be granted for similarly situated service, which would include conditional firm or planning redispatch service that is limited because of the same constraints or general system limitations. Such a waiver would be an act of discretion that must be posted on OASIS. Waiver of the reassessment presents an opportunity for discrimination among classes of customers on the part of the transmission provider and posting will provide eligible customers with an indicator of how often conditions or redispatch requirements have been reassessed. Transmission providers are directed to develop uniform OASIS posting standards, in coordination with NAESB, for transmission providers to post information regarding waivers of the biennial reassessment for planning redispatch and conditional firm service.

586. We reiterate in response to E.ON U.S. that both the transmission provider and reliability coordinator play a role in ensuring that reliability is maintained when a customer uses third-party provided planning redispatch.[232] Customers are allowed to use their own or third-party resources to secure planning redispatch services in lieu of or in addition to service from the transmission provider, provided that the arrangements are sufficiently detailed and coordinated with the transmission provider to ensure that reliability is maintained. This would entail review of redispatch plans submitted by customers, coordination between the transmission provider and reliability coordinator, and signaling third party generators when the redispatch is needed. The Commission made clear in Order No. 890 that it would be the customers' ultimate responsibility to ensure that any technical arrangements required by the reliability coordinator are in place in order to maintain reliability.

587. With regard to the conditional firm option, we continue to require that transmission providers study and offer service based on both system conditions and annual curtailment hours. The Commission introduced the concept of conditional curtailment based on system conditions in its request for supplemental comments issued on November 15, 2006. MidAmerican and other industry participants were therefore provided adequate notice and opportunity to comment on the potential for the Commission to expand the scope of the required offerings for conditional firm service. Upon review of these comments, the Commission allowed transmission providers to determine system conditions and conditional curtailment hours through different means, implicitly recognizing that system conditions are not exactly interchangeable with conditional curtailment hours.[233] Modeling of conditional curtailment hours entails difficulties beyond those encountered in modeling ATC. Transmission providers have therefore been granted flexibility in making these determinations and are allowed to use an additional risk factor in calculating conditional hours.[234] In light of the flexibility provided to transmission providers, we reject as unsupported petitioners' requests to eliminate or limit the requirement to offer conditional firm service based on the number of hours in which service may be conditional.[235]

588. In Order No. 890, the Commission allowed transmission providers to add a risk factor to their calculation of annual curtailment hours to account for forecasting risks. We decline to clarify the level of this risk factor as E.ON U.S. requests. Transmission providers need flexibility in modeling these conditions and we will not specify a level of appropriate risk factor to apply. We note however that E.ON U.S. lists events that should not be evaluated in such analysis. Car accidents, hurricanes, ice storms or other unexpected events that require curtailment of firm transmission customers taking service over a certain path should not impact the number of non-firm curtailments of conditional firm service.

589. We disagree with MidAmerican's characterization of curtailment based on system conditions as requiring automatic or immediate operator response. Transmission providers, especially those with systems susceptible to rapid voltage collapse and cascading outages, should manage these situations as they would manage any other emergency. The ability to conditionally curtail conditional firm service is not meant to address system emergencies, but rather address system conditions such as congestion on a line or flowgate, system load levels or the outage of a specific line or generator. We affirm the decision in Order No. 890 to require transmission providers to offer eligible customers seeking conditional firm service a choice between conditional curtailment based on specified system conditions or annual hours.

590. We clarify in response to Constellation and EPSA that, when a transmission provider is evaluating its continued ability to provide conditional firm service during a biennial reassessment, the transmission provider is not limited to the specific conditions previously agreed to by the transmission customer in the initial service agreement or a prior reassessment. The purpose of the biennial reassessment is to allow the transmission provider to adjust the conditions or number of hours during which conditional firm service will be conditional in order to ensure that continued provision of the service does not impair reliability. Thus, the Commission does not impose upon the transmission provider the obligation to plan its system to keep firm the part

[232] *See id.* at P 1004–07.

[233] *See id.* at P 1065–67.

[234] *See id.* at P 1067.

[235] We decline requests to extend the date for implementing conditional firm service, which has already passed.

of the conditional firm service that is firm when service was initiated. Although this may increase (or decrease) the number of hours in which service is conditional, the transmission provider may not entirely terminate service to the conditional firm customer.

591. We affirm our decision to assign conditional firm service the same curtailment priority as secondary network service for periods when the service is conditional. EEI's argument that customers use secondary network service to meet the reliability needs of their loads is inapposite. Secondary network service is a non-firm service for which requests are made in the same timeframe as other non-firm service.[236] While the Commission recognized that network customers may use secondary network service on an ''as available'' basis to meet peak native load, and in this way meet the reliability needs of loads, this is not the purpose of secondary network service. Network customers that rely upon secondary network service to meet their peak native load are already lessening the reliability of their service by taking non-firm service. The fact that conditional firm service will compete with secondary network service when curtailments are ordered is irrelevant.

592. We agree with petitioners that the NAESB rules regarding tagging do not allow a transmission provider to change the tag of a transmission customer. That is why, in Order No. 890, the Commission directed transmission providers to coordinate with other transmission providers in their regions to develop their own business practices to implement the tagging and tracking of conditional firm service.[237] Upon consideration of petitioners' concerns, we grant rehearing to require transmission providers, in coordination with NERC and NAESB, to develop within 180 days of publication of this order in the **Federal Register** a consistent set of tracking capabilities and business practices for tagging for implementation of conditional firm service. We agree with petitioners that a consistent set of practices followed by the industry will reduce transmission provider discretion and bring uniformity in implementing conditional firm service. In the interim, the existing business practices of each transmission provider for tracking and tagging conditional firm service shall remain in effect.

593. We decline to generically waive potential penalties for violations of NERC reliability standards due to implementation of conditional firm service, as Southern suggests. Southern has not provided enough information to allow us to determine whether its implementation of conditional firm service will actually cause violations of NERC planning criteria. Transmission providers are able to incorporate the specifics of a conditional firm service agreement in their base models to differing degrees, depending on the flexibility of different models and the assumptions used in modeling the service. Therefore, incorporation of conditional firm service into the base case of models need not cause overloads under N–1 conditions. Under the Commission's regulations, if Southern believes a conflict exists between its implementation of the conditional firm option and any of NERC's reliability standards, it must bring that conflict to the attention of the Commission, the Electric Reliability Organization and the relevant Regional Entity for resolution. Pending resolution of the matter, a transmission provider must continue to comply with Order No. 890 and provide conditional firm service.

594. Finally, we reject as unnecessary TDU Systems' request to require separate annual reporting of conditional firm service revenues. We also decline to generically require all transmission providers to address potential updates to transmission rates as a result of providing conditional firm service. TDU Systems has not justified treating these revenues differently than other long-term firm point-to-point revenues.

(2) Pricing of Planning Redispatch

595. The Commission determined that customers taking long-term point-to-point service with planning redispatch will have the option of paying either (i) the higher of (a) actual incremental costs of redispatch or (b) the applicable embedded cost transmission rate on file with the Commission or (ii) a fixed rate for redispatch to be negotiated by the transmission provider and customer and subject to a cap representing the total fixed and variable costs of the resources expected to provide the service. If the customer selects the higher of incremental cost or the embedded-cost rate, the transmission provider must calculate the incremental costs of redispatch monthly and charge the higher of redispatch or the embedded cost rate each month.

596. For purposes of calculating planning redispatch charges, incremental costs must include fuel or purchase power costs caused by ramping up generator(s) at the point of delivery and ramping down generator(s) at the point of receipt. Where applicable, transmission providers also may specify other incremental costs for inclusion in the monthly actual incremental costs, including opportunity costs and purchased power costs, provided that identification and derivation of these costs is included in the service agreement. All information necessary to calculate and verify opportunity costs must be made available at the request of the transmission customer.[238]

Requests for Rehearing and Clarification

597. Several petitioners argue that customers choosing planning redispatch should pay the cost of transmission service and the cost of redispatching generation.[239] These petitioners generally maintain that the redispatch of generators merely reallocates use of existing transmission capability without creating any new thermal transmission capacity. EEI and Progress contend that planning redispatch takes away firm transmission capacity from network customers and the transmission provider's native load and gives that capacity to a new point-to-point customer, without any corresponding increase in TTC. Southern notes that customers agreeing to third-party provided planning redispatch will pay both the embedded transmission rate to the transmission provider and the redispatch rate charged by the third-party generator. EEI and Southern contend that the pricing of planning redispatch should be aligned with the price of reliability redispatch and the pricing for third-party provided redispatch, arguing that different cost recovery for similarly situated generators is unduly preferential.

598. EEI also argues that the Commission's prohibition against recovery of both the incremental cost of transmission upgrades and the embedded cost of transmission service from the same customer has a different impact on the transmission provider's ability to recover its cost of service than does the prohibition against the recovery of the costs of planning redispatch and the costs of the

[236] *See id.* at P 1606.

[237] *See id.* at P 1077. We clarify that transmission providers may determine the season, month and hour for changing the priority of tags for customers taking the annual hourly conditional firm option.

[238] Although a transmission provider is not required to contract with a third party to provide planning redispatch, if it does so then the customer would be obligated to pay the purchase power costs, including any reservation charge for the power. Any flow-through of purchase power costs must be negotiated between customers and transmission providers in a stand-alone agreement if the transmission provider agrees to make purchases on the customer's behalf.

[239] *E.g.*, Ameren, EEI, Progress, Southern, Washington IOUs, and Xcel.

transmission system. When a transmission provider constructs additional transmission capacity to serve a new customer, EEI states that the transmission provider recovers the entire cost of its transmission system and its new facilities and that the only question is how those costs should be allocated between new and existing customers. EEI contends that the pricing for planning redispatch leaves the transmission provider unable to recover additional costs associated with the service.

599. Southern argues that customers will receive two distinct services and should be charged for both according to cost causation principles. Southern asserts that the Commission's pricing policy for planning redispatch service results in an uncompensated taking of the utility's property by providing no compensation for either the transmission or the generator-supplied redispatch service. Southern concludes that the rate for planning redispatch cannot be just and reasonable because the transmission provider will provide part of the service for free. E.ON. U.S. similarly argues that LSEs should have the opportunity to recover actual fuel costs since those costs are directly attributable to the service provided to the redispatch customer. Ameren asks the Commission to clarify that all costs, including lost opportunity costs will be recovered in order to avoid penalizing the generator and harming native load customers.

600. EEI argues that the Commission's rationale for prohibiting the recovery of both lost opportunity costs and the cost of transmission service in a pre-open access environment is inapplicable to the situation that transmission providers face when they must redispatch generating resources to create transmission capacity that would otherwise be unavailable.[240] According to EEI, the situation in *Penelec*, in which the utility was seeking compensation for the potential loss of future imports of non-firm energy, is inapposite to the planning redispatch requirement, in which the customer's request for firm service has priority over the transmission provider's non-firm use of the system.

601. If the Commission does not allow recovery of the costs of both transmission service and the cost of redispatching generation, EEI and Southern ask the Commission to clarify rate treatment for the planning redispatch service. They argue that the long-term point-to-point reservation that employs planning redispatch should not be included in the divisor of a transmission provider's rate calculation. Instead, Southern argues that generation-related payments associated with the redispatch should be treated as a revenue credit to off-set native load customers' fuel adjustment clause and transmission revenues from the planning redispatch service should be included in the numerator as a revenue credit. EEI contends that transmission providers should be permitted to make a rate design change through amendments to their formula rates or in a general or single rate case filing.

Commission Determination

602. The Commission affirms the decision in Order No. 890 not to adopt ''and'' pricing for planning redispatch service. In Order No. 890, the Commission explained that planning redispatch differs from reliability redispatch in that planning redispatch service creates additional transmission capacity[241] and reliability redispatch allows customers to avoid real-time curtailments.[242] It is appropriate for customers to pay the embedded cost of transmission and the cost of third-party redispatch because third parties cannot recover transmission revenues for the additional transmission capability created by their redispatch. Thus, different cost recovery for third party, network and transmission provider resources providing redispatch is not unduly preferential.

603. While we agree that planning redispatch does not create new thermal capacity equivalent to grid expansion, we disagree with EEI and Southern that planning redispatch does not create additional transmission capability and associated revenues for the transmission provider. When a transmission provider plans to redispatch its generation resources in order to provide previously unavailable firm point-to-point service, it does not and should not take firm service away from network and native load customers. The transmission provider continues to provide firm service to network and native load customers and receives its revenue requirement to serve those customers. The transmission provider also adds another long-term firm point-to-point service agreement and receives its embedded cost transmission rate for that service, which it would not have received but for providing the planned redispatch of its resources.

604. The pricing of planning redispatch service does not violate cost causation principles or amount to an uncompensated taking from utilities. Transmission providers will receive on a monthly basis the higher of the cost of redispatching their generators or the revenues for transmission service that they would not have received but for the redispatch. Transmission providers do not provide the redispatch of their generation for free, as Southern contends, nor do they lose the opportunity to recover actual fuel costs, as E.ON U.S. suggests. If the monthly embedded-cost transmission rate is lower than the monthly costs of redispatching resources, including actual fuel costs, the higher monthly redispatch costs may be recovered.

605. We will not allow ''and'' pricing of planning redispatch service, which would result in overcompensation of transmission providers and violate the Commission's long-standing opportunity costs pricing policy announced in *Penelec*. In Order No. 888, the Commission affirmed the rationale in *Penelec* for allowing utilities to charge opportunity costs in an open access environment.[243] In Order No. 888–A, the Commission specifically concluded that opportunity cost pricing is appropriate for costs that arise from a transmission provider having to reduce its off-system sales to avoid a transmission constraint and reiterated that off-system sales can only be made pursuant to the point-to-point provisions of the *pro forma* OATT.[244] The Commission also affirmed that ''and'' pricing is not appropriate for planning redispatch service.[245] EEI's assertion that *Penelec* is not applicable in a post-open access world is a collateral attack on Order Nos. 888 and 888–A.

606. Order No. 888 provided that revenues from direct assignment of redispatch costs must be credited to the costs of fuel and purchased power expense included in the transmission provider's wholesale fuel adjustment

[240] *Citing Pennsylvania Electric Company*, 58 FERC ¶ 61,278 at 62,873, *reh'g denied*, 60 FERC ¶ 61,034 (1992), *aff'd sub nom. Pennsylvania Electric Co.* v. *FERC*, 11 F.3d 207 (D.C. Cir. 1993) (*Penelec*).

[241] *See* Order No. 890 at P 1029 (citing Order No. 888–A at 30,267). In Order No. 888–A, the Commission began its discussion of the redispatch obligation and redispatch pricing by explaining that ''the obligation to create additional transmission capacity to accommodate a request for firm transmission service should properly lie with the transmission provider, not a network customer.'' *See* Order No. 888–A at 30,267. Because a network customer cannot add new transmission upgrades on its own to the transmission provider's system, the Commission was necessarily referring in this statement to the planning redispatch obligation.

[242] *See* Order No. 890 at P 1028.

[243] *See* Order No. 888 at 31,739.

[244] *See* Order No. 888–A at 30,265, n.261.

[245] *Id.*

clause.[246] We therefore clarify that, in months in which generation-related payments are collected for planning redispatch, these payments should be treated as a revenue credit to off-set native load customers' fuel adjustment clause. In months in which the embedded cost rate of transmission is collected for planning redispatch, these revenues should be included in the numerator of the rate calculation as a revenue credit. For most planning redispatch service, we believe that there will likely be at least one month a year when the actual incremental cost of redispatch is higher than the embedded cost rate. For this reason we believe it is appropriate for transmission providers to treat transmission revenues from planning redispatch service consistent with the rate treatment for revenues from short-term transmission reservations. To the extent necessary, a transmission provider may propose in an FPA section 205 filing any rate design change that may be necessary through an amendment to its formula rate or in a general or single rate case filing.

(3) Rollover Rights

607. The Commission found in Order No. 890 that rollover rights are appropriate for point-to-point service that is provided using planning redispatch or conditional firm options and that would otherwise be eligible for rollover rights. The transmission provider, however, will continue to have a right to review the conditions or redispatch requirements every two years.

608. The Commission determined that a conditional firm customer opting to roll over will retain a priority claim to the portion of its service that is firm. The Commission qualified this statement by providing an example: if a five-year conditional firm service initially has a 100-hour annual cap on curtailments, but the cap is later reassessed at 150 hours, the rollover right would continue to give the customer first call on all but the 150 hours as against all other subsequent requests for firm service.

Requests for Rehearing and Clarification

609. TDU Systems and Ameren argue that the Commission erred in allowing rollover rights for conditional firm service that is subject to biennial reassessment. TDU Systems and Ameren argue that allowing rollover for this service is inconsistent with other requirements of Order No. 890 that limit conditional firm service to the shorter term service if customers do not agree to pay for upgrades. TDU Systems contend that allowing rollover rights for customers taking conditional firm service creates a continued opportunity for transmission customers to free ride on transmission capacity built and paid for by others. Ameren maintains allowing rollover rights for conditional firm agreements will increase uncertainty in modeling and will decrease the incentive to upgrade the transmission system.

Commission Determination

610. The Commission affirms the decision in Order No. 890 to provide rollover rights to conditional firm point-to-point service that otherwise qualifies for rollover rights. We disagree that granting rollover rights to conditional firm customers is inconsistent with statements in Order No. 890 that customers not willing to pay for upgrades should have their service limited. Customers taking conditional firm service subject to reassessment take the risk that the firmness of their service will deteriorate with every biennial reassessment. These customers are not free riding on the transmission grid, but rather are taking less than firm service and making a contribution to the embedded costs of the grid by paying the long-term firm transmission rate. Allowing rollover will not increase uncertainty in modeling the service, as Ameren contends, because transmission providers will still be able to perform biennial reassessments every two years for those conditional firm customers not willing to pay for upgrades.

611. We also disagree that granting rollover rights to conditional firm customers decreases incentives to expand the grid. Even without rollover rights, conditional firm customers wishing to continue their service could simply submit additional requests for service, in response to which the transmission provider would identify the limiting conditions for continued service. Granting rollover rights to longer-term conditional firm customers allows these customers to keep their place in line ahead of others seeking conditional firm service in recognition of the longer-term commitment they made to the transmission provider. Ameren's concern, then, is with the underlying requirement to offer conditional firm service, which we affirm above.

(4) Use of the Conditional Firm Option in Designating Network Resources

612. In Order No. 890, the Commission concluded that conditional firm point-to-point service is sufficiently firm to support the designation of network resources imported from other control areas. The Commission concluded that the conditional firm option only affects the transmission of the resource to the network, not the interruptibility of the generating resource itself, and the transmission may not be interrupted for reasons other than reliability.

Requests for Rehearing and Clarification

613. Several petitioners object to allowing conditional firm service to be used to support an off-system designated network resource.[247] EEI and Progress argue that allowing designation of such resources would adversely impact system reliability. EEI asserts that some customers may take conditional firm service that is curtailable in all summer months, not just 10 to 20 hours a year. EEI contends that conditional firm service presents the possibility that the supply of energy from a generator may be interrupted for a substantial period of time, well in excess of the time for an interruption due to a forced outage or maintenance outage. EEI asserts that this less reliable service to serve load will not only impact the conditional firm customer's supply of energy, but could affect other network customers and native load customers.

614. Duke requests clarification that off-system conditional firm-supported resources may qualify as designated network resources only if the network customer clearly specifies in its Network Integration Transmission Service Agreement specific backup arrangements, such as adequate reserves. Duke also asks the Commission to clarify that a transmission provider need not undertake provider-of-last-resort obligations to any network customer that elects to designate a network resource supported by conditional firm service.

615. PJM asks the Commission to clarify that Order No. 890 does not require it to accept conditional firm service as sufficient to qualify external generating resources as capacity resources for purposes of PJM's Reliability Pricing Model (RPM). In order to qualify as a capacity resource, PJM asserts that an external unit must have a firm path to load that is available year-round, particularly during high-level periods when adjacent control areas both are experiencing system stresses.

[246] *See* Order No. 888 at 31,740.

[247] *E.g.*, Duke, EEI, Progress, and TDU Systems.

Commission Determination

616. The Commission affirms the decision in Order No. 890 to allow the designation of off-system resources supported by conditional firm point-to-point service.[248] It is appropriate to allow conditional firm service to support the designation of network resources because the conditional firm option only affects the transmission of the resource to the network, not the interruptibility of the generating resource itself. Conditional firm service satisfies the requirement that the delivery of the resource to the network to be non-interruptible because conditional firm transmission service is curtailable only for specific reliability reasons, not for economic reasons.

617. We acknowledge that conditional firm service may have conditions that apply for most of the peak periods of a month or season. This does not mean that such service will necessarily impact the reliability of the transmission provider's system. The Commission declines Duke's request to require a network customer with a designated off-system resource supported by conditional firm service to obtain reserves or backup resources to cover the periods when the resource supported with conditional firm point-to-point transmission service might not be delivered. It is not the responsibility of the transmission provider to ensure that the network customer has sufficient resources to meet its load.

618. Whether or not off-system resources supported by conditional firm service may serve as a capacity resource under PJM's RPM is governed by the relevant RPM rules adopted by PJM, which were not addressed in Order No. 890.

c. Proposals for Transparent Redispatch

619. In Order No. 890, the Commission rejected requests to expand the transmission provider's real-time redispatch obligations to incorporate third-party bids for redispatch or otherwise require reliability redispatch to be offered to point-to-point customers. The Commission concluded that the provision of reliability redispatch only to network customers did not constitute undue discrimination because, unlike point-to-point customers, network customers are required to make their generation resources available to the transmission provider to provide reliability redispatch to maintain the reliability of both native load and network service. The Commission also determined that mandatory inclusion of third party offers to redispatch is not necessary to remedy undue discrimination because, unlike the transmission provider, third party generators are under no obligation to make their resources available to provide redispatch.

620. The Commission did, however, require that transmission providers post certain redispatch cost information associated with the existing redispatch services that must be provided under the *pro forma* OATT. The Commission concluded that providing customers with additional transparency and greater information regarding the cost of congestion will facilitate their consideration of planning redispatch options, which in turn will provide for more efficient use of the grid. To that end, the Commission directed each transmission provider to post on OASIS its monthly average cost of redispatch for each internal congested transmission facility or interface over which it provides planning redispatch or reliability redispatch under the *pro forma* OATT. In addition, to demonstrate the range of redispatch costs each month, the Commission directed transmission providers to post a high and low redispatch cost for the month for each of these same transmission constraints.

621. Transmission providers must post internal constraint or interface data for the month if any planning redispatch or reliability redispatch is provided during the month, regardless of whether the transmission customer is required to reimburse the transmission provider for those exact costs. Thus, if the transmission customer pays for planning redispatch pursuant to a negotiated fixed rate, the transmission provider is required to post and calculate the monthly average redispatch costs and the high and low costs in the month even though the transmission provider will bill the customer the fixed rate. The same posting requirement applies if the customer is paying a monthly ''higher of'' rate. The Commission concluded that the relevant reliability redispatch costs for posting purposes are those costs the transmission provider invoices network customers based on a load ratio share pursuant to section 33.3 of the *pro forma* OATT.[249] The transmission provider must post this data on OASIS as soon as practical after the end of each month, but no later than when it sends invoices to transmission customers for redispatch-related services. The Commission directed transmission providers to work in conjunction with NAESB to develop this new OASIS functionality and any necessary business practice standards.

Requests for Rehearing and Clarification

622. Ameren argues that the redispatch cost posting requirement is unreasonable because it creates a substantial new burden for transmission providers without creating offsetting benefits for transmission customers. Ameren maintains that the Commission failed to assess the benefits and the burdens of the redispatch costs posting requirement. Ameren also maintains that this information will not provide any value to the transmission customer in anticipating redispatch costs since certain factors embedded in the calculation of these costs, including fuel, will vary greatly over time. Ameren concludes that existing requirements under the *pro forma* OATT are all that is necessary to provide transparency for the service.

623. Progress Energy requests clarification that reliability redispatch costs need only be posted if the transmission provider invoices network customers for those costs. Progress Energy states that Order No. 890 contains language that could be read to require the posting of reliability redispatch costs even if network customers are not invoiced for those costs, notwithstanding the Commission's statement that the relevant reliability redispatch costs for posting purposes are those costs the transmission provider invoices network customers.[250] Progress Energy concludes that it would be unduly burdensome and serve no regulatory purpose to require transmission providers to post reliability redispatch costs when they are not invoicing their network customers for these costs.

624. Entergy requests clarification that, when redispatch charges are calculated and charged on a system average basis, only the average costs for the system for the month need be posted. Entergy states that its new weekly procurement process will provide customers a greater opportunity to obtain transmission service by paying redispatch costs, as determined through the optimization models in the weekly procurement process. These optimization models will not calculate redispatch costs for each specific constrained facility on Entergy's system.

[248] *See* Order No. 890 at P 1091.

[249] Order No. 890 provided that the transmission provider need not perform new calculations of out-of-merit redispatch costs; rather the reliability redispatch invoices should form the basis of information from which the transmission provider determines monthly average reliability redispatch costs.

[250] *Citing* Order No. 890 at P 1162, n.707.

Entergy states it would incur additional burdens if required to separately calculate these costs to meet the Order No. 890 requirement to post redispatch costs by each constrained facility.

Commission Determination

625. The Commission affirms the decision in Order No. 890 to require transmission providers to post on OASIS monthly average redispatch costs for each internal congested transmission facility and interface over which planning redispatch or reliability dispatch are provided under the *pro forma* OATT. We disagree with Ameren that this creates a substantial new reporting burden for transmission providers. The information to be posted is readily available to transmission providers from the invoices used to charge network customers, in the case of reliability redispatch costs, or calculations that the transmission provider performs to bill for planning redispatch services. The only added burden involves posting those previously calculated costs and calculating averages in order to mask commercially sensitive information. This additional averaging step was instituted to address concerns raised by Ameren and others about release of proprietary or confidential market information.[251] Although we do not believe this averaging step to be unduly burdensome, Ameren or any other transmission provider may propose a variation from the *pro forma* OATT to allow for posting of actual billing data if the transmission provider believes it is too burdensome to average this data prior to posting.

626. Any minimal burden imposed on transmission providers by the redispatch cost posting requirement is offset by the benefits of providing customers with fairly current information regarding which facilities are congested each month and the average costs of redispatch over those facilities.[252] This information has previously been provided only to customers receiving specific redispatch services. While redispatch costs incurred by customers in the present do not always correlate with future redispatch costs, a fact recognized by the Commission in Order No. 890,[253] more information on the currently provided redispatch could be invaluable to a potential or current customer evaluating different generation and transmission options. A reporting requirement that allows customers to identify constraints and the monthly average costs of relieving those constraints provides a benefit to customers that outweighs the small monthly posting burden.

627. To the extent necessary, we clarify in response to Progress Energy that transmission providers that do not calculate and charge separate reliability dispatch charges to its network customers have no obligation to report monthly redispatch costs for those services. The posting obligations adopted in Order No. 890 were designed so that transmission providers could post redispatch cost information based on data already calculated for another purpose, including customer invoices for reliability dispatch and the determination of charges for the monthly ''higher of'' rate for planning redispatch.[254] If redispatch costs are calculated and charged on a system-wide basis rather than for each constraint on the system, the transmission provider has no obligation to perform new calculations to estimate the redispatch costs for each constraint on its system. We therefore agree with Entergy that, in the described situation, only the average costs for the system for the month, including the highest and lowest system average redispatch costs in an hour for the month, need be posted.

d. Other Requested Service Modifications

628. The Commission rejected requests to adopt other new services or modifications to existing services beyond those reforms adopted in Order No. 890. Among other things, the Commission declined to require transmission providers to offer a dynamic scheduling service for loads and resources that are located in different transmission providers' areas. The Commission stated that transmission providers seeking to provide this or additional new services may submit an FPA section 205 filing to propose modifications to their OATT, which would be considered on a case-by-case basis.

Requests for Rehearing and Clarification

629. TAPS requests that the Commission require transmission providers to include provisions in their OATTs that would permit a transmission dependent utility with loads and resources in multiple control areas to consolidate them into a single control area via dynamic scheduling. TAPS states that a control area utility with remote generation and/or load has the option to use a pseudo-tie to import generation into its control area. TAPS argues that transmission dependent utilities should have comparable options priced at the transmission provider's cost. TAPS contends that leaving transmission dependent utilities in the position of having to negotiate with the transmission providers for this option will leave them exposed to unjust and unreasonable and unduly discriminatory imbalance pricing. TAPS also argues that changes to the OATT to allow for dynamic scheduling should not disturb already existing dynamic scheduling agreements that have been successfully negotiated by transmission dependent utilities.

Commission Determination

630. The Commission denies rehearing of the decision in Order No. 890 to not mandate a dynamic scheduling service in the *pro forma* OATT. Dynamic schedules and pseudo-ties are both services that involve metering, telemetry, computer software, hardware, communications, engineering and administration. Each service is crafted to meet the unique needs of each customer, typically requiring the cooperation and services of at least two control areas as well as contractor-providers of the components of the services. Comparability does not require the transmission provider to undertake these negotiations on behalf of its network customers. The unique, customer-specific nature of these services are more properly arranged by negotiation between the relevant parties rather than standardized in the *pro forma* OATT. However, to the extent a transmission provider currently accepts telemetered generation schedules for its native load, the transmission provider must accept such schedules from its network customers on a comparable basis.

631. The Commission is also concerned that the mandatory cost-based provision of pseudo-ties could allow transmission customers to cherry-pick among transmission providers based on differences in service, including ancillary service costs, and could cause insurmountable planning and reliability problems for transmission providers. Under a pseudo-tie, the control area receiving the new load or generation signal assumes responsibility for ensuring that the load is properly balanced moment-

[251] *See id.* at P 1150.

[252] *See id.* at P 1163.

[253] *See id.* at P 1159.

[254] The posting requirement for the newly instituted negotiated fixed rate pricing option for planning redispatch is an exception. If a transmission provider chooses to negotiate a fixed rate for planning redispatch, it must determine and report the redispatch costs for providing that service even though it might not otherwise need to calculate these costs.

to-moment, for planning for the load, and for providing various other ancillary services including energy or generator balancing service. We decline to impose unlimited planning, reliability and ancillary service requirements on transmission providers by forcing them to accept any load or generator that seeks to move to their systems. We are encouraged, however, by the increased availability of pseudo-ties and dynamic schedules in the industry. TAPS and others have been able to secure dynamic scheduling agreements on a negotiated basis, and we do not intend to disrupt those agreements in this proceeding.

2. Rollover Rights

632. In Order No. 890, the Commission revised the rollover provision in section 2.2 of the *pro forma* OATT, which grants an ongoing right to firm transmission customers to renew or ''rollover'' their contracts. Under Order No. 888, transmission customers were allowed to rollover contracts with a minimum term of one year, provided that they provide notification of the rollover no later than 60 days prior to expiration of their service agreements. The Commission concluded that this provision was no longer just and reasonable, extending the minimum term necessary to qualify for a rollover to five years and the notice deadline to one year. Thus, a transmission customer must agree to another five-year contract term or match any longer term competing request within one year of expiration of its five-year service agreement in order to be eligible for a subsequent rollover. The Commission stated that this reform will become effective for each transmission provider upon acceptance of the transmission provider's compliance filing containing a coordinated and regional planning process that satisfies the requirements of Order No. 890.

633. The Commission declined to eliminate the requirement that an existing transmission customer match competing offers as to term and rate in order to roll over its service. The Commission also continued to require rollover restrictions to be based only on reasonable forecasts of native load growth or preexisting contracts that commence in the future. The Commission affirmed that any restrictions on a customer's rollover rights must be included in the initial transmission service agreement.

a. Five-Year Minimum Contract Term

Requests for Rehearing and Clarification

634. APPA, NCEMC, TAPS, and TDU Systems state a general concern that, under current market conditions, some transmission customers may be unable to obtain power supplies of a term and firmness required to support a five-year firm transmission agreement. Each of these petitioners note that FPA section 217(b)(4) requires the Commission to exercise its authority ''in a manner that facilitates the planning and expansion of transmission facilities to meet the reasonable needs of load-serving entities to satisfy [their] service obligations * * * and enables load-serving entities to secure firm transmission rights * * * on a long-term basis for long-term power supply arrangements made, or planned to meet such needs.'' These petitioners argue that the Commission's rollover reforms impede, rather than facilitate, the ability of LSEs to secure firm transmission rights on a long-term basis to meet their service obligations.

635. TDU Systems and NCEMC suggest that implementation of the five-year minimum contract requirement for obtaining rollover rights be conditioned on a demonstration that the relevant generation markets can support five-year power supply contracts. TDU Systems state that the Commission misinterpreted its initial comments on this issue as a request to require transmission providers to engage in the business of procuring supplies for their transmission customers. TDU Systems explain that they only requested that the Commission determine whether market conditions are such that transmission customers themselves may procure five-year generation contracts, such as by using the Herfindahl-Hirshman Index as a tool for determining the competitiveness of the relevant generation markets.

636. TAPS argues that, where transmission constraints exist, a customer could be forced to remain with an incumbent supplier or face the loss of its rights to continued use of the grid. NCEMC expresses similar concerns, arguing that on constrained systems the rollover reforms significantly increase the potential for market power abuse. NCEMC contends that an incumbent generator can limit an LSE's access to rollover rights by simply refusing to offer five-year power supply contracts.

637. TAPS further argues that these concerns are not adequately addressed by other reforms adopted in Order No. 890, as suggested by the Commission. TAPS contends that many of these reforms, such as those involving conditional firm and planning redispatch, redirects, and capacity reassignment, apply only to point-to-point service, not network service. TAPS argues that reforms increasing the accuracy of ATC calculations will not help if the calculation results in zero ATC and that coordinated transmission planning will only help if it results in actual construction of transmission expansions. APPA similarly argues that any benefits from increased coordination in transmission planning will take some time to develop.

638. APPA and TAPS contend that the Commission should condition the requirement of a five-year minimum contract term to obtain a rollover right on allowing customers that enter into such contracts the flexibility to modify receipt points and resource designations as their power supply needs change. TAPS argues that the Commission should grant certain clarifications regarding network customers' rollover rights, in recognition of the fact that such customers pay for the transmission provider's whole system. First, TAPS asks the Commission to make clear that the customer is not restricted to its existing supplier by requiring transmission providers to flexibly accommodate changed resources so that network customers have the benefit of continued use of the transmission system planned on their behalf and paid for on a load ratio share basis. Second, TAPS asks the Commission, at a minimum, to affirm the existing requirement that a new resource should not be rejected as a rollover simply because it is not identical to the prior resource, *i.e.*, that a rollover must be allowed unless there is a ''substantial change'' in the direction of flows. Third, TAPS requests that the Commission require the transmission provider, at least until compliance with planning-related reforms, to accept a network customer's timely designated network resource, even if necessary through redispatch (with costs shared on a load ratio basis), unless the transmission provider can show that the customer's supply choice was not reasonably foreseeable. Alternatively, TAPS argues that the Commission should require cost-based sales to the trapped embedded transmission dependent utility.

639. TDU Systems state that rollover rights should be allowed unless there is a substantial change in power flows and argues further that transmission providers should be required to permit rollover of a network customer's resource if the transmission provider would accord itself rollover of the resource if it served the transmission provider's load. TDU Systems argue that

transmission providers commonly treat their entire transmission systems as single sinks and apply redispatch in order to accommodate rollover of their own network resources, while at the same time, they evaluate other users' rollovers of network resources non-comparably, strictly on the basis of flows to discrete load centers, without the benefit of redispatch. TDU Systems contend that this practice discriminates against network customers. AMP-Ohio asks the Commission to clarify that a network customer is permitted to roll over a portion of a long-term reservation.

640. Morgan Stanley argues that the Commission failed to address its argument that limiting rollover rights to customers with firm transmission contracts of five years in length or more establishes significant barriers to entry. Morgan Stanley contends the credit and collateral requirements to enter into a five-year commitment are much higher than those necessary to enter into a one-year deal and that this higher credit requirement could limit the variety and flexibility of the resources available to serve load. Morgan Stanley also argues that extending the minimum term to five years will result in an increase in transmission costs without any corresponding benefits to parties trying to serve load. Morgan Stanley asserts that transmission customers choosing to serve load will have to purchase more capacity than needed, which will make less capacity available for others and will increase costs to the loads served.

641. Morgan Stanley also argues that the change in rollover right policy discriminates against merchant generators, like Morgan Stanley, that do not have load linked to generation. Morgan Stanley contends that forcing a merchant generator to purchase longer-term transmission will increase its costs to build and encourage local utilities to build their own generation rather than seek competitive alternatives. Morgan Stanley repeats arguments that the lack of firm, long-term transmission reservations in the California and New England organized markets belies the Commission's findings that contract certainty is needed in order for transmission providers to appropriately plan and construct their systems.

642. Ameren similarly argues that the Commission failed to consider the effect on the markets of limiting rollover rights to contracts with a minimum term of five years, particularly with regard to markets in which utilities meet their energy needs through annual auctions or requests for proposals. Ameren contends that a one-year minimum term should be all that is necessary for a customer to roll over its service, arguing that current market conditions and the volatility in fuel prices make it undesirable for power sellers and power purchasers alike to enter into longer contracts. Ameren also questions the Commission's argument that rollover reforms are needed to improve transmission planning, arguing that the lack of transmission infrastructure demonstrates that the prior rollover policy did not in fact lead to overbuilding. Ameren asserts that there will be fewer contracts with rollover rights under the new policy and, as a result, planning and reliability will be harmed because transmission providers will only have to plan for this more limited group of contracts. At the same time, Ameren argues that the viability of the short-term market will be impaired because the ability of transmission customers to continue their service will be placed in doubt. Ameren contends that this scenario will be exacerbated in organized markets where many sales and purchases occur in short-term or spot markets. If the Commission declines to grant rehearing regarding the five-year minimum term requirement, Ameren asks the Commission to clarify that it is eliminating the requirement for transmission providers to plan their systems to accommodate transmission customers with contracts that are shorter than five years.

643. Williams suggests that the minimum term for the exercise of rollover rights should be three years, as it believes this better balances the respective rights and obligations of transmission customers and transmission providers. Williams argues that extending the minimum rollover term will result in less flexibility for transmission customers to adjust to changing market conditions and more harm to competition. Williams provides an example of a customer receiving non-firm service due to a redirected transmission service request, asserting that the customer would be ''saddled'' with non-firm service for the duration of the minimum term, notwithstanding the fact that prior to the redirect the customer contracted for firm service. Although the customer would still receive the same, non-firm service under a three-year minimum term, the shorter term enables the customer to return to the benefit of its bargain sooner and better reflects the initial intent of the parties.

Commission Determination

644. The Commission affirms the decision in Order No. 890 to limit rollover rights to contracts with a minimum term of five years. As the Commission explained in Order No. 890, the prior rollover policy was no longer just, reasonable, and not unduly discriminatory because the rights and obligations of a rollover customer no longer bore a rational relationship to the planning and construction obligations imposed on the transmission provider by the rollover rights. We continue to believe that a five-year term will ensure greater consistency between the rights and obligations of customers and the corresponding planning and construction obligations of transmission providers. While we appreciate that this reform will affect the way customers retain transmission service, other reforms adopted in Order No. 890 will mitigate the concerns of shorter-term customers, in particular the obligation for transmission providers to adopt an open, coordinated and transparent process for planning to meet the transmission needs of all customers.

645. The Commission takes seriously the concerns and allegations about the presence of generation market power and the lack of availability of long-term power contracts, and we will continue to address these issues in other contexts, in particular our market-based rate program. The purpose of our reform of the rollover policy, however, is to align the rights and obligations of the customer with those of the transmission provider, not with the availability of supplies within a market or particular commercial practices in a region. A point-to-point customer need not have a five-year power contract in order to secure a five-year transmission service contract. Similarly, it is the length of a network customer's network service agreement, not the length of the power contract supporting a network resource designation, that determines whether the customer is eligible for rollover.[255] Thus, the availability of five-year power contracts is not determinative of the ability of transmission customers to obtain rollover rights.

646. We acknowledge that entering into longer-term transmission service agreements might increase risk or reduce flexibility for some customers, including merchant generators, as they manage their power supplies and transmission contracts. Balanced against this potentially negative effect, however, are the many benefits that will flow from rollover reform. Under the prior rollover policy, a customer could secure transmission for one year and effectively require the transmission provider to plan and upgrade its system on the

[255] *See Wisconsin Pub. Power Inc. SYSTEM* v. *Wisconsin Pub. Serv. Corp.,* 84 FERC ¶ 61,120 at 61,659 (1998) (*WPPI*).

assumption the rollover right would be continually renewed. As the Commission noted in Order No. 890, it is inappropriate to require transmission providers to use finite resources to finance and construct facilities that may not be necessary, particularly in light of the difficulty of siting new transmission.[256] The prior rollover policy also harmed other transmission customers by allowing rollover customers to lock up existing capacity that could have been used by other customers. A minimum term of five years, and not a shorter period such as three years as suggested by Williams, best balances the benefits and burdens associated with our rollover policy.

647. In response to TAPS, we clarify that we did not intend in Order No. 890 to restrict the rollover right to exactly the same points of receipt and delivery as the terminating service, as this would competitively disadvantage existing customers seeking new sources of generation. As the Commission explained in Order Nos. 888 and 888–A, ''if the customer chooses a new power supplier and this substantially changes the location or direction of the power flows it imposes on the transmission provider's system, the customer's right to continue taking transmission service from its existing transmission provider may be affected by transmission constraints associated with the change.'' [257] Thus, a transmission provider must allow a rollover, even where a transmission customer changes power suppliers, so long as there is no substantial change in the location or direction of the power flows imposed on the transmission provider's system. Moreover, we agree with TDU Systems that it would be inappropriate for transmission providers to treat a network customer's request for rollover to accommodate a new designated network resource differently than they treat their own new resources for their own loads. Transmission providers must permit rollover of a network resource by another user if it would accord itself rollover of the resource if it served the transmission provider's load.

648. We do not believe, however, that it is appropriate to expand the rights of rollover customers as requested by some petitioners. We therefore decline to condition the requirement of a five-year minimum contract term on allowing customers signing such agreements unlimited flexibility to modify their designated resources and receipt points as their power supply needs change within their five-year transmission service agreements. As the Commission explained in Order No. 890, such an approach is unworkable because it could result in substantial disruptions in transmission service to higher queued customers requesting long-term service over these paths.[258] The fact that network customers pay a load-ratio share of system costs does not justify granting such customers a guaranteed ability to change their service to other points without regard to other competing requests for service that may be in the queue. Without a limit on rollover customers' flexibility to modify designated resources and receipt points, neither the transmission provider nor any other customer in the queue would ever be able to rely on any study process for service, as it could be thrown into disarray by a rollover customer seeking to change its points. The only way such a system could work would be if every transmission provider constructs its system with sufficient redundancy to permit any customer to take service from any resource, which would be both impractical and uneconomic.

649. We also disagree that our reforms to rollover policy will harm planning and reliability, even if it does result in fewer contracts with rollover rights. As we note above, shorter-term transmission customers no longer eligible for rollover rights will nonetheless have access to the coordinated, open, and transparent transmission planning process required in Order No. 890, which will help ensure that transmission providers adequately and comparably plan for the transmission needs of all of their customers whether or not they have rollover rights. This is one of the reasons why the Commission conditioned the effectiveness of the rollover reforms on its acceptance of a transmission provider's Attachment K planning process in compliance with the transmission planning principles adopted in Order No. 890. By extending the minimum term for rollover rights, the Commission simply relieved transmission providers of the obligation to undertake construction on behalf of shorter-term customers that may not ultimately need the facilities.

650. We reject the suggestion that a five-year minimum is inconsistent with the requirements of FPA section 217. Limiting rollover rights to contracts with a minimum term of five-years ensures that the rollover right is used by customers with longer-term obligations to purchase capacity, benefiting all longer-term customers by limiting the ability of shorter-term customers to lock up capacity they do not intend to use and facilitating efficient planning and expansion decisions by the transmission provider. These benefits are shared by the entire class of customers to which section 217 applies.

651. In response to AMP-Ohio, we clarify that both network customers and point-to-point customers may roll over a portion of their service, provided that they will only obtain a subsequent rollover right if they agree to another five-year term, or match any longer term competing request, for that portion of capacity.

b. One-Year Notice Provision

Requests for Rehearing and Clarification

652. Duke asks the Commission to further revise the rollover notification provisions to provide for additional time for construction of new facilities in the event project upgrades and lead times have been identified. Duke argues that the Commission failed to explain in Order No. 890 why it is reasonable to expect on-system LSEs, including the transmission provider, to coordinate their resource plans with the lead-time for new transmission facilities, but it is not reasonable to expect off-system LSEs that rely upon point-to-point service to be subject to the same realities. Because an LSE that is a network customer on one system must provide sufficient and adequate notice for its transmission provider to accommodate an on-system designated network resource, Duke contends that the one-year notification requirement for rollovers means that the same LSE need not provide a neighboring transmission provider the same level of notice to accommodate a point-to-point rollover request even if related to the very same designated network resource. Duke further argues that the Commission failed to explain why the native load protection rationale that prompted adoption of the initial five-year eligibility provision should not apply with equal force to the notification provision.

653. Duke states that, in its experience, most LSEs do not wait until one year before the expiration of their contract resources to make decisions as to a replacement resource. In the event an LSE does choose to wait until one year before its current supply contract ends, Duke argues that the LSE's decision should not disadvantage native load and network customers if, as the Commission recognized, necessary transmission upgrades cannot be completed within that one-year period. Duke contends that modification of the

[256] *See* Order No. 890 at P 1233.

[257] *See* Order No. 888–A at 30,198, n.52 (citing Order No. 888 at 31,665, n.176).

[258] *See* Order No. 890 at P 1236.

one-year notice requirement is necessary to ensure greater consistency between the rights and obligations of customers and the corresponding planning and construction obligations of transmission providers, the stated goal of the Commission's rollover reforms. If the Commission is unwilling to change the one-year notice provision, Duke suggests that the Commission provide that a rollover customer's service will be conditionally firm during the period prior to the point in time when needed transmission upgrades can be completed.

654. Southern expresses a similar concern, arguing that a customer should be required to provide notice of its intent to exercise its rollover rights at the earlier of one year or the lead-time for any construction of upgrades identified by the transmission provider in the service agreement that are necessary in order to reliably exercise the rollover right. Southern contends that this requirement would be consistent with the ability of the transmission provider to place in the original service agreement limits on the customer's ability to exercise rollover rights and is needed to maintain reliability and protect the provision of service to other firm users of the transmission system, including native load.

Commission Determination

655. We affirm the decision in Order No. 890 to require customers to notify the transmission provider of their intent to exercise their rollover rights at least one year before expiration of their service agreement. We reject requests to tie the notice period to the construction lead-times for any upgrades a transmission provider may believe are necessary in order to accommodate any rolled over service along with its other service obligations. The Commission recognized in Order No. 890 that the one-year notice period is shorter than the typical planning horizon, but declined to extend the notice period to a time that coincides with the typical planning horizon or the time it takes to construct new facilities.[259] The Commission balanced the circumstances facing customers in renewing power supply contracts and the interests of transmission providers in attempting to plan their system. We continue to believe that the one-year notice provision most appropriately balances these competing interests.

656. We acknowledge that, in certain circumstances, the one-year notice period could cause the transmission provider to undertake construction of facilities that are not ultimately needed to accommodate other service obligations in light of a rollover customer declining to rollover its service. However, moving from a 60-day notice period to one year should mitigate the risk of unnecessary investments. While allowing a transmission provider to require rollover notification prior to construction of facilities (whether or not identified in the original service agreement), or treating the customer's service as conditionally firm while upgrades are completed, would further reduce this risk for the transmission provider, it also would further decrease flexibility for the transmission customer. As the Commission explained in Order No. 890, no single notice period can perfectly balance the needs of customers and transmission providers.[260] The Commission concluded that a one-year notice provision best balances the respective benefits and burdens for customers and transmission providers, and we affirm that decision here.

c. Matching Competing Requests

Requests for Rehearing and Clarification

657. APPA argues that the Commission's retention of its matching policy, requiring transmission customers to match competing requests for service as to term and rate, is inconsistent with FPA section 217(b)(4). In APPA's view, section 217(b)(4) requires the Commission to exercise its FPA authorities to assist LSEs in meeting their service obligations by securing firm transmission rights on a long-term basis. APPA contends it is contrary to Congressional intent to require LSEs that have made long-term financial commitments to the transmission system, by entering into five-year agreements, to bid against all other interested market participants in order to roll over their firm transmission rights.

658. APPA also argues that the Commission's decision to lift the price cap on reassignments of firm transmission capacity might exacerbate the situation, as it could mean that LSEs will have to bid against well-heeled financial players or marketing affiliates of the transmission provider that may be bidding for the same capacity with the sole intent of reassigning it at whatever price the market will bear. APPA contends that this would require LSEs unable to match the longer term offered (due, for example, to its inability to obtain a power supply contract of that length) to have to obtain firm transmission capacity in the reassignment market at a much higher rate. APPA argues that this, too, is inconsistent with the Commission's obligation under FPA section 217(b)(4) to enable LSEs with service obligations to obtain the long-term firm transmission rights they must have to meet those needs.

659. APPA adds that the transmission provider should have been planning for the needs of firm transmission customers with contracts that carry rollover rights throughout the term of the contract, since the stated purpose of the rollover reform is to ensure that the rights and obligations of the customer are better aligned with the planning and construction obligations of the transmission provider. APPA argues that capacity should therefore be available to meet the needs of firm transmission customers seeking to exercise their rollover rights without forcing them to ''bid on the margin'' for transmission capacity every time their contracts come up for renewal.

660. TAPS proposes what it characterizes as safeguards to prevent network customers exercising rollover rights from being significantly disadvantaged by the obligation to match point-to-point reservations. TAPS contends that a point-to-point customer, faced with a competing longer-term reservation, can simply extend the term of its point-to-point commitment to match the competing request. If the matching process applies to network service designations under a network service agreement (versus the service agreement itself), TAPS contends that the network customer would need to extend its power supply commitment in order to extend its transmission reservation to match the competing request and would not be able to resell any transmission capacity for which it could not find supplies. TAPS argues that this fails to recognize and preserve the LSE's continuing rights under FPA section 217(b)(1) to (3) to use their existing firm transmission rights, including rollover rights, and that it is inconsistent with section 217(b)(4) for the Commission to leave transmission-dependent LSEs at risk of denial of continued use of transmission to meet their service obligations.

661. TAPS therefore suggests that the Commission implement matching based on the duration of a network customer's network service agreement rather than its resource designation. Alternatively, if the Commission concludes that the network customer must extend its resource commitment (rather than just

[259] *See id.* at P 1247.

[260] *See id.* at P 1246.

its network agreement duration) to match a competing request, TAPS proposes the following modifications to the process so that the network customer is on a level playing field with competing point-to-point customers in the matching process: restrict reservations qualified to compete against a network customer's reservation to customers with long-term power contracts (even if they seek only point-to-point reservations); and provide a cut-off for competing requests that accommodates the network customer's need to extend power supply arrangements in order to match competing requests. TAPS suggests, for example, that the network customer should only need to compete with requests submitted at least three months prior to when the network customer exercises its rollover right, which would allow the network customer to structure its power supply commitments with some degree of advanced knowledge of the competing requests. TAPS also suggests that such a rolling cut-off (*i.e.*, one tied to the network customer's rollover notice) be adopted to encourage early exercise of rollover rights, thereby benefiting the planning process.

662. TDU Systems suggest that the Commission cap the matching term required to secure rollover rights to five years, arguing that a customer agreeing to pay the maximum rate allowed under the tariff for a five-year term should be assured that it will retain its rollover rights. TDU Systems contend that the increase in the minimum term from one year to five years has mitigated the need for an unlimited matching requirement by providing the transmission provider greater certainty in planning its system. TDU Systems also contend that transmission providers will not be financially harmed by capping the matching requirement at five years since competing rollover customers would be subject to price-matching as well. Finally, TDU Systems argue that the ''longer of'' matching policy is unduly discriminatory when applied to requests from transmission providers in particular, since they are able to request transmission service for unreasonable terms that no transmission customer could prudently match.

663. Ameren and Powerex propose other modifications to the matching process. Ameren proposes that customers be required to provide notice of a rollover within 15 days of a pre-confirmed competing request to prevent the customer from sitting on capacity until the end of its notice period. Powerex makes a related request to restrict the matching requirement to bona fide competing commitments to take such service, such as by requiring competing requests to be pre-confirmed or requiring the execution of contingent service contracts. Powerex contends that, without such a restriction, a customer wishing to roll over its service could be required to match requests in the queue for a longer duration that ultimately may not come to fruition. Powerex also asks that the Commission clarify that, in cases where a long-term customer that has exercised its rollover right is ''trumped'' by a longer-duration competing request for a lesser quantity, the rollover of the original request should be displaced only by the quantity needed to fulfill the longer-term, lesser MW request. Powerex argues that no commenter opposed this proposal and that the Commission did not provide any rational basis for its rejection in Order No. 890.

Commission Determination

664. The Commission affirms the decision in Order No. 890 not to eliminate the requirement to match competing requests in order to retain rollover rights. Long-standing policy requires transmission customers, at the time of rollover of their contracts, to match competing requests for service as to term and rate. We disagree with petitioners who claim that the requirement of a five-year minimum contract term, or the terms of FPA section 217, necessitate any change to our matching policy. The same rationale for the matching policy articulated in Order No. 888 and its progeny with regard to the original rollover right applies with equal force to the reformed rollover right. That is, the matching policy provides a mechanism not only for awarding capacity to those who value it most, but also for breaking ties.[261] We do not see how a change to a five-year minimum contract term diminishes the need for, or the efficacy of, such a mechanism.

665. As we noted in Order No. 890, absent the requirement that a customer match the term of a competing request, transmission providers could be forced to enter into shorter-term arrangements that could be detrimental from both an operational standpoint, including system planning, and a financial standpoint.[262] While it is true that the extension of the minimum rollover term from one to five years will otherwise enhance the transmission provider's ability to fulfill its planning and construction obligations, it does not follow that the transmission provider should be required to forgo the operational and financial certainty of an even longer-term competing request at the time of a rollover. By awarding capacity to the customers that value it the most, the matching requirement benefits all longer-term customers, whether LSEs or other classes of customers, and is therefore fully consistent with the requirements of FPA section 217.

666. We reiterate our existing policy that, in the event of competing, mutually exclusive requests for network resource designations, the network customer seeking rollover must match the term of the competing network resource power contract.[263] However, we agree with TAPS that, given the differing nature and obligations of network service versus point-to-point service, a network customer seeking rollover of its network service for a designated resource should be able to match a competing point-to-point request by extending its network service agreement rather than the power contract supporting the network resource designation.[264] We also clarify, in response to Powerex, that a customer exercising a rollover right is only required to match a *bona fide* competing commitment to take service, evidenced for example by a pre-confirmed transmission request or the execution of a contingent service contract. We disagree with Ameren, however, that the transmission provider should be permitted to effectively shorten the customer's notice period by requiring the rollover customer to match a competing request prior to the date by which its rollover notice would otherwise be required.

667. With these clarifications, we continue to believe that it is not unreasonable to require network customers to match competing requests for their capacity, even if made by marketers in order to engage in resales of capacity or by the transmission provider itself. Matching ensures that the customers that value the capacity the most are awarded the capacity. In any event, we believe it unlikely that a network customer would be routinely faced with viable competing requests from a point-to-point customer seeking service at the time of the rollover because of the significant differences between network transmission service (under which loads and resources are designated, but not specific points of

[261] *See* Order No. 888–A at 30,197.

[262] *See* Order No. 890 at P 1255 (citing Order No. 888–A at 30,197).

[263] *See WPPI* 84 FERC at 61,655–56.

[264] Any subsequent request to designate a network resource would remain subject to the requirements of the *pro forma* OATT, as with any other request to designate a network resource.

receipt and delivery) and point-to-point service (under which such points are required to be designated).

668. We disagree with APPA's suggestion that rollover customers should be relieved of having to match competing requests because the transmission provider is planning and upgrading its system on the assumption that the rollover customer will continue service. The matching requirement only arises if there are competing requests, *i.e.*, notwithstanding any upgrades constructed or planned, capacity will not be available to serve both the rollover customer and the competing customer. If there is a *bona fide* request from a competing longer-term customer, it is reasonable to expect the rollover customer to match the request in order to ensure that capacity is awarded to the customer that values it the most.

669. Finally, we further clarify in response to Powerex that, in cases where a rollover customer loses service to a longer-duration competing request for a lesser quantity, the rollover of the original request should only be displaced by the quantity needed to fulfill the longer-term request for a lesser quantity. In such instances, the transmission provider should grant service to the competing customer and reduce the amount of capacity available for roll over by the original customer accordingly.

d. Rollover Restrictions Based on Native and Network Load Growth

Requests for Rehearing and Clarification

670. TDU Systems ask the Commission to eliminate the ability of transmission providers to restrict other LSEs' rollover rights based on forecasts of the transmission provider's retail and wholesale native load growth. TDU Systems argue that extending the minimum term to qualify for rollover rights effectively provides the transmission provider five years of notice that it will need to construct transmission upgrades to serve its native load growth. Thus, TDU Systems contend, there is no justification for that transmission provider to fail to build to meet its service obligation within this period. TDU Systems further contend that permitting a transmission provider to avoid its obligation to build for its known native load growth by curtailing an LSE customer's rollover rights gives an undue preference to the transmission provider's native load and violates the Commission's comparability principle. TDU Systems argue this also violates FPA section 217(b), which it contends does not distinguish between the transmission provider's native load and the native load of other LSEs.

671. If the Commission does not eliminate the ability of the transmission provider to restrict rollover rights based on its own forecasted load growth, TDU Systems ask, at a minimum, that the Commission require transmission providers to treat the load growth of other LSEs with native load service obligations in the same manner as the transmission provider's own native load growth. NRECA makes a similar request, arguing that comparability requirements and FPA section 217 should place the service obligations of all LSEs on an equal footing. NRECA asks the Commission to confirm that a transmission customer using rollover rights to serve native load enjoys the same priority as a transmission provider serving its own retail native load and will be factored into any native load growth forecasts.

672. By contrast, South Carolina E&G and South Carolina Regulatory Staff argue that the Commission should expand the ability of transmission providers to restrict rollover rights. South Carolina Regulatory Staff asks the Commission to ensure that native load growth is not marginalized by new non-native customers. The South Carolina Regulatory Staff expresses concern that native load service may be forced to yield to other service if the transmission provider's native load forecasts turn out to be wrong. South Carolina E&G agrees, arguing that limiting the ability of transmission providers to restrict rollover rights only in the initial service agreement puts service to native load at an unreasonable risk. South Carolina E&G requests that transmission providers be allowed to add rollover restrictions at the time of each rollover (rather than only at the initiation of service) to reflect changes in load growth forecasts.

673. Alternatively, South Carolina E&G suggests that the Commission provide for a procedure that would allow the transmission provider to terminate rollover rights when new facility construction is required during system planning, *i.e.*, at any point the transmission provider determines that a new facility is necessary to accommodate a new request or projected native load growth, given the possibility of full rollover by eligible customers. South Carolina E&G proposes that transmission providers be required to promptly give notice of that determination, which would trigger a limited period of time (*e.g.*, 30 days) for each long-term customer to indicate whether it desires to rollover its current contract for another designated period of time. Absent such election by the customer within the designated time, South Carolina E&G proposes that the customer's rollover rights be terminated. South Carolina E&G argues that this proposal would provide at least partial protection against the inequitable prospect of being forced to construct facilities that would be needed in the event of full rollover of service, only to be left ''high and dry'' by a customer's failure to exercise its rollover rights. South Carolina E&G argues its alternative proposal would ensure that native load does not subsidize the customer seeking rollover.

674. If the Commission declines to modify its rollover policies, South Carolina E&G suggests the adoption of a native load curtailment priority to ensure that continued service to the rollover candidate does not impinge on native load service. Specifically, South Carolina E&G states that point-to-point customers could receive rollover rights, but if curtailment is required, then that rollover contract (like all other point-to-point contracts) would be curtailed before native load. South Carolina E&G also asks the Commission to provide greater specificity regarding the meaning of the statement in Order No. 890 that, in forecasting native load growth, consideration should be given to state-approved integrated resource plans that show a native load need for the capacity. South Carolina E&G asks the Commission to specify whether such a plan would be a determining factor in the Commission's evaluation of a transmission provider's native load growth forecast, how much weight the Commission would place on the existence of such a plan, and whether the plan would need to incorporate specific elements.

Commission Determination

675. The Commission continues to believe it is appropriate to require that rollover restrictions be based on reasonable forecasts of native load growth or preexisting contracts that commence in the future and that such restrictions be included in the initial transmission service agreement. As explained in Order No. 890, this will remain the only appropriate way to restrict a rollover right.[265] We are not persuaded by petitioners' arguments that the requirement of a five-year minimum contract term, or the native load protections found in FPA section 217, necessitates any change to this policy. The same rationale for this policy articulated in Order No. 888 and its progeny with regard to the original

[265] *See* Order No. 890 at P 1256.

rollover right applies with equal force to the reformed rollover right.[266]

676. We disagree with TDU Systems that extending the minimum term to five years justifies eliminating the ability of the transmission provider to restrict a customer's rollover right. The transmission provider is allowed to restrict a rollover right in favor of its reasonably forecasted native load growth in order to ensure that capacity that exists on the provider's system, at the time of entering into a contract with a customer seeking a rollover right, can be recalled for the use of its reasonably forecasted native load growth at some time in the future. Our longstanding policy, which was not changed by Order No. 890, permits transmission providers to reserve *existing* capacity for the use of its reasonably forecasted native load growth.

677. Arguments that the transmission provider has more time to plan for upgrades to meet its native load growth because of the new five-year minimum contract term miss the point. A transmission provider should not be forced to allow rollover where, at the time of entering into a five-year transmission contract with a customer for existing capacity, it can show that it will need to reclaim that capacity to serve its reasonably forecasted native load growth. Customers that are denied rollover rights may nonetheless secure transmission service by submitting service requests for the period in question and committing to fund any necessary upgrades.

678. Alternatively, TDU Systems and NRECA ask the Commission to require transmission providers to treat the load growth of other LSEs with native load service obligations in the same manner as the transmission provider's own native load growth during forecasting. This is already our policy. In Order No. 888-B, the Commission, in addressing a transmission provider's ability to recall capacity needed for native load growth, clarified that ''network transmission customers are afforded the same treatment as the transmission provider on behalf of native load (retail and wholesale requirements customers) in terms of the reservation of existing transmission capacity by the transmission provider.''[267] This ensures that the LSE's native load is treated the same as the transmission provider's native load at the time a rollover restriction is considered.

679. We reject the argument of South Carolina E&G and South Carolina Regulatory Staff that the Commission should expand the ability of transmission providers to restrict rollover rights by, for example, allowing rollover restrictions to be added at the time of each rollover (rather than only at the initiation of service) or when the need for new facilities arises. We continue to believe that requiring transmission providers to determine at the initiation of service whether they have a reasonably forecasted native load growth need for the capacity strikes a reasonable balance between the transmission provider's needs and those of its customers seeking long-term transmission service with a rollover right.[268] If we were to allow the transmission provider the ability to seek to restrict a rollover at the time of each rollover, as suggested by South Carolina E&G, it would vitiate the benefit of the rollover right to transmission customers, many of which also have load-serving obligations. We note, however, that South Carolina E&G's concerns should be mitigated going forward since our requirement of a five-year minimum contract term, as well as the one-year notice period and the other rollover reforms, will ensure greater consistency between the rights and obligations of customers and the planning and construction obligations of transmission providers.

680. We also decline to adopt South Carolina E&G's suggestion that point-to-point customers with rollover rights be curtailed before native load. The Commission has long required that firm point-to-point customers share the same curtailment priority as network customers and the transmission provider serving native load except in the limited circumstance when it would require the shedding of bundled retail load.[269] Nothing in our changes to rollover policies justifies modifying that requirement. We also decline to determine generically the weight to be given to state-approved integrated resource plans in the determination of reasonable native load restrictions. The determinative factors in each case will be identified based on the record, along with the relevant particular supporting documentation to be considered.

e. Effectiveness Upon Acceptance of Coordinated and Regional Planning Process

Requests for Rehearing and Clarification

681. Duke argues that the rollover reforms should be implemented immediately and not upon acceptance of the transmission provider's planning process compliance filing. Duke contends that the Commission unambiguously found that the prior rollover policy was no longer just and reasonable and not unduly discriminatory. Duke also argues that the prior rollover policy is inconsistent with FPA section 217, suggesting that the prior policy conflicts with the reasonable needs of LSEs to satisfy their service obligations. Duke therefore argues that it is not reasonable for the Commission to allow its prior rollover policies to remain in place pending acceptance of the transmission planning process compliance filings. Duke contends that the Commission did not base its finding that rollover policies were in need of reform on the lack of transmission planning processes and, therefore, making one conditioned on the other is unsupported.

682. TAPS requests clarification of the timing of compliance filings implementing the new rollover policies. TAPS questions whether transmission providers were required to submit conforming changes to section 2.2 in their initial compliance filings or as part of the Attachment K compliance filings due at a later date. If the former, TAPS states that transmission providers would be deleting the current language that will still be in effect. TAPS suggests that changes to section 2.2 not be made until the Attachment K is accepted.

Commission Determination

683. The Commission denies rehearing of the determination to tie the effectiveness of rollover reform to the acceptance of the transmission provider's coordinated and regional planning process required under Order No. 890. As the Commission explained in Order No. 890, reforms regarding rollovers and transmission planning must proceed together because they are closely related. Under our longstanding policy, transmission service eligible for a rollover right must be set aside for rollover customers and included in transmission planning. Duke is therefore incorrect in suggesting that the Commission did not rely on our planning-related reforms when fashioning a remedy to ensure rollover

[266] *See* Order No. 888 at 31,694; Order No. 888–A at 30,198.

[267] *See* Order No. 888–B at 62,084–85.

[268] In addition, we believe that putting the onus on the transmission provider to determine the limitations of its system and its own native load growth needs at the time of the initial service agreement appropriately allocates responsibility and encourages accuracy. Allowing transmission providers the ability to reevaluate their native load growth needs on an ongoing basis, or to escape obligations to serve rollover customers when upgrades are identified, would tend to discourage a thorough review upfront.

[269] *See Northern States Power Co.*, 89 FERC ¶ 61,178 (1999).

policies remain just and reasonable and not unduly discriminatory.

684. With regard to TAPS' concern regarding the timing of compliance filings implementing the new rollover policies, we reiterate that the previously existing rollover provisions will remain in effect for the transmission provider until such time as the Commission accepts the transmission provider's Attachment K compliance filing. Accordingly, it is only after a transmission provider's Attachment K planning process is accepted by the Commission that the transmission provider should file the rollover reform language, and the effective date of that language should be commensurate with the date of that filing. We have revised section 2.2 of the *pro forma* OATT to make this clear.

f. Transition Issues

Requests for Rehearing and Clarification

685. Great Northern seeks clarification, or in the alternative rehearing, regarding how rollover reform would apply to transmission service requests that were made before the issuance of Order No. 890 in reliance on the prior version of section 2.2 of the *pro forma* OATT. If Order No. 890 is implemented in such a way as to require a minimum five-year contract term in order for rollover rights to attach to pending transmission service requests, Great Northern contends it would cause significant disruption in the development and financing of competitive generation projects already in the queue. Great Northern suggests that requiring pending projects to submit new contracts for five-year terms in order to obtain rollover rights in turn would require it to restart its project planning process for each of those projects.

686. Great Northern therefore asks the Commission to confirm that the current one-year contract commitment right of first refusal rule will continue to apply to transmission service requests that were made prior to the issuance of Order No. 890 and that the five-year contract commitment right of first refusal rule will not apply until the first rollover date after both the executed transmission service contract and revised section 2.2 of the transmission provider's *pro forma* OATT have become effective. If the Commission is not inclined to make such a generalized determination in this proceeding, Great Northern requests the Commission to rule that, in the specific circumstances where a customer has requested transmission service for one year with rollover rights as described in section 2.2 of the OATT, and thus the transmission provider was on notice of the potential need to exercise rollover rights, it will allow rollover rights to apply until the first rollover date after both the executed transmission service contract and revised section 2.2 of the transmission provider's OATT have become effective.

687. NCEMC, NRECA, and TDU Systems request that the Commission clarify that a transmission customer will be permitted to rollover an existing contract one time at the current terms and conditions following the effective date of Order No. 890, as this would avoid any impairment of the contracts entered into by parties prior to the Commission's change in rollover rights policy, consistent with *Mobile-Sierra* requirements.[270] By granting one rollover with the same terms and conditions following the effective date of Order No. 890, these petitioners assert that the Commission will permit the parties to fulfill all obligations under their previously-negotiated transmission contracts and then, following this rollover, enter into new transmission and power supply contracts with full knowledge of the Commission's new rollover policy. They contend that certain preamble language could be understood to permit a customer to rollover a contract one time at the currently-effective terms and conditions following the effectiveness of the rollover reforms,[271] whereas reformed section 2.2 suggests that the five-year term requirement and notice provision will become effective on the first rollover following effectiveness of the rollover reforms.[272]

688. TAPS contends that there could be confusion stemming from the language in the Order No. 890 version of section 2.2, which states that the ''five-year/one-year requirement'' will apply ''on the first rollover date'' after Attachment K is accepted. TAPS believes this language could be read to require that a customer's first rollover after the effective date of Attachment K must be exercised one year prior to the end of the existing service agreement, which is at odds with the Commission's recognition that some contracts may not have a year left on them and therefore the 60-day notice should apply to such contracts.[273] TAPS suggests specific amendments to section 2.2 of the *pro forma* OATT to more clearly state the process for rolling over service during the transition period.

689. Powerex also asks that section 2.2 be amended to more clearly state the Commission's rollover policies, arguing that discriminatory and anticompetitive practices are more likely to occur in areas where the transmission provider retains discretion. Powerex suggests that the Commission clarify that customers with existing long-term contracts with rollover rights must only provide 60-days prior notice of their desire to roll over their capacity and that the rollover may be for a one-year term with no rollover rights or a five-year term with rollover rights. TransServ, however, argues that the modified notice requirements of section 2.2 should apply only to existing long-term agreements set to expire within one or two years of the effective date of the new five-year/one-year long-term service requirements. TranServ argues that allowing existing customers with longer-term contracts to retain a 60-day notice provision for many years into the future would unnecessarily complicate and delay the transmission provider's ultimate conversion of all existing service agreements to comply with the new five-year/one-year provisions for long-term firm service.

690. Ameren and Tenaska ask the Commission to clarify that notice of a rollover given prior to the effectiveness of rollover reform would remain subject to the pre-Order No. 890 rollover polices, including the existing customer's willingness to accept a term of one year (or the term offered by a competing applicant, if longer).

Commission Determination

691. We agree with Great Northern that requiring a five-year minimum contract term in order for rollover rights to attach to pending transmission service requests could cause significant disruption to those transmission customers already in the transmission queue at the time of the effective date of Order No. 890. These customers requested service believing that they only needed to enter into a one-year contract in order to obtain a rollover right. Accordingly, we grant rehearing and revise section 2.2 of the *pro forma* OATT to provide that the current one-

[270] *Citing United Gas Pipe Line Co.* v. *Mobile Gas Services Corp.*, 350 U.S. 332 (1956); *Federal Power Commission* v. *Sierra Pacific Power Co.*, 350 U.S. 348 (1956).

[271] *Citing* Order No. 890 at P 1238 (''existing transmission contracts will be permitted to roll over under their existing terms until the first such rollover opportunity following the effectiveness of the reforms required by this Final Rule.'').

[272] *Citing* reformed section 2.2 (''[s]ervice agreements subject to a right of first refusal entered into prior to [the acceptance by the Commission of the Transmission Provider's Attachment K], unless terminated, will become subject to the five-year/one-year requirement on the first rollover date after [the acceptance by the Commission of the Transmission Provider's Attachment K].'').

[273] *Citing* Order No. 890 at P 1267.

year contract commitment requirement will continue to apply to all transmission service requests that were in a transmission provider's transmission queue as of the effective date of the reforms adopted in Order No. 890 (*i.e.*, July 13, 2007). For such transmission requests, the five-year contract commitment requirement will not apply until the first rollover date after both the execution of the transmission service contract and effectiveness of the revised section 2.2 for the particular transmission provider.

692. We disagree with other petitioners, however, that a transmission customer should be permitted to roll over any other existing contracts one time at the current terms and conditions following the effective date of the rollover reforms. As we explained in Order No. 890, ''[i]t is only a rollover contract entered into or renewed after the effectiveness of rollover reform that must comply with the new rollover provisions.'' [274] While it is true that the customer rolling over service after the effectiveness of the reforms will be required to agree to a minimum five-year term to obtain rollover rights for the new agreement, this does not impair the customer's rights or obligations under its existing contract.

693. To the extent there is any confusion regarding the discussion in Order No. 890 of when the rollover reforms apply to existing customers, we clarify that an existing customer must comply with the new rollover reforms at the time of the first rollover of its contract occurring after the effectiveness of the rollover reforms for its transmission provider, as provided in the revisions to section 2.2 of the *pro forma* OATT. For example, if an existing customer's contract expires January 1, 2009, and rollover reform became effective on January 1, 2008 for its transmission provider, then any contract entered into by the customer at the time of expiration of its existing contract on January 1, 2009 would have to comply with the rollover reforms (*e.g.*, the new contract must be for a minimum term of five years to retain a rollover right and, if so, one-year notice must be given to exercise that right at the expiration of the contract).

694. In response to TAPS and Powerex, we reiterate that a transmission customer with an existing contract that seeks to exercise its rollover after the effectiveness of rollover reform may exercise this rollover based on the existing 60-day notice rule, in recognition of the fact that during this transition period certain customers may not have a year or more left on their existing contracts.[275] We agree, however, with TranServ that allowing existing customers with longer-term contracts to retain a 60-day notice period provision for many years in the future would unnecessarily complicate and delay the transition to rollover reform. Allowing existing customers to utilize the 60-day notice rule was intended largely to address the situation where a given customer does not have a year or more left on its contract such that it is possible to give one-year notice. This, of course, is not the case with existing contracts that have many years left in their terms before expiration.

695. We therefore clarify that the current 60-day notice rule will continue to apply only to those existing contracts that have less than five years left in their terms at the time of effectiveness of rollover reform for its transmission provider. Any customer with an existing contract with five or more years left in its term at the time of effectiveness of rollover reform for its transmission provider will be required to give one-year notice of whether it intends to exercise its rollover right. We emphasize that, whether an existing transmission customer is required to give 60-days or one-year notice when exercising its rollover right under its existing contract, the customer must enter into a minimum of five years of service and meet any of the other requirements of the reformed rollover right in order to retain a rollover right going forward. An existing customer may rollover its service for a term of less than five years, but will not then retain a rollover right for this service. We revise section 2.2 of the *pro forma* OATT to make these requirements clear.

696. In response to Ameren and Tenaska, we reiterate that notice of a rollover given prior to the effectiveness of rollover reform remains subject to the pre-Order No. 890 rollover policies, including the existing customer's willingness to accept a term of one year (or the term offered by a competing applicant, if longer).[276]

3. Modification of Receipt or Delivery Points

697. Pursuant to Section 22 of the *pro forma* OATT, a transmission customer taking firm point-to-point service may modify its receipt and delivery points, *i.e.*, redirect its service, on either a non-firm or firm basis. In Order No. 676, the Commission adopted the ''Standards for Business Practices and Communication Protocols for Public Utilities'' developed by the NAESB's Wholesale Electric Quadrant (WEQ).[277] The WEQ standards include standards addressing requirements for redirects on both a firm and non-firm basis, all of which were incorporated by reference into the Commission's regulations except for WEQ Standard 001–9.7, which addressed the impact of redirects on the rollover rights of a long-term transmission customer. Order No. 676 directed the WEQ to reconsider WEQ Standard 001–9.7 and develop a revised standard consistent with Commission policy.

698. In Order No. 890, the Commission affirmed reliance on the NAESB process to develop business practices implementing the Commission's redirect policy. The Commission also determined that the reforms adopted in Order No. 676, in combination with the OATT-related reforms adopted in this proceeding, were adequate to ensure that transmission providers do not engage in undue discrimination when a customer seeks to modify its receipt and delivery points on a firm basis. With respect to the effect of redirects on rollover rights, the Commission affirmed its policy allowing a redirect of firm, long-term service to retain rollover rights, even if the redirect is requested for a shorter period. The Commission concluded that a transmission customer should not have to choose between maintaining its rollover rights and redirecting on a firm basis. The Commission noted, however, that any change to a delivery point would be treated as a new request for service for purposes of determining availability of capacity. As a result, a redirect right does not grant the customer access to system capacity or queue position different from other customers submitting new requests for service. The Commission also provided guidance regarding the processing of, and pricing for, redirected service.

Requests for Rehearing and Clarification

699. MISO seeks rehearing of the Commission's decision to allow rollover rights to follow the redirected service, asking that rollover rights be limited or eliminated altogether in the event of a

[274] *See id.*

[275] *See id.*

[276] *See id.* at P 1238 (''existing transmission contracts will be permitted to roll over under their existing terms until the first such rollover opportunity following the effectiveness of the reforms required by this Final Rule.'').

[277] *Standards for Business Practices and Communication Protocols for Public Utilities*, Order No. 676, 71 FR 26199 (May 4, 2006), FERC Stats. & Regs. ¶ 31,216 (2006), *reh'g denied*, Order No. 676–A, 116 FERC ¶ 61,255 (2006), *order on reh'g*, Order No. 676–B, 72 FR 21095 (Apr. 30, 2007), FERC Stats. & Regs. ¶ 31,246 (2007).

redirect. MISO argues that the Commission's statement that it was simply continuing its existing rollover policy is confusing since the Commission found that the current rollover policy was no longer just and reasonable. MISO also contends that the precedent cited by the Commission does not support migration of rollover rights to a redirected path. Even if the rollover policy were justified under the Commission's precedent, MISO argues that the Commission's finding that the policy is no longer just and reasonable undermines continued reliance on that precedent.

700. If the Commission decides to maintain rollover rights for redirects, MISO proposes the following limitations and requests the Commission to direct NAESB to draft its business practices accordingly. First, MISO suggests that the primary path agreement should have a term of at least five years for any rollover rights to attach. Second, MISO requests that any redirect must be for firm service for one year or longer. If the redirect is for a shorter period, MISO contends that the rollover rights should remain with the original path. Third, MISO requests redirected service to terminate on the same date as the parent service so as to maintain the timing for execution of rollover rights. Finally, MISO suggests that in order to execute a rollover right the redirected service must be requested and granted prior to the one-year deadline for the customer to request rollovers along the original path.

701. Bonneville requests a similar clarification of the application of rollover rights to redirects. Bonneville argues that a literal reading of the revised *pro forma* OATT allows a long-term point-to-point customer to request redirected service within the last year of its service contract, maintain its rollover rights, and apply them to the new points even though it is unable to give a year's notice of intent to rollover at those points. Bonneville therefore seeks clarification from the Commission that rollover rights will remain with the original points unless the customer redirects service for at least one year. Without clarification, Bonneville contends that redirecting customers will have greater rights than customers that do not redirect, who must give one-year's notice.

702. TranServ also requests clarification regarding the requirement for the rollover right to follow the redirect, regardless of the duration of the redirect. TranServ questions whether a redirect of a long-term firm service reservation for one day qualifies that customer for rollover rights on the redirected service points. TranServ suggests that the Commission instead restrict rollover rights on redirected service points to redirects of five years or longer and further require that the redirect be co-terminus with the original request being redirected. TranServ argues that more guidance regarding implementation of the rollover and redirect policies will facilitate the NAESB standards development process.

703. MidAmerican requests clarification regarding the queuing of service requests as applied to redirects. MidAmerican argues that a request to redirect service should not result in a release of transfer capability for third-party service requests in the queue, since the increase in transfer capability is contingent upon the approval of the redirect request. MidAmerican argues that this approach is consistent with the requirement in section 17 of the *pro forma* OATT to use the ''same system assumptions and analysis applicable to any other new request for service, including whether sufficient ATC exists,'' when analyzing the ability to grant a request for redirected service.

Commission Determination

704. The Commission denies petitioners' requests to amend the rights of rollover customers to redirect their service. Under section 22.2 of the *pro forma* OATT, a request for a firm redirect must be treated like a request for new transmission service.[278] As a new request for service, each redirect request is subject to the availability of capacity and subject to the possibility that the transmission provider may not be able to provide rollover rights on the new redirected path. The transmission provider is required to offer rollover rights to a customer requesting a firm redirect only if rollover rights are available on the redirected path, *i.e.*, to the extent not restricted based on reasonable forecasts of native load growth or preexisting contracts that commence in the future.[279]

705. As the Commission explained in Order No. 890, rollover rights follow the redirect regardless of the duration of the redirect.[280] A transmission customer making a firm redirect request does not convert its original long-term firm transmission service agreement into two short-term service agreements, nor does it lose its rollover rights under its long-term firm transmission service agreement.[281] At the same time, a customer can exercise its rollover right only at the end of the contract. Thus, if a customer with rollover rights chooses to redirect its capacity for less than the full remaining term of the contract, absent some further request to redirect, the original path will automatically be reinstated and rollover rights would remain on only the original path. By contrast, if the customer chooses to redirect its capacity until the end of its contract, the customer would have rollover rights along only the redirected path, and only to the extent not restricted based on native load growth or future contracts along the redirected path.

706. We therefore reject requests to restrict rollover rights to longer-term redirects. A long-term transmission customer may request multiple, successive redirects for firm service. This discretion is limited by the fact that each successive request is treated as a new request for service in accordance with section 17 of the *pro forma* OATT. Each request is therefore subject to the availability of capacity and subject to the possibility that the transmission provider may not be able to provide rollover rights on the new, redirected path.[282] If the customer has not been granted rollover rights for a redirect that extends to the end of its contract, the redirected service will terminate on the same date as the parent service.

707. We also reiterate that a customer cannot exercise any rollover rights unless it first has provided the appropriate notice to the transmission provider. If a customer requests and is granted a rollover right prior to the relevant notice deadline (60 days for pre-Order No. 890 agreements or one year for all others) and subsequently requests and is granted a redirect for firm service for the remainder of the contract term (*i.e.*, within the notice period), the new reservation governs the rights at the new receipt and delivery

[278] *See* Order No. 890 at P 1268.

[279] *See* Order No. 676 at P 51.

[280] Order No. 890 at P 1280.

[281] *Id.*; *see also Commonwealth Edison Co.*, 95 FERC ¶ 61,027 at 61,083 (2001) (explaining that a request to change delivery points on a firm basis for one month, followed by a reversion to the original points does not convert the existing long-term firm agreement into two separate short-term agreements); *American Electric Power Service Corp.*, 97 FERC ¶ 61,207 at 61,905–06 (2001).

[282] For example, assume a transmission customer with a five-year agreement for firm service between points A and B, who qualifies for rollover rights on that path. If the transmission customer seeks to redirect on a firm basis in year 3 to points C to D and then redirect back to points A and B thereafter, at the end of the five year agreement the transmission customer would have rollover rights only with respect to points A to B. If, however, the transmission customer seeks to redirect to points C and D for the last six months of the contract term and both qualifies for rollover rights on this path and has requested rollover within the notice period of the contract, the customer would then have rollover rights only with respect to points C and D. *See* Order No. 676 at P 59.

points and the customer can obtain rollover rights with respect to the redirected capacity to the extent rollover rights are available for the redirected points. If, however, a customer fails to request a rollover right prior to the relevant notice deadline, the customer forfeits rollover rights along the current or any redirected path.

708. We clarify, to the extent necessary, that transfer capability is not freed up for earlier queued service requests until a redirect has been granted. A redirect request must be evaluated in accordance with section 17 of the *pro forma* OATT using the same system assumptions and analysis applicable to any other new request for service, including whether sufficient ATC exists to accommodate the request.[283] If there is insufficient ATC to offer service to customers in the queue, and an existing customer requests redirected service, any increase in ATC along the original path is contingent upon the acceptance and confirmation of the redirect. It cannot be assumed at the time of a redirect request that the transmission provider will grant the request.

4. Acquisition of Transmission Service

a. Processing of Service Requests

(1) Posting Performance Metrics

709. To enhance the transparency of the study process and shed light on whether transmission providers are processing studies in a timely and non-discriminatory manner, Order No. 890 required all transmission providers, including RTOs and ISOs, to post on their OASIS sites certain metrics that track their performance in processing system impact studies and facilities studies associated with requests for transmission service. Specifically, the Commission required all transmission providers to post on a quarterly basis performance metrics associated with: processing time from initial service requests to the offer of a system impact study; system impact study processing time; service requests withdrawn from the system impact study queue; processing delays for system impact studies caused by transmission customer actions; processing time from completed system impact study to the offer of a facilities study; facilities study processing time; service requests withdrawn from the facilities study queue; and, processing delays for facilities studies caused by transmission customer actions. The Commission required transmission providers to begin tracking these performance metrics upon the effective date of Order No. 890 and keep the quarterly performance metrics posted on their OASIS sites for three calendar years.

710. The Commission also required transmission providers, including RTOs and ISOs, to submit a notification filing to the Commission in the event the transmission provider processes more than 20 percent of non-affiliates' studies outside of the 60-day due diligence deadlines in the *pro forma* OATT for two consecutive quarters. The transmission provider may explain in its notification filing that it believes there are extenuating circumstances that prevented it from meeting the deadlines in the *pro forma* OATT. Absent a determination from the Commission that delays were due to extenuating circumstances, the transmission provider is required to post additional metrics regarding the average number of hours expended on, and the number of employees dedicated to, system impact studies and facilities studies. Unless otherwise directed by the Commission, the transmission provider must begin posting the additional performance metrics the quarter following the notification filing.

711. The Commission delegated to NAESB the responsibility for developing the Standard and Communications Protocols, business practices and OASIS modifications that will be necessary to implement the performance metrics.

Requests for Rehearing and Clarification

712. Two transmission providers object to aspects of the standard performance metric posting requirements. Ameren objects to the requirement that RTOs post these metrics, arguing that the requirement may increase an RTO's cost even though it is unnecessary for the efficient operation of competitive markets. Ameren argues that RTOs are by definition independent entities that lack the incentive to favor any transmission customer over another and, therefore, the performance metrics will serve no purpose in uncovering potential discrimination in the study request process. Ameren argues that information already posted by MISO and other RTOs allows the Commission to obtain the data it seeks without placing additional requirements on RTOs.

713. Old Dominion argues that the Commission should include in the standard performance metrics any denials or delays in the construction phase of transmission service requests, suggesting that review of whether requested transmission service is effected through construction of identified upgrades and other facilities is a logical and necessary outgrowth of Order No. 890.[284] Old Dominion asks the Commission to require transmission providers to add to the standard performance metrics: the time period of any such postponement or delay; the MW amount of congestion caused by the delay, if any; the amount of transmission rights underfunding caused by the delay, if any; and, whether the delay resulted in any degradation of system reliability. Old Dominion contends that the progress of each project is essential for transmission providers to determine whether transmission service requests can be accommodated and whether a transmission project is actually constructed or not has an effect on the study process for subsequent projects in the queue.

714. Other transmission providers object to the aspects of the additional performance metrics triggered by consistently processing studies outside the 60-day due diligence deadline. Washington IOUs ask that the Commission require transmission providers to post information on employees and employee-hours devoted to study processing only if the Commission first determines that delays in processing study requests are not excused by extenuating circumstances. Washington IOUs contend that the Commission's requirement, in Order No. 890, to calculate and post this additional information will create a significant additional burden and fails to recognize that the 60-day window is a target, not a deadline. They further contend that customers may ask that additional time be taken in the processing of studies. Absent a determination that delays in processing study requests are a result of a lack of good faith and due diligence on the part of the transmission provider, Washington IOUs argue that there should be no requirement to track and post employees and employee-hours devoted to study processing.

715. Washington IOUs also ask that the Commission not count transmission requests submitted as part of a transmission provider's Integrated Resource Planning (IRP) process in the calculation of percentages of studies performed outside the 60-day window. They contend that transmission requests associated with such studies are often made years in advance to ensure that transmission for service of long-term

[283] Order No. 890 at P 1285.

[284] Old Dominion also argues that the Commission should require performance reports regarding transmission planning activities, which the Commission addresses in section III.B.

load is available and can be discussed in the public domain, to allow operational personnel to confer with one another on IRP issues in a public forum while adhering to the Commission's standards of conduct, and to ensure that the utility will be able to reserve transmission capacity necessary to serve the utility's native load reliably and in a cost-effective manner. Washington IOUs argue that there is no need for studies associated with these requests to be performed within the 60-day window.

716. Southern argues that the Commission should grant rehearing so that studies for which the customer has requested or expressly agreed to extend the 60-day study period should not be required to be included among those studies considered to be completed late. Southern contends that it would be arbitrary and capricious to include studies that are ''late'' due to no fault of the transmission provider (e.g., studies delayed or extended due to customer request or action) in the metrics calculations. Southern states that doing so could cause the transmission provider to be automatically penalized with additional reporting requirements and cross the threshold for which the transmission provider must proffer excuses acceptable to the Commission or suffer significant penalties.

Commission Determination

717. The Commission denies rehearing of the decision in Order No. 890 to require transmission providers to post standard performance metrics regarding the processing of system impact studies and facilities studies and, for consistently late studies, additional performance metrics regarding the resources dedicated to processing studies. These posting requirements are necessary to promote greater market transparency and establish important incentives for all transmission providers to complete transmission service requests in a timely and transparent fashion. As the Commission explained in Order No. 890, despite the fact that some transmission providers currently post some information related to the processing of transmission service requests on their OASIS, much of the public information currently posted by transmission providers lacks transparency, accessibility, and consistency.[285]

718. We affirm the decision to subject all transmission providers, including RTOs and ISOs, to the same reporting requirements. While it may be true that data already posted by RTOs and ISOs provides much of the information contained in the standard performance metrics, it does not follow that posting the remaining information is unnecessary. The independent nature of RTOs and ISOs does not justify relieving them of this particular obligation. All transmission providers should be subject to the same posting requirements to enhance uniformity and transparency in processing transmission service requests and transmission studies. Indeed, to the extent an RTO or ISO is already posting much of this information, the incremental burden of posting the remaining information should be minimal.

719. The Commission does not believe it is appropriate at this time to add posting requirements regarding denials or delays in the construction phase, as requested by Old Dominion. While construction delays can affect transmission service start dates, the transmission provider will be in communication with the relevant customers regarding the status of those projects. The transmission provider is also required to make available information regarding the status of upgrades identified in its transmission plan, as we discuss in section III.B. We are not persuaded that, based on the evidence before us at this time, additional posting requirements for denials or delays in the construction phase of transmission service requests are necessary or appropriate. Absent particular evidence to the contrary, we believe that other OATT provisions such as section 21.2 and the current standard performance metrics adequately protect customers from inappropriate delays or discrimination during construction phases.

720. We also affirm the decision to require any transmission provider that processes more than 20 percent of non-affiliates' studies outside of the 60-day due diligence deadlines in the *pro forma* OATT for two consecutive quarters to submit a notification filing to the Commission and post additional performance metrics. We disagree with Washington IOUs that transmission providers should be required to post these metrics only after Commission action on a notification filing. Posting of these additional metrics is not required until two months after the notification filing, giving the Commission time to consider the extenuating circumstances that prevented the transmission provider from processing requested studies on a timely basis. If, upon review of such a filing, the Commission finds that delays were caused by extenuating circumstances, the Commission will not require the transmission provider to continue to post the additional performance metrics. As a result, we expect transmission providers with legitimate extenuating circumstances should not have to post any additional metrics.

721. Similarly, we decline to exempt, as a general matter, studies that are delayed by customer agreement or that are associated with resource planning. The transmission provider can explain the circumstances surrounding any particular delay in its notification filing, which the Commission will review on a case-by-case basis. The process adopted in Order No. 890 is sufficiently flexible to relieve any transmission provider who completes more than 20 percent of non-affiliates' studies outside of the 60-day due diligence deadlines for two consecutive quarters from any additional posting requirements, or operational penalties, if the Commission finds the delays were due to extenuating circumstances.

722. The Commission grants rehearing to make several typographical revisions to our rules implementing these posting requirements. In Order No. 890, the Commission stated that short-term and long-term requests for point-to-point service must be aggregated for purposes of the posting requirement in order to ease the burden on transmission providers and in recognition that many customers requesting short-term point-to-point service are unwilling to pay for studies.[286] The accompanying regulations, however, stated that transmission providers must separately calculate and post metrics for long-term and short-term requests.[287] Upon further consideration, we believe it appropriate to allow, but not require, transmission providers to aggregate requests for long-term and short-term point-to-point service for purposes of the posting requirements. We also clarify that the posting requirements apply to all requests for service, including requests for point-to-point service and requests to designate new network resources or loads. We have revised our regulations to make these requirements more clear.

(2) Operational Penalties for Late Studies

723. The Commission determined in Order No. 890 that all transmission providers, including RTOs and ISOs, would be subject to operational penalties when they routinely fail to meet the 60-day due diligence deadlines prescribed in sections 19.3, 19.4, 32.3 and 32.4 of the OATT. Absent

[285] *See* Order No. 890 at P 1308.

[286] *See id.* at P 1309.

[287] 18 CFR 37.6(h)(1).

extenuating circumstances, penalties will apply to any transmission provider that continues to be out of compliance with these deadlines for each of the two consecutive quarters following a notification filing, described above, stating that the transmission provider has not completed request studies on a timely basis. A transmission provider will be deemed out of compliance if it completes 10 percent or more of non-affiliates' system impact studies outside of the deadlines prescribed in the *pro forma* OATT.

724. Operational penalties will be assessed on a quarterly basis, starting with the quarter following the notification filing and continuing until the transmission provider completes at least 90 percent of all studies within 60 days after the study agreement has been executed. The penalty will be equal to $500 for each day the transmission provider takes to complete any system impact study or facilities study beyond 60 days. For any system impact study or facilities study that is still pending at the end of the quarter and that has been in the study queue for more than 60 days, the penalty will equal $500 for each day the study has been in the study queue beyond 60 days.

725. As explained above, the Commission reiterated that transmission providers may document and describe in their notification filing any unique complexities that particular requests introduce into the study process and that prevent the transmission provider from completing a study within the 60-day due diligence timeframe. On review of a notification filing, the Commission will waive operational penalties if a transmission provider establishes that its non-compliance is the result of extenuating circumstances, including factors or events that are truly beyond its control, such as delays caused by the transmission customer. The submission of a notification filing documenting extenuating circumstances will not, however, suspend the obligation of a transmission provider to process at least 90 percent of the study requests within the deadlines, until such time as the Commission issues a final determination on the notification of extenuating circumstances.

726. The Commission declined to alter the 60-day study completion timeframe embodied in sections 19.3, 19.4, 32.3 and 32.4 of the *pro forma* OATT. The Commission concluded that this timeframe adequately balances the need for expeditious resolution of study requests and the need to ensure that the transmission provider can reliably accommodate the transmission service reserved. The Commission also found that the penalty regime adopted in Order No. 890 protects the transmission provider in the event studies take longer to complete due to the new planning requirements or the new requirement to consider conditional firm options.

727. The Commission determined that revenues associated with operational penalties for late studies should be distributed to non-affiliated transmission customers. Transmission providers were directed to propose a method to determine how unaffiliated transmission customers will receive operational penalty distributions. In the event the transmission provider has raised extenuating circumstances in its notification filing, the Commission stated that the transmission provider should not distribute its operational penalty while the Commission is considering the notification filing.

Requests for Rehearing and Clarification

728. NorthWestern challenges the application of any operational penalties for late processing of studies associated with transmission service requests. NorthWestern contends that the most important goal of a system impact study or facility study should be the ability to perform an accurate study, not one that is quick, and that the Commission cites no record evidence that penalties are necessary to prevent unduly discriminatory completion of studies. NorthWestern argues that all transmission providers have a financial incentive to complete system impact studies quickly in order to maximize use of their transmission systems. In NorthWestern's view, it is unreasonable for the Commission to maintain a 60-day period for processing facility studies for transmission service requests, yet allow a 90-day and 180-day timeframe for generator interconnection facility studies which may be equally complicated. NorthWestern argues that a study may take longer than 60 days for a myriad of reasons and, therefore, section 19.9 of the *pro forma* OATT should be eliminated.

729. To the extent the Commission declines to eliminate section 19.9, NorthWestern argues that it should be waived for transmission providers that do not have an affiliate that could benefit from any delay. NorthWestern states that it is a transmission and distribution utility within its Montana service territory without an active power marketing affiliate and, as a result, the Commission's rationale for imposing penalties is not applicable to NorthWestern and similarly-situated transmission providers.

730. Several petitioners ask the Commission to clarify that penalties will be assessed only if the transmission provider fails to exercise due diligence in completing studies within 60 days. EEI argues that the due diligence standard is sufficient to protect customers and, therefore, the Commission's references to extenuating circumstances and events beyond the control of the transmission provider should be interpreted to explain some aspects of the due diligence standard, rather than impose a new standard for completion of studies. Joined by Progress Energy, EEI asks the Commission to modify section 19.9(iii) of the *pro forma* OATT to explicitly provide that penalties will be assessed only if the transmission provider fails to complete 90 percent of its studies for non-affiliates within 60 days because of a lack of due diligence or where there are no extenuating circumstances.

731. National Grid seeks similar clarification that the Commission is not moving away from the due diligence standard in favor of an excuse-based standard. National Grid argues that the requirement that transmission providers provide an affirmative excuse to avoid operational penalties for untimely studies is an unexplained departure from precedent and inconsistent with the Commission's reference to the due diligence standard in Order No. 890. National Grid states that the Commission found in Order No. 2003 that financial penalties were not appropriate for late interconnection studies and, instead, required the transmission provider to use due diligence to perform within the specified time frame. National Grid argues that the Commission failed to justify use of a different, excuse-based structure with monetary penalties in the context of studying transmission service requests.

732. National Grid, along with the Washington IOUs, opposes an excuse-based standard, arguing that the transmission provider may not always have a readily articulated excuse for not completing studies on time. National Grid states that transmission providers cannot simply hire and fire planning employees or otherwise redeploy other employees as study queues expand and contract and that, even if they could, the pool of qualified planning engineers is inadequate. Washington IOUs also argue that there are numerous legitimate reasons why a transmission provider might not process a study within the 60-day guideline, including requests by the transmission customer to delay the study process.

733. Several petitioners argue that the Commission should extend by 30 days or 60 days the period within which

studies should be completed. MidAmerican argues that strict adherence to the 60-day target will lead to less complete analyses by limiting the transmission provider's ability to coordinate with neighboring systems and regional reliability organizations, which may be necessary to understand the full effect of a proposed transaction, and forcing the transmission provider to make assumptions regarding the impacts of higher queued requests still in study status. E.ON U.S. similarly argues that the length of a study is influenced by the size and type of the line or substation upgrade required, the limited availability of third-party contractors, and the fact that certain modeling studies can take many weeks to prepare. MidAmerican and E.ON U.S. both argue that internal staff limitations further impact the transmission provider's ability to meet the 60-day target.

734. EEI, MidAmerican, and Southern argue that introduction of conditional firm and modified planning redispatch service will complicate the study process, may lead to an increase in study volume, and ultimately make the 60-day deadline substantially more difficult to meet. EEI and Southern argue that it is arbitrary and capricious for the Commission to acknowledge in Order No. 890 that studying the availability of these products will place increased burdens on transmission provider without addressing the problem by granting transmission providers more time to complete those studies.

735. MidAmerican, Progress Energy and TranServ request clarification regarding when a system impact study is considered complete for purposes of the 60-day due diligence deadline. Progress Energy suggests that failure to complete a study within 60 days should be measured from the projected start date that is included in the applicable study agreement, rather than the date the study agreement is executed, and that the transmission provider must clearly explain the extenuating circumstance to the customer. MidAmerican suggests that the milestone should be the first submission of the study report to the transmission customer because it is customary for transmission providers to provide a copy of the system impact study for customers to review, which may lead to additional analysis or review of potential issues prior to issuing a final system impact study. If provision of the review copy of the system impact study does not satisfy the tariff requirement, MidAmerican contends that transmission providers will simply omit customer review and provide final studies, likely resulting in more disputes between customers and transmission providers. MidAmerican also argues that any delays that occur as a result of review and acceptance of study results due to regional planning process criteria should not subject the transmission provider to penalties. TranServ similarly notes that certain system impact studies are subject to regional coordination review that is out of its control. TranServ contends that a system impact study should be deemed complete when a study report is concurrently posted on the OASIS, provided to the customer for review, and provided for regional coordination.

736. Some petitioners ask that the Commission exempt from potential operational penalties certain types of studies or otherwise confirm that delays in those circumstances will be considered extenuating circumstances. Southern and Washington IOUs ask the Commission to make clear that operational penalties will not apply when the transmission provider and transmission customer expressly agree to a study schedule providing for a study period longer than 60 days. TranServ contends that extension of a study period to allow for clustering of multiple requests from the same transmission customer should be deemed an extenuating circumstance. EEI suggests that studies of the redispatch or conditional firm options be exempted from potential penalties or, at a minimum, that the Commission establish a one-year transition period prior to including such studies.

737. Progress Energy asks that the Commission recognize additional specific examples of possible extenuating circumstances, including: prior submitted generator interconnection queue requests that impact the same interface as transmission service queue requests; multiple transmission service queue requests being submitted within a 60-day period; a higher queued request that is withdrawn after it has been accepted which can cause a restart on subsequent studies that are underway; and a major change in transmission and generation plans of a local or neighboring system that can cause a restart on subsequent studies that are underway.

738. MidAmerican argues that the Commission should remove the penalty provisions for facilities studies requiring major construction or offer customers the option of extending the study period without penalty to the transmission provider where a customer has a desire for an accurate cost and schedule estimate. MidAmerican contends that the 60-day study window is inadequate to fully evaluate all the environmental, cultural, and landowner issues to fully determine the optimum route for a new line. Without knowing what route a line should take, MidAmerican argues that an accurate cost estimate and schedule cannot be prepared for the customer and, in turn, that it is unreasonable to expect a customer to sign a service agreement based on a highly variable cost and schedule estimate. MidAmerican also suggests that, in cases where the transmission service requests are submitted in association with a new generation interconnection request, coordination with the generation interconnection queue should be explicitly allowed. MidAmerican states that, under the Large Generator Interconnection Procedures, the time required to determine the facilities necessary to accommodate a generation interconnection request can exceed 250 days from the date the interconnection request is submitted. MidAmerican contends it is not possible to start the system impact study for the transmission service request until after it is known what the topology of the system will be with the new generating facility and any associated network upgrades and, therefore, the 60-day target should not apply.

739. E.ON U.S. requests clarification of the application of operational penalties to its operations in particular. E.ON U.S. states that it has delegated certain tasks, including the responsibility to perform system impact studies, to an independent transmission organization, *i.e.*, Southwest Power Pool. E.ON U.S. contends that this delegation of responsibility is consistent with or superior to the penalties established in the *pro forma* OATT since it ensures that studies will be performed in a non-discriminatory manner. In the alternative, E.ON U.S. seeks guidance on how, or whether it may influence the length of time it takes Southwest Power Pool to complete system impact studies, so that they are completed within the 60-day due diligence requirement. E.ON U.S. is concerned that it may be responsible for penalties incurred by Southwest Power Pool for failure to complete system impact studies for E.ON U.S. while being prohibited from influencing the manner in which the studies are performed due to the Commission's orders regarding Southwest Power Pool's independence.

740. TDU Systems seek clarification that imposition of an operational penalty on a transmission provider for a late study does not foreclose other

remedies to compensate for any damages arising out of a transmission provider's lack of due diligence, such as, recovery of the incremental cost of purchasing power from the market as well as other direct and consequential damages, if the transmission customer can show it is entitled to further relief. TDU Systems suggest that the Commission explicitly recognize that a transmission provider's failure of performance sufficient to merit the imposition of an operational penalty also falls outside the scope of the indemnification owed by the transmission customer to the transmission provider under OATT section 10.2.

Commission Determination

741. The Commission affirms the decision in Order No. 890 to subject transmission providers to operational penalties when they routinely fail to meet the 60-day due diligence deadlines prescribed in sections 19.2, 19.4, 32.3 and 32.4 of the *pro forma* OATT. As the Commission explained in Order No. 890, transmission providers must have a meaningful stake in meeting study time frames.[288] With the procedural protections adopted by the Commission, the new penalties for late study will ensure that transmission providers have an adequate financial incentive to exercise due diligence in processing service requests in a timely and nondiscriminatory manner.

742. We agree with petitioners that transmission providers should not sacrifice accuracy in order to complete studies within the 60-day due period and that transmission providers may already have an incentive to complete studies quickly in order to increase revenues from transmission service. This does not mean, however, that it is inappropriate to apply penalties in instances when transmission providers repeatedly fail to comply with study deadlines without justification. The notice procedures adopted in Order No. 890 give transmission providers an opportunity to explain why studies have been completed late. As a practical matter, then, late study penalties should only apply to those transmission providers unable to justify their repeated failure to meet deadlines. At the same time, the possibility of penalties will provide appropriate incentives to ensure that transmission providers process studies on a timely and nondiscriminatory basis.

743. In response to concerns regarding application of the due diligence standard, we reiterate that sections 19.3, 19.4, 32.3, and 32.4 of the *pro forma* OATT require transmission providers to use due diligence to meet the 60-day study deadline. The 60-day due diligence deadline serves as a good measure of a transmission provider's use of due diligence since, in our experience, the vast majority of transmission studies can be completed within that period. We recognize, however, that certain transmission studies can present challenges or other circumstances may justify a longer study period. The Commission therefore adopted rules that allow transmission providers to complete studies outside the due diligence deadlines without paying late study penalties. In its notification filing, the transmission provider can explain the extenuating circumstances that lead to delay and, in turn, demonstrate that it has used due diligence in processing the relevant studies notwithstanding its inability to meet the 60-day target. Transmission providers should discuss any factors that they believe are relevant, including reasonable resource limitations, the accommodation of customer requests (including clustering), inter-regional and seams coordination, the scope of particular studies, or fluctuations in study volumes. On review of this information, the Commission will waive application of late study penalties under section 19.9 of the *pro forma* OATT as appropriate. We therefore do not believe any modification to the language of section 19.9 is necessary.

744. We also reject requests to create broad categories of extenuating circumstances that would exempt transmission providers from late study penalties or related posting requirements. Consideration of the particular circumstances causing a transmission provider to repeatedly miss study deadlines is best left to a case-by-case analysis. Again, failure to meet the 60-day due diligence deadlines does not lead unavoidably to late study penalties, regardless of whether the study is related to the new planning redispatch option for long-term point-to-point service, the modified conditional firm option, or any other service request. Granting broad exemptions for any particular types of requests would undermine the Commission's ability to gather information regarding the reasons for processing delays and, in turn, ensure that those delays are justified under the circumstances.

745. We also decline to automatically waive late study penalties for particular types of transmission providers, such as transmission and distribution utilities without a power marketing affiliate, as suggested by NorthWestern, or RTOs and ISOs, as suggested by MISO. The Commission is concerned about potential discrimination in favor of a transmission provider's affiliated customers as well as discrimination between different classes of unaffiliated customers. In response to E.ON U.S., we clarify that delegating to a third party the responsibility for conducting transmission studies does not relieve the transmission provider of its obligation to ensure compliance with sections 19 and 32 of the *pro forma* OATT. Regardless of whether the third-party service provider is under the transmission provider's control, the agreement governing the relationship between the service provider and the transmission provider would establish the service provider's responsibilities and potential liability for failing to meet service obligations. This could include, for example, the responsibility to submit notification filings describing any extenuating circumstances that keep the contractor from meeting deadlines.

746. We disagree that the 60-day due diligence period should be extended simply because there is the possibility of penalties in the event of repeated non-compliance. While we recognize that the timelines we use in Order No. 890 for processing transmission service requests may differ from those we have in place in other settings, the 60-day deadlines have been in place for many years. We continue to believe that 60 days is, on average, sufficient time to complete most transmission studies. As the Commission explained in Order No. 890, and as we reiterate above, transmission providers that are delayed due to the addition of the conditional firm option, modification of planning redispatch, staffing availability, or any other issues are free to raise those issues in their notification filings.[289] We appreciate, and in fact intend, that the possibility of penalties will create added incentives to complete system impact studies and facilities studies within the 60-day due diligence deadlines. It does not follow, however, that the deadlines themselves should change. In order for late study penalties to apply, the transmission provider would have to be out of compliance for at least three quarters after the reforms adopted in Order No. 890 took effect. This gives transmission providers nine months to adjust their operations and reallocate resources as necessary to meet its obligation to process studies on a timely basis.

747. In response to MidAmerican and TranServ, the Commission reiterates its current policy that transmission studies

[288] *See* Order No. 890 at P 1340.

[289] *See id.* at P 1345.

will be deemed complete at the point when the transmission provider returns a final system impact study or facilities study to the transmission customer. Drafts of such studies, whether submitted to regional coordinators or the transmission customer, do not satisfy this threshold because, by definition, they are subject to revision and are incomplete. Allowing study drafts to be considered completed for purposes of the 60-day due diligence deadline would undermine incentives to finalize such studies, leaving transmission customers with little assurance that their transmission requests would be processed in a reasonable time period. We do not mean to discourage, however, consultation with customers or regional coordination. To the extent such activities lead to delays, they should be explained in the notification filing. The Commission clarifies in response to Progress Energy that the 60-day due diligence period starts on the day the transmission study agreement is executed unless the transmission provider and customer agree on an alternate day for the transmission provider to begin the study. While the transmission provider and customer may not alter the length of the study period, they can mutually agree as to the day on which the study begins.

748. Finally, we clarify in response to TDU Systems that payment of a late study penalty by the transmission provider falls outside the scope of the indemnification provided by transmission customers under section 10.2 of the *pro forma* OATT. Similarly, assessment of a late study penalty would not preclude other claims for damages to the extent the transmission provider is liable under relevant legal principles.

(3) Recovery Through Rates

749. In Order No. 890, the Commission prohibited all jurisdictional transmission providers from recovering penalties for late studies from transmission customers. The Commission required non-profit transmission providers to pay late study penalties from sources other than the revenue they collect for sales of transmission service.

Requests for Rehearing and/or Clarification

750. Several petitioners object to the application of operational penalties to RTOs and ISOs and request clarification of the manner in which penalties could be recovered by RTOs and ISOs. MISO argues that RTOs and ISOs should be exempt from the imposition of penalties because the organizations have little or no equity cushion from which to pay penalties and often need to obtain operational/technical information from member transmission owners, over which they have no control, in order to complete studies. MISO argues that, as independent entities, RTOs and ISOs have no incentive to favor one group of customers over another and that the Commission's unsupported reference to competing internal priorities or staffing issues is not a reasoned substitute for the undue discrimination rationale on which the Commission's reforms are based. MISO argues that the distinction between an RTO and a single system transmission provider is particularly acute for MISO, PJM, and Southwest Power Pool, which have been required by the Commission to execute seams operating agreements that require the sharing of planning information.

751. MISO objects to the potential use of funds set aside for salaries or bonuses to pay penalties, suggesting that budget cuts are not an appropriate remedy for staffing issues. MISO contends that RTOs and ISOs should be allowed to recover penalties in rates. MISO states that reliability rules permit RTOs and ISOs to recover their ERO penalties in rates and the same should be allowed for operational penalties. MISO acknowledges that the Commission allowed transmission providers an opportunity to avoid operational penalties by showing that failure to meet the compliance threshold is due to extenuating circumstances, but objects to that process as burdensome. MISO argues that it is unclear what circumstances would be considered extenuating, suggesting that some customers request service well in advance because they are aware of possible delays in performing necessary studies. To the extent the Commission retains financial penalties for RTOs and ISOs, it suggests that delays resulting in no harm to the customer should not be included in the 10 percent threshold.

752. EEI, National Grid, and ATCLLC argue that the Commission first should consider non-monetary penalties for RTOs and ISOs, such as increased oversight, before assessing any monetary penalties. ATCLLC and National Grid contend that using a non-monetary enforcement policy for violations of the OATT would more closely mirror the policy adopted by the Commission with respect to enforcement of reliability standards, as reflected in NERC Sanction Guidelines. National Grid suggests that the Commission not take the next step of imposing monetary penalties (whether operational or civil penalties) on RTOs or ISOs absent extraordinary reasons, such as repeated or willful violations.

753. If monetary penalties are assessed on an RTO or ISO, National Grid argues that the non-profit status of RTOs and ISOs justifies allowing those entities to recover the cost of penalties through rates, provided those costs are allocated to all market participants fairly. ATCLLC and Duke, however, oppose recovery of any operational or civil penalties in the rates of an RTO or ISO. ATCLLC argues that allowing RTOs and ISOs to include penalties in their cost of rendering transmission or market services would defeat the purpose of the penalty. In its view, the pass-through of penalty costs would be tantamount to imposing the financial consequences of an action on parties that did not commit the violation, that may not have any control over the action causing the violation, and who may have been negatively impacted by the violation. Duke asks the Commission to clarify that the other sources of money from which RTOs and ISOs must pay operational or civil penalties do not include any rates collected from customers, including administrative charges, energy charges, or charges for transmission-related services.

Commission Determination

754. The Commission affirms the decision in Order No. 890 to prohibit transmission providers from automatically passing through to transmission customers the cost of late study penalties. The 60-day due diligence standard is in place to protect customers and it would therefore be inappropriate to automatically recover from those customers penalties assessed for non-compliance. We are mindful of the unique operating and budgetary concerns of independent transmission providers with respect to their ability to pay late study penalties and will keep those concerns in mind when reviewing these transmission providers' notification filings. However, as we explain in section III.C.4.c, it would not be appropriate to exempt, on a generic basis, any particular class of transmission providers from the requirement to pay operational penalties.

755. The Commission acknowledged in Order No. 890 that the independence of RTOs and ISOs removes incentives to favor one group of customers over another. Notwithstanding this independence, competing internal policies or staffing issues could lead to particular types of customers being treated differently during the study process. The potential application of penalties for consistently late studies

ensure that the proper incentives are in place to process request studies in a timely and non-discriminatory manner for every customer. The limited ability of an independent transmission provider to absorb late study penalties is more appropriately considered when determining the penalty, if any, that will apply to an RTO or ISO on review of its notification filing, which would not be possible if a blanket exemption were granted.[290]

756. As explained in section III.C.4.c, we decline to state here the particular sources of funds from which an RTO or ISO should pay any late study penalties ultimately imposed. We do clarify, however, the Commission's statement in Order No. 890 that an RTO or ISO may not use revenues from sales of transmission service to pay late study penalties.[291] It may be the case that an RTO's or ISO's only source of funds is from rates collected from jurisdictional transmission customers. The Commission's intent in restricting transmission providers, including RTOs and ISOs, from automatically passing on to customers the costs of late study penalties was to prohibit those transmission providers from designing their rates to accommodate a pass through of the penalties, *i.e.*, effectively including penalties in its cost of service. A transmission provider is permitted to use revenues previously collected under Commission-approved rates to pay late study penalties by reallocating funds as necessary to distribute late study penalty amounts.

757. We clarify in response to MISO that, if the RTO or ISO is unable to identify any appropriate funds from which to pay a late study penalty, the Commission will consider case-specific cost-recover proposals under FPA section 205. As explained above, such proposals should not include mechanisms to automatically pass through to customers any penalties approved to the RTO or ISO.

(4) Clustering Transmission Service Request Studies

758. Although the Commission did not impose, in Order No. 890, a requirement for transmission providers to study transmission requests in a cluster, the Commission did encourage transmission providers to cluster request studies when reasonable. In particular, the Commission directed transmission providers to consider clustering studies if requested to do so by a group of transmission customers and the transmission provider can reasonably accommodate the request. To that end, the Commission required each transmission provider to include tariff language in its compliance filing that describes how it will process a request to cluster studies and how it will structure the transmission customers' obligations when they have joined a cluster.

Requests for Rehearing and/or Clarification

759. TranServ requests clarification that, if the transmission provider receives a large number of study requests from the same customer within a short time period with no other customer requests commingled, it may be prudent to combine these studies into a clustered study group to reduce costs and study queue volumes, even recognizing that such a practice would result in an extended study period.

Commission Determination

760. In Order No. 890, the Commission required transmission providers to study transmission requests in a cluster if the customers involved request the cluster and the transmission provider can reasonably accept the request. The Commission did not preclude transmission providers from clustering additional request studies if they believe it reasonable to do so. Studying transmission service requests in a cluster in some cases can create synergistic benefits, simplify complex, interrelated transmission requests, and help transmission providers reduce study queue backlogs. To the extent a transmission provider wishes to adopt additional procedures governing the clustering of requested studies, it may propose such procedures in a filing under section 205 of the FPA demonstrating that clustering will be implemented in a timely and non-discriminatory fashion.

761. Although we agree that in certain circumstances the time required to process a clustered study group may exceed the time required to study a single transmission request, we do not agree that this should be always be the case. As the Commission explains above, we will not exempt broad categories of extenuating circumstances, such as the clustering of request studies, from the 60-day due diligence deadline.

(5) Standardization of Business Practices for Study Queue Processing

762. The Commission also required transmission providers working through NAESB to develop business practice standards to better coordinate transmission requests across multiple transmission systems. In order to provide guidance to NAESB, the Commission articulated the principles that should govern processing across multiple systems. The Commission further required transmission providers working through NAESB to develop business practice standards to allow a transmission customer to rebid a counteroffer of partial service so the transmission customer can take the same quantity of service for linked transmission service requests across multiple systems. The Commission explained that the transmission customer should not be required to take the same quantity of service across consecutive transmission service requests and, instead, it should simply have the option to do so.

Requests for Rehearing and Clarification

763. TDU Systems argue that the Commission erred by failing either to mandate coordination among transmission providers or to provide the oversight necessary to ensure that NAESB effectively addresses the standards and practices for coordination. TDU Systems contend that transmission customers have experienced denials of service because of differing response times to transmission service requests spanning multiple transmission systems and that a lack of coordination among transmission providers reduces accountability for potentially anti-competitive denials of service. To the extent the Commission relies on business practices by NAESB, TDU Systems contend that the Commission must provide clear deadlines for NAESB to complete the development process for these business practices. TDU Systems argue that failure to establish deadlines in this context, while establishing clear deadlines for the development of ATC-related standards, is arbitrary and capricious.

764. TAPS asks the Commission to articulate more fully the coordination necessary between transmission providers when a customer's request entails use of multiple systems. TAPS notes that the Commission refers in Order No. 890 to coordination of studies across multiple systems, but that coordination may be unnecessary if one of the affected transmission providers conclude that no system impact study is required. TAPS contends there is nonetheless a need to coordinate such requests so that the customer is not required to confirm service on the no-study system before knowing whether service is available on the other piece of the transmission path.

[290] We clarify that, as part of this analysis, we will consider whether the use of non-monetary penalties would be appropriate in the circumstances.

[291] *Id.* at P 1357.

765. TAPS also requests confirmation that, in the event only one of the transmission providers considering a multi-system request determines that a facilities study is necessary, the transmission provider whose system impact study did not lead to a facilities study must await the completion of the other transmission provider's facilities study prior to requiring the customer to commit to the service or lose its queue position. Similarly, TAPS argues that, if both transmission providers find a need to undertake facilities studies, the customer should not be subject to different deadlines for entering into those facilities studies or committing to service after all of the facilities studies are completed.

Commission Determination

766. The Commission affirms the decision in Order No. 890 to rely on the NAESB process to develop business practices to govern the processing of transmission requests across multiple transmission systems. We decline to dictate at this time, beyond those principles outlined in Order No. 890, the particular practices that must be implemented. It is more appropriate to allow transmission providers working through NAESB, in the first instance, to consider how best to ensure coordination across multiple systems. It is also appropriate to give NAESB an open timeframe to develop these standards since they must be broad enough to account for the complexities of coordinating multi-system transmission service requests.[292]

767. The appropriate forum for TDU Systems and TAPS to raise substantive concerns regarding the coordination required for multi-system requests is therefore the NAESB process. If concerns remain at the conclusion of this process, transmission providers and customers alike can bring them to the Commission's attention on review of the NAESB business practices.

(6) Additional Processing Proposals

768. In response to commenter requests, the Commission revised section 17.7 of the *pro forma* OATT so that the transmission provider is able to terminate a request for transmission service if a customer that is extending the commencement of service does not pay the required annual reservation fee within 15 days of notifying the transmission provider that it would like to extend the commencement of service. The Commission denied a request to require transmission providers to accept or deny in all cases non-firm and short-term firm point-to-point transmission service requests solely based on posted ATC, explaining that transmission providers should not be discouraged from making service available when posted ATC is not accurate.

Requests for Rehearing and/or Clarification

769. Southern argues that the Commission should revise the amended provisions of section 17.7 of the *pro forma* OATT to ensure that transmission customers cannot escape their contractual commitments by simply failing to timely make an extension of service payment. Southern contends that the language of section 17.7 of the *pro forma* OATT makes the termination of a customer's reservation mandatory, while the Commission's discussion of that language in Order No. 890 indicated an intention for such termination to be permissive.[293] Southern contends that mandating termination in the event of non-payment would allow customers to easily escape contractual commitments even where the transmission provider has reserved the underlying transmission capacity for that customer. Southern requests that section 17.7 be revised to state: ''If the Transmission Customer does not pay this non-refundable reservation fee within 15 days of notifying the Transmission Provider it intends to extend the commencement of service, then the Transmission Provider may deem the Transmission Customer in breach and may terminate the Transmission Customer's Service Agreement.''

770. Southern also requests clarification that transmission providers are allowed to study and condition a request for extension of service for long-term agreements having a term of less than five years. Southern states that, under the prior rollover policy, it was able to condition the continuation of service beyond the contract term so long as the condition was stated in the service agreement. Once the rollover reforms become effective and the rollover right extends only to contracts of five years or longer, Southern contends that it will no longer evaluate service availability beyond the requested term of service during the system impact and facility studies. Where such service is not available, Southern contends it would not be possible to grant an extension of the commencement date. Southern therefore asks the Commission to allow transmission providers to study, and possibly limit, all requests for extensions of commencement of service for long-term agreements having a term of less than five years. If the Commission declines to grant this request generally, Southern argues that such studies at a minimum should be allowed for extensions of commencement of service for customers having agreements for planning redispatch or conditional firm service. Southern contends there is increased need for continued study regarding the availability of those products, as the Commission recognized by allowing a two-year reassessment period for the products.

771. Powerex repeats its request to require transmission providers to respond to short-term transaction requests based on the ATC quantity posted at the time the request is granted. Powerex contends that allowing transmission providers to grant or deny service inconsistent with posted ATC encourages transmission customers to always have requests pending in the queue and may lead to customers ultimately viewing the transmission provider's actions as discriminatory. Powerex argues that the Commission cited no evidence that its proposal would be unworkable, operationally problematic, or inefficient, nor explained how its ruling is consistent with the emphasis placed on accurate, timely and consistent ATC postings elsewhere in Order No. 890.

772. Powerex also repeats a request to modify the language of sections 17.1 and 17.5 of the *pro forma* OATT to give transmission providers the flexibility to grant short-term transmission service requirements without performing a system impact study.[294] Powerex argues that requiring transmission providers to perform system impact studies to evaluate short-term service requests imposes deadlines that are often unworkable. Powerex also contends that a refusal to modify sections 17.1 and 17.5 would be at odds with the Commission's decision in Entergy Services, Inc.,[295] in which the Commission allowed Entergy to evaluate short-term requests without performing a system impact study. Powerex argues that the ATC-related reforms adopted in Order No. 890 will

[292] NAESB has indicated that business practices governing the coordination of service requests across multiple transmission systems are in development. The Commission requests NAESB to keep us informed regarding the status of developing these and other business practices.

[293] *Citing* Order No. 890 at P 1390.

[294] Powerex initially raised this issue in the context of the definition of a system impact study and, thus, the Commission addressed the argument in section V.D.10 of Order No. 890.

[295] *Entergy Services, Inc.,* 101 FERC ¶ 61,169 (2002).

ensure that this flexibility will not impair system reliability.

Commission Determination

773. The Commission grants rehearing to revise section 17.7 of the *pro forma* OATT in order to define more equitably the rights and obligations of customers failing to make timely payment of deposits in order to extend the commencement of service. Upon further consideration, we conclude that it would be inappropriate for a transmission customer to lose its underlying transmission service agreement simply because it failed to comply with the requirements of extending the service commencement date. We believe that it is more equitable to require those transmission customers who seek an extension of service, but fail to pay the required deposit in a timely fashion, to lose only their option to extend their transmission service start date and not the underlying transmission service agreement.

774. We therefore decline to adopt the language proposed by Southern, since that could still result in the transmission customer losing its entire transmission service agreement based on a technicality. The revised language of section 17.7 will more appropriately resolve Southern's stated concern about a transmission customer's use of the 15-day deadline in section 17.7 of the *pro forma* OATT to escape its underlying transmission service agreement. If a transmission customer fails to make the appropriate payment to extend service, that customer remains obligated to take service under the original terms and conditions of the underlying transmission service agreement.

775. We agree with Southern, however, that transmission providers should have the opportunity to consider the ability to provide service in the event of an extension for commencement of service. Under prior rollover policies, transmission providers considered whether long-term service would continue to be available beyond the original requested term during their initial consideration of the request for service, since transmission providers were required to identify in the initial service agreement any restrictions on the customer's rollover rights. Once the rollover reforms adopted in Order No. 890 become effective, transmission providers will undertake that analysis only for contracts with a term of five years or more. Transmission providers should continue to have the opportunity to consider the availability of extended service for contracts with terms of less than five years once the rollover reforms become effective. We therefore revise section 17.7 of the *pro forma* OATT to make clear that extensions of service are subject to availability. For contracts of five years or longer, we expect that identification of any restrictions on rollover rights in the initial service agreement will continue to serve as corresponding restrictions on the ability of the customer to extend the commencement of service.

776. We affirm the decision in Order No. 890 not to require transmission providers to grant certain short-term transmission service requests based only on posted ATC values. Transmission providers are in the best position to determine how much capacity exists on their system in real-time and, therefore, it would not be appropriate for the Commission to categorically preclude transmission providers from making such short-term allocations on a case-by-case basis. We do not wish to preclude transmission providers from making service available at times when posted ATC is not accurate. The transmission provider nevertheless must act on a non-discriminatory basis when using its discretion to grant service when posted ATC is insufficient. As the Commission stated in Order No. 890, the transmission provider must log such instances as an act of discretion and post the log so that the Commission and customers may monitor the transmission provider's actions.[296]

777. We clarify in response to Powerex that sections 17.1 and 17.5 of the *pro forma* OATT do not require transmission providers to undertake system impact studies for all requests for short-term transmission service. System impact studies are only required if it is necessary to evaluate the impact of the request prior to granting service. While we would expect a transmission provider to use its knowledge of its system, including prior studies and system assessments, to grant short-term requests when possible, the transmission provider must in every instance consider whether a system impact study is in fact required to evaluate the request for transmission service, as the very precedent cited by Powerex contemplates.[297] We recognize that on occasion a study period could exceed the length of service requested by a transmission customer and thereby render moot the transmission service request. As the Commission explained in Order No. 890, however, implementing a generic rule to eliminate or shorten the period for performing system impacts could jeopardize system reliability.[298] We therefore decline to adopt Powerex's suggested revisions to sections 17.1 and 17.5.

b. Reservation Priority

(1) Priority for Pre-Confirmed Requests

778. The Commission determined in Order No. 890 that longer duration service requests will continue to have priority over shorter duration service requests, with pre-confirmation serving as a tie-breaker for requests of equal duration. The Commission further provided that pre-confirmed, non-firm point-to-point transmission service requests and short-term, firm point-to-point transmission service requests would have priority over non-confirmed, non-firm and short-term requests, respectively, of equal duration. Pre-confirmed requests for transmission service will not preempt an equal duration request that has already been confirmed.

779. The Commission also clarified its policies regarding the treatment of pre-confirmed requests in order to address concerns regarding operational difficulties caused by giving priority to such requests. First, the Commission prohibited transmission customers from withdrawing pre-confirmed, non-firm and short-term firm point-to-point transmission service requests prior to when the transmission customer is offered service or a system impact study. Transmission providers shall invalidate, however, a pre-confirmed request at the request of the transmission customer in the very near term following submittal of the request, in the event the transmission customer makes an inadvertent error in submitting its request. Second, the Commission explained that a customer is not bound to take service when the transmission provider counteroffers the customer's initial request, although it is obligated to take service in the event the transmission provider offers the service requested.

Requests for Rehearing and Clarification

780. TranServ objects to the retention of priority for longer-term service, regardless of pre-confirmation status. TranServ maintains that the advantages of longer-term services in the form of redirect opportunities and secondary market sales are sufficient incentives in and of themselves and that the ability to preempt shorter term service is

[296] *See* Order No. 890 at P 1389 (citing 18 CFR 37.6(g)(4)).

[297] *See Entergy Services, Inc.,* 101 FERC ¶ 61,169 at P 9–10 (stating that Entergy would have information to evaluate requests for short-term service without a system impact study ''in most instances'' and should not ''unnecessarily rel[y]'' on system impact studies'').

[298] *See* Order No. 890 at P 1707.

unnecessary to promote longer term sales. TranServ acknowledges that the preemption and matching provisions have been in the *pro forma* OATT since Order No. 888, but questions the extent to which they have been fully implemented into the business practices of all transmission providers. TranServ argues that transmission customers would prefer to have transaction certainty once they have confirmed service instead of remaining in an uncertain, conditional state up until the relevant scheduling deadline. TranServ also suggests that retention of the preemption policy will impede development of the secondary market for transmission capacity, questioning whether customers would see any value in entering into a secondary market purchase that is subject to preemption or understand their rights and obligations, and those of the assignee, in the event preemption occurs.

781. If the Commission retains the priority for longer term service, TranServ requests clarification of how preemption is to be implemented in certain circumstances. TranServ questions whether a reservation for consecutive terms of service is considered ''unconditional'' in its entirety when the first increment of service becomes unconditional. For a reservation for three consecutive days of daily service, TranServ asks whether that entire reservation (three days) is considered unconditional one day prior to the start of service, or whether only the first day of that three-day reservation becomes unconditional and not subject to preemption.

782. Ameren maintains that the Commission should include priority for pre-confirmed long-term firm requests to ensure that long-term uses are allocated to those customers that have the greatest demand. Ameren contends that excluding long-term firm requests from consideration as pre-confirmed requests may distort the transmission service queue and affect existing long-term firm uses of the grid, such as agreements eligible for rollover rights, by triggering the requirement to match a competing request that has not been confirmed. Ameren requests that the Commission require priority for pre-confirmed requests of all durations of firm service or, at a minimum, require that any request that competes with a long-term firm transmission service agreement eligible for rollover must be pre-confirmed.

783. E.ON U.S. argues that it is not clear what happens to a pre-confirmed request if the transmission provider only can provide the requested service if additional facilities are constructed. E.ON U.S. requests clarification whether an offer to provide service if additional facilities are constructed is a counteroffer that allows the customer submitting a pre-confirmed request to decline service.

784. Tenaska requests additional flexibility regarding the withdrawal of pre-confirmed requests. Tenaska suggests that the Commission establish a defined period, up to the point prior to the processing of the request by the transmission provider, during which pre-confirmed, non-firm and short-term firm point-to-point transmission service requests may be withdrawn for any reason and without penalty. Tenaska argues this flexibility is necessary to ensure that point-to-point customers are not competitively disadvantaged vis-a-vis network service customers when obtaining ATC, since network customers pay no additional cost for transmission they cannot use.

785. Southern suggests that the Commission allow transmission providers working through NAESB sufficient time to develop procedures for processing competing pre-confirmed requests, including how a request whose evaluation is in progress should or should not be impacted by a new pre-confirmed request received prior to such evaluation being completed.

Commission Determination

786. The Commission affirms the decision in Order No. 890 to give priority based on pre-confirmed status only to short-term firm and long-term non-firm requests for service. As the Commission explained in Order No. 890, the Commission was mindful that the pre-confirmation process could disrupt the transmission study process, undermine longer-term uses of the transmission system, or disadvantage transmission customers that are not in a position to pre-confirm their requests. Restricting the scope of transmission service requests receiving priority for pre-confirmation status to short-term firm and long-term non-firm service requests is necessary in order to minimize disruptions with existing study procedures and power procurement practices in place for long-term firm service requests. We believe this appropriately balances the need to promote long-term transmission rights against the need for increased certainty for customers seeking shorter-term firm and non-firm service.[299] Similarly, we decline to alter the Commission's long-standing policy of giving longer duration requests for service priority over shorter duration requests. To do so would undermine the Commission's goal of encouraging longer term uses of the transmission system.

787. We clarify in response to E.ON U.S. that, in the event an offer for service on a pre-confirmed request can only be accommodated by additions to the transmission provider's transmission system, the transmission customer may: (1) Take a shorter term of service, if available; (2) agree to undertake any upgrades that may be necessary to accommodated the transmission requests; or (3) decline service. The Commission rejects Tenaska's proposal to adopt a deadline prior to which a transmission customer may withdraw a pre-confirmed transmission service request. Providing an opportunity to pre-confirm applications is intended to reduce overloading of transmission study queues and minimize the amount of transmission requests later withdrawn from the study queue, increasing the efficiency of processing transmission service requests. Allowing transmission customers to withdraw pre-confirmed transmission service requests without reason or penalty as suggested by Tenaska would undermine the very reason pre-confirmation status has been given a priority.

788. We decline Southern's request to extend the effectiveness of the reforms regarding pre-confirmation priority pending development of related business practices by NAESB. We believe that Order No. 890 provides sufficient guidance for transmission providers to implement this priority in advance of any standardization efforts that may be undertaken through the NAESB process.

789. With respect to TranServ's question regarding application of the right of first refusal for eligible customers with requests for service over multiple days, the Commission clarifies that a competing request must exceed the total term of service in order to trigger the right of first refusal. Thus, in order for a competing request of equal price to preempt a reservation for three conservative days of daily service, that request must be for four consecutive days or longer and must be received at least one day before the first day of the original customer's three-day term of service.

790. Upon review of tariff provisions governing pre-confirmation of transmission service requests, the Commission has determined that the language adopted in Order No. 890 did

[299] As we explain in section III.D.2.c, a customer exercising a rollover right is only required to match a *bona fide* competing commitment to take service, evidenced for example by a pre-confirmed transmission request or the execution of a contingent service contract.

not fully capture the Commission's intent of allowing all eligible customers the opportunity to pre-confirm short-term firm and non-firm reservations. As currently written, the language of sections 1.39, 17.2 and 18.2 of the *pro forma* OATT make pre-confirmation available only to those that are already transmission customers, rather than all eligible customers. The Commission has revised those sections of the *pro forma* OATT to more accurately reflect our intent that pre-confirmation service should be available to all eligible customers seeking short-term firm and non-firm transmission services.

(2) Price as a Tie-Breaker

791. In Order No. 890, the Commission added price as a tie-breaker in determining reservation queue priority when the transmission provider is willing to discount transmission service, so that price will serve as a tie breaker after pre-confirmation status. The Commission clarified that, in the event a later queued short-term request for transmission service preempts a conditionally confirmed short-term request for transmission service based on price, the conditionally confirmed request has a right to match the price offer of the later queued request.

Requests for Rehearing and Clarification

792. E.ON U.S. requests clarification that the use of price as a tie-breaker means that a customer that is receiving service and that is not otherwise subject to a discount will receive a reservation priority over one who receives a discount. E.ON U.S. states that transmission service is not provided at market-based rates and, thus, using price as a tie-breaker cannot mean that a customer offering a market-based price is to be rewarded with reservation priority.

Commission Determination

793. We agree with E.ON U.S. that use of price as a tie-breaker does not mean that a customer is offering to be charged a market-based rate by the transmission provider. Under section 13.2 of the *pro forma* OATT, price serves as a tie-breaker among competing service requests of equal duration only when the transmission provider has offered a discount or a ''below ceiling rate'' on transmission service. Transmission providers may not charge rates above those stated in their OATT for primary transmission capacity.[300]

(3) Five-Minute Window for Requests

794. The Commission determined in Order No. 890 that the first-come, first-served policy for transmission service under the *pro forma* OATT should remain largely intact. The Commission allowed, but did not generally require, transmission providers to propose a window within which all transmission service requests the transmission provider receives will be deemed to have been submitted simultaneously. Only transmission providers that have adopted a ''no earlier than'' time for submitting transmission service requests were required to treat transmission service requests received within a specified period of time as having been received simultaneously. The Commission stated that the submittal window for these transmission providers must be open for at least five minutes unless the transmission provider can present a compelling rationale to justify a shorter submittal window. The Commission required these and any other transmission providers deeming requests submitted within a specified period as having been submitted simultaneously to propose a method for allocating transmission capacity if requests submitted within the same time period exceed available capacity.

Requests for Rehearing and Clarification

795. Powerex and Southern protest the Commission's departure from the long-standing first-come, first-served priority scheme. Powerex contends that, of the commenters supporting a simultaneous-priority window, none presented evidence that they were less sophisticated, had fewer financial resources, or had encountered prohibitively high software and other costs associated with operating an efficient transmission reservation desk. Powerex argues that the Commission mischaracterized support for the window proposal, stating that half of the critics of the proposed window provide and/or use transmission predominantly within the Western Interconnection.

796. Powerex, Southern, and Tenaska suggest that use of a simultaneous priority window will lead to implementation and operational problems, requiring transmission providers to allocate transmission capacity among multiple requesting customers, resulting in customers potentially receiving unusable blocks of capacity. Powerex contends that the Commission has relied on first-come, first-served priority in other contexts based on a similar concern that *pro rata* allocation of scarce capacity may result in blocks too small for the customer to use.[301] If the Commission does not grant rehearing on this issue, Southern asks the Commission, at a minimum, to clarify that NAESB will be permitted to address and resolve in a uniform fashion the numerous operational issues associated with treating all requests received within a certain timeframe as having been received simultaneously.

797. Powerex further argues that, with a *pro rata* window approach, transmission customers with multiple affiliates will be able to secure more usable blocks of capacity by pooling their requests through reassignment, while single-entity customers will confront numerous transaction obstacles to obtain a similar result. Powerex again points to precedent in the gas context, arguing that the Commission recognized similar concerns to support a first-come, first-served approach for reserving pipeline capacity.[302] Powerex argues that the Commission failed to address these concerns. Finally, Powerex objects to the Commission's characterization of the first-come, first-served priority structure as arbitrary, arguing that a specified window is equally arbitrary since it separates by a millisecond those that fall within the simultaneous window and those that fall outside.

798. If the Commission declines to grant rehearing of the use of a simultaneous priority window, Powerex requests clarification regarding its implementation. First, Powerex contends that a simultaneous window must commence at the start of the ''no later than'' hour and conclude five minutes later, and not be a ''rolling window'' that groups together service requests submitted within five minutes of each other. Second, Powerex requests clarification that the simultaneous priority window would not apply to hourly transmission service, to the extent it is offered by the transmission provider, arguing that there is insufficient time for customers to monitor the multitude of various transmission providers' windows for hourly requests and that potential *pro rata* allocations of hourly service would have little value to customers.

799. Tenaska similarly argues that the Commission must provide clear, uniform guidance as to what methods will, and will not, be acceptable for allocating transmission capacity when there is insufficient capacity to satisfy requests deemed to have been submitted simultaneously, as well as further guidance regarding the window period

[300] The Commission addresses the reassignment of transmission service in the secondary market in section III.C.3.

[301] *Citing Trailblazer Pipeline Co.,* 108 FERC ¶ 61,049 (2004).

[302] *Citing id.*

that a transmission provider may designate. Tenaska contends that the Commission has given transmission providers too much discretion by allowing them to propose a method for allocating transmission capacity if sufficient capacity is not available to meet all requests submitted within the specified time period. Tenaska argues that such discretion is a potential breeding ground for undue discrimination and, therefore, that the Commission should provide additional guidance to ensure that the methods for allocating transmission capacity minimize the opportunity for gaming.

800. Ameren asks the Commission to clarify that any proposal to voluntarily adopt an equivalent priority standard must be clearly defined and supported. Ameren suggests that an applicant submitting a proposal for a five-minute equivalent priority standard must make clear whether it is proposing to use a rolling five-minute window or whether it will use a series of discrete five-minute windows. Ameren contends the applicant also should be required to clearly explain what sort of tie-breaking mechanisms it will use.

801. EEI asks the Commission to clarify the requirement to adopt a submittal window is not triggered by a ''no earlier than'' time for requests for non-firm service. EEI notes that section 18.3 of the *pro forma* OATT requires all transmission providers to impose limits on how early a request for non-firm service may be submitted. EEI therefore argues that the requirement to adopt a submittal window should apply only to transmission providers that have established a ''no earlier than'' time for requests for firm point-to-point or network service.

Commission Determination

802. The Commission denies rehearing of the Commission's decision in Order No. 890 to require transmission providers that have adopted a ''no earlier than'' time for submitting requests for firm transmission service to treat all requests received within a specified period of time as having been received simultaneously.[303] We agree with petitioners that the Commission's long-standing first-come, first-served policy is a simple and efficient way for transmission providers to allocate firm transmission capacity among competing service requests. For this reason, Order No. 890 generally grants transmission providers the discretion to determine which transmission services, if any, will be subject to a submittal window. The Commission recognized only one exception to this rule: when the transmission provider has established dates before which requests for firm transmission service will not be accepted.

803. As the Commission explained in Order No. 890, the first-come, first-served policy can disadvantage certain transmission customers when a ''no earlier than'' restriction is in place.[304] Such a restriction forces transmission customers competing for transmission capacity to precisely time their requests for service such that they are received after the ''no earlier than'' time, yet before other customers. This has the potential of disadvantaging transmission customers that are less sophisticated and have fewer financial resources. The Commission stated in Order No. 890 that, when considering requests for firm transmission service received after the ''no earlier than'' time has expired, there is no meaningful difference between those received seconds ahead of another because one customer's computer is slower than another and no petitioner argues otherwise on rehearing.[305]

804. We clarify in response to Ameren and Powerex that each transmission provider has discretion to determine how its submittal window will be implemented, including the point at which the window goes into effect. Although the Commission agrees with Powerex, in principle, that it would be logical for submittal windows to begin on the first minute of the ''no earlier than'' time, we will not categorically dismiss alternatives to this arrangement since these procedures are best reviewed on a case-by-case basis. Similarly, any transmission provider that has implemented hourly firm point-to-point service should address how the submittal window would be implemented for that service, including any limitations on the use of a submittal window for that product. It is more appropriate for the Commission to consider customer concerns regarding use of a submittal window for hourly firm transmission service in the context of the transmission provider's particular proposal.

805. The Commission recognizes that developing methods to allocate capacity among requests received during a submittal window may require detailed procedures, particularly when transmission requests received simultaneously exceed available capacity. As the Commission explained in Order No. 890, however, we believe that each transmission provider is in the best position to develop allocation procedures that are suitable for its system. This does not preclude transmission providers from working through NAESB to develop standardized practices, as suggested by Southern. For example, as we pointed out in Order No. 890, allocation methods such as that used by PJM to allocate monthly firm point-to-point transmission service could provide useful guidance in developing general allocation procedures.[306]

806. The Commission disagrees with Tenaska that allowing transmission providers to develop a methodology to allocate insufficient capacity will lead to undue discrimination. As Ameren suggests, each transmission provider must clearly define and support its allocation methodology in its tariff and, thus, customers can raise any concerns regarding the potential for discrimination during the Commission's review of the relevant tariff language. Once the tariff language is in place, transmission customers can, and should, bring to the Commission's attention any failure by the transmission provider to follow its tariff. While the Commission could remove transmission provider discretion in this area by adopting a single, one-size-fits-all approach, such as a mandatory *pro rata* distribution methodology, this approach may not produce the best result in all cases. As the very precedent cited by petitioners acknowledges, every allocation methodology has advantages and disadvantages.[307] We reiterate our belief that transmission providers are in the best position to determine which allocation mechanism works best for their systems.

(4) Right of First Refusal and Preemption

807. The Commission declined in Order No. 890 to otherwise change the ''first come, first served'' nature of the

[303] We agree with EEI that the requirement to establish a submittal window applies to those transmission providers that have adopted a ''no earlier than'' time for the submission of firm point-to-point or network service. The *pro forma* OATT contains a ''no earlier than'' time that applies to requests for non-firm point-to-point service, which we do not intend to trigger the requirement to establish a submittal window.

[304] *See* Order No. 890 at P 1419.

[305] *Id.*

[306] *See id.* at P 1422.

[307] *See Trailblazer Pipeline Co.,* 108 FERC ¶ 61,049 at P 41. The Commission in that case accepted a pipeline's proposal not to use *pro rata* allocations in the event tie breaking was necessary out of a concern that resulting amounts of capacity would be too small to be of real use to a shipper. Shippers, however, had argued for use of *pro rata* allocations to increase the number of parties that could serve a market. Based on the circumstances of that case, the Commission accepted the proposal to use a first-in-time tiebreaking methodology. It does not follow, however, that use of a *pro rata* allocation would be inappropriate in all circumstances.

reservation process or right of first refusal process. The Commission explained that, when a longer-term request seeks capacity allocated to multiple shorter-term requests, the shorter-term customers should have simultaneous opportunities to exercise the right of first refusal. The Commission also stated that, to minimize the potential for gaming, a preempting longer request must be for a fixed capacity over the term of the request. The Commission also revised section 13.2(iii) of the *pro forma* OATT to more clearly distinguish between the use of the terms ''request'' and ''reservation'' for purposes of administering the right of first refusal.

Requests for Rehearing and Clarification

808. TranServ contends that the Commission did not fully address in Order No. 890 the procedures governing the right of first refusal competition and its potential for gaming. If a longer-term request initiates a right of first refusal competition among multiple shorter-term customers, TranServ requests clarification of whether there should be rounds of bidding and, if so, what the timing of that process should be. TranServ also asks what should happen in the event that a longer duration (not pre-confirmed) request is withdrawn in the middle of a competition, *i.e.*, whether those customers that opted to match are allowed out of their longer duration reservations and whether those that opted not to match are re-instated to their original capacity. TranServ suggests that, before any preemptions are initiated, the longer duration, higher priority request must be confirmed and locked in with the competing customer before turning to the right of first refusal rights holders and seeking their intent to match to preserve their service priority. In addition to locking in the longer duration customer prior to initiating preemption and right of first refusal, TranServ argues that the transmission provider should be required to provide a ''counter-offer'' matching request to the customer being preempted that they may then elect to ignore or withdraw, or confirm to retain their service priority. TranServ further questions what the transmission provider's obligation is if the customer being preempted exercises its right of first refusal by submitting a longer duration request which cannot be granted without preemption of yet another request.

809. TranServ also questions implementation of the right of first refusal in the event transmission capacity is reassigned. Assuming that a customer with a confirmed reservation for one week resells capacity for one day, TranServ asks whether the reseller, the assignee, or both have responsibility to match a competing longer-term request received by the transmission provider. TranServ states that this issue was considered by NAESB during WEQ discussions and that, during those discussions, there was serious consideration given to not allowing the resale of short-term firm prior to its unconditional deadline.

810. TranServ further questions what a shorter-term transmission customer's obligation is if the longer-term service request only preempts a portion of the short-term customer's service. TranServ suggests that the term ''match'' in such instances be limited to an exact match of duration with no option for the preempted customer to go beyond those bounds and that the capacity of the match should be in the amount that would need to be recalled from the preempted customer to satisfy the longer duration request.

811. Duke argues that the right of first refusal regime for transactions as short as one day for firm and one hour for non-firm is overly complicated and will leave customers confused and unsatisfied as to whether and when they can be assured that they have secured transmission capacity. Duke provides detailed hypotheticals of the right of first refusal competition process, arguing that the process is cumbersome and could lead to anomalous and unwarranted outcomes. Duke urges that the Commission place the following limits on the right of first refusal: Require that matching requests be pre-confirmed and at full tariff price, and that they be for the same amount (MW) and duration as the competing requests; and, provide that rights of first refusal are only offered when there is no impact on reservations that are not on constrained interfaces. With these limitations in place, Duke contends that the transmission provider will not have had to entertain multiple right of first refusal rounds that in some instances may leave capacity on the table and force customers to buy more service than they may have required.

812. Bonneville seeks clarification as to how duration, pre-confirmation status, price and time of response should be used to determine the order in which the multiple, preempted shorter-term requests may exercise the right of first refusal. By providing several hypotheticals, Bonneville states that it cannot envision a circumstance in which a right of first refusal is offered to a request when the transmission provider does not have capacity to satisfy that request. Bonneville requests that the Commission either delete the two sentences in section 13.2(iii) of the *pro forma* OATT concerning this issue or clarify how the transmission provider is expected to apply them.

813. Bonneville also requests clarification regarding which customers have a right of first refusal under section 13.2 of the *pro forma* OATT. Although the Commission amended the second sentence in section 13.2(iii) of the *pro forma* OATT to grant eligible customers with a ''reservation'' a right of first refusal to match longer-term ''requests,'' other sentences in that section still refer to preemption of shorter-term ''requests'' for service instead of ''reservations.'' Bonneville states that this suggests that shorter-term requests maintain a right of first refusal. Bonneville also contends that the first sentence of section 13.2(iii), providing that ''requests'' for longer term service may preempt ''requests for shorter term service'' up to specified deadlines, suggests that a longer duration request simply preempts a shorter duration request, which is not offered a right of first refusal. Bonneville argues that this would violate the first-come, first-served rule, yet if the longer duration request is offered a right of first refusal, it would contradict the amended language of section 13.2(iii), under which only longer duration ''reservations'' have a right of first refusal.

Commission Determination

814. The Commission affirms the decision in Order No. 890 not to change the ''first-come, first served'' nature of the reservation process and the right of first refusal. These policies have worked well in the past and, as we explain in Order No. 890, benefit transmission providers and customers alike by facilitating the administration of the reservation process and removing confusion about how to comply.

815. We disagree with Duke and TranServ that the right of first refusal policies should be revised based on complex hypotheticals involving the preemption of multiple short-term reservations. The complexities pointed to by these commenters do not by themselves warrant changing the right of first refusal rule. Even though we recognize the potential for complexities to arise under the right of first refusal rule, we believe them to be relatively limited. In the off-chance that multiple eligible customers with short-term reservations choose to exercise their right of first refusal for the same capacity simultaneously, the Commission believes that they should have a right to do so.

816. We therefore decline to expand upon the language of the *pro forma*

OATT to account for every factual scenario that could arise under sections 13.2 and 14.2 of the *pro forma* OATT. Sections 13.2 and 14.2 of the *pro forma* OATT set forth adequate guidance for transmission providers to fairly administer competing requests, including the priorities for determining which reservations or requests trump one another as well as the timeframes for eligible customers to respond to competing requests. As noted above, we recognize that certain unique cases can present difficult allocation issues, but conclude that these extreme cases arise infrequently in the normal course of business. In the vast majority of cases, we believe the right of first refusal rules are efficient and easy to administer without further amending the governing tariff language, as Bonneville and Southern suggest.

817. To the extent necessary, the Commission clarifies that a ''competing request'' under sections 13.2 and 14.2 of the *pro forma* OATT may include a transmission service request that overlaps with only part of another existing transmission service reservation since both requests cannot be granted simultaneously. Accordingly, a ''competing request'' for purposes of sections 13.2 and 14.2 may also include a transmission service request for which transmission capacity cannot be accommodated without preempting one or more existing transmission reservations of parts thereof.

818. In response to TranServ and Duke, we clarify that sections 13.2 and 14.2 allow an eligible customer to retain its original reservation by matching the competing service request's cost or duration terms exactly or by exceeding one or more of the terms of a competing transmission service request. Since any ''match'' by an eligible customer in response to a potentially preempting request, by definition, either exceeds the costs, duration or both of the eligible customer's original reservation, we do not believe eligible customers opting to match a competing request have a strong incentive, if any, to ''match'' a competing request with terms that exceed the competing request. Nevertheless, we do not see any harm resulting from a match that exceeds the exact terms of a competing request and therefore believe it would not be appropriate to preclude the ability of eligible customers to make such a request.

819. With regard to reassignments of capacity in the secondary market, we clarify that the associated right of first refusal under sections 13.2 and 14.2 of the *pro forma* OATT to match a competing transmission service request applies to the primary transmission service, not the reassignment of scheduling rights. Using TranServ's example, the reassignment of one day of a customer's weekly service would not cause the assignor or the assignee to match a competing three day request for service since the initial one week reservation already exceeded the competing request. The fact that one day of service has been reassigned does not alter the assignor's entitlement to use service for the remaining week reserved.

820. Finally, we grant rehearing to revise sections 13.2 and 14.2 of the *pro forma* OATT to clarify, as Bonneville requests, the terms and obligations of sections 13.2 and 14.2 of the *pro forma* OATT.

5. Designation of Network Resources

821. In Order No. 890, the Commission addressed certain issues with respect to the qualification, documentation and undesignation of resources by a network customer. A number of petitioners request rehearing and clarification of the Commission's rulings on these issues. We address each of these issues in turn.

a. Qualification as a Network Resource

(1) LD Contracts

822. In Order No. 890, the Commission affirmed its existing policy that a power purchase agreement may be designated as a network resource provided it is not interruptible for economic reasons, does not allow the seller to fail to perform under the contract for economic reasons, and requires the network customer to pay for the purchase. The Commission concluded that power purchases with a firm liquidated damages (LD) provision may be eligible for designation as a network resource if the contract obligates the supplier, in the case of interruption for reasons other than force majeure, to make the aggrieved buyer financially whole by reimbursing them for the additional costs, if any, of replacement power. The Commission found that the ''make whole'' LD provisions in the EEI firm LD product and the WSPP Schedule C agreement satisfy this requirement.[308]

Requests for Rehearing and Clarification

823. NCPA contends that the EEI Firm LD Product does not provide recovery for certain types of penalties that a buyer may incur as a result of non-delivery and, therefore, does not make buyers sufficiently whole to justify designation as a network resource. NCPA states that Section 1.51 of the EEI Firm LD Product prohibits the reimbursement price from including ''any penalties, ratcheted demand or similar charges.'' NCPA states that its contract with the California ISO provides for significant penalties if NCPA operates outside of its deviation band, but there is no avenue under the EEI Firm LD Product to recover those costs if occasioned by a seller's failure to deliver.

824. NCPA also contends that the WSPP Schedule C contract fails to explicitly allow buyers to recover their costs if they decide to cover a non-delivery by running their own more expensive generation. NCPA states that the issue has been discussed at WSPP meetings, but there appears to be no clear consensus that sellers are obligated to pay compensation for internal generation under the current language of the agreement when it is more expensive than the market cost of power. NCPA argues that this interpretation could be particularly problematic for entities such as NCPA, as NCPA may prefer to run even very expensive generation to avoid penalties imposed by the California ISO.

825. NCPA argues that the Commission established a clear and straightforward standard that an LD clause was acceptable if it required the buyer to be made whole in the event of a failure to deliver. NCPA argues that the Commission can resolve the factual issues by directing that these form contracts be amended to require sellers who elect not to deliver (other than for force majeure) to make the buyer whole in all respects, including contractual or market penalties and the costs of the buyer operating its own resources.

826. Ameren argues that the Commission's decision that purchase agreements containing make whole LD provisions can qualify as network resources ignores reliability. Ameren maintains that the key issue is whether such LD products can function as a resource to provide power, not whether the power purchaser will be adequately compensated in the event of a breach. Even with a make whole payment provision in place, Ameren argues that it may still be in the economic interest of the seller to interrupt delivery. While the Commission has appropriately

[308] The Commission further concluded that the WSPP Schedule C agreement appeared to allow interruptions for reasons other than reliability and, as a result, was ineligible for designation as a network resource. The Commission exercised its discretion not to invalidate existing designations of the WSPP Schedule C agreement except under certain conditions. WSPP subsequently amended the Schedule C agreement to expressly prohibit interruptions for reasons other than reliability. *See Western Systems Power Pool,* 119 FERC ¶ 61,123 (2007).

recognized that this self-interest warrants finding that other types of LD contracts cannot be designated as network resources, Ameren contends that the Commission fails to explain why it should not apply the same standard to purchase agreements with make whole LD provisions.

827. Ameren also expresses concern that purchase agreements with make whole LD provisions may be double-counted when determining capacity, resulting in inadequate physical supplies to meet the simultaneous capacity needs of all purchasers in the event replacement power is needed. Ameren argues that allowing these types of contracts to qualify as network resources is inconsistent with the *pro forma* OATT because under such contracts there are no specific resources that can be called on. Ameren questions whether LD products are sufficiently firm to meet the applicable NERC or regional reliability council requirements for firm resources or as capacity resources.

828. PJM raises a similar concern, asking the Commission to confirm that firm power purchase agreements with make whole LD provisions do not qualify as capacity resources in the PJM region even if they can be designated as network resources under the *pro forma* OATT. PJM argues that service as a capacity resource in the PJM region raises different considerations than those addressed in Order No. 890.

829. Noting that parties often modify form agreements to suit their particular transactions, Duke requests clarification that a purchase based on the EEI Master Agreement qualifies as a designated network resource only to the extent that the network customer has, in fact, contracted for a firm resource that may be interrupted only for reliability purposes. Duke also requests clarification that an agreement that is not modeled after the EEI Master Agreement will qualify as a designated network resource only if it provides for delivery of a product similar to the EEI Firm LD Product (*i.e.*, it cannot be interrupted for economic reasons).

830. EPSA requests clarification that the Commission's statement in Order No. 890 that firm LD contracts create for the buyer a contractual right to generation was not intended to require that a firm LD contract include a contractual right to the output of a specific generating facility.

831. PNM seeks confirmation that a particular long-term power purchase agreement between itself and Southwestern Public Service Company (SPS) is eligible for designation as a network resource. While the terms of this agreement allow for a specified level of curtailment by SPS each month for any reason, the operating procedures governing the agreement provide for curtailment and interruption only for system emergencies. PNM argues that this agreement is therefore sufficiently firm to be designated as a network resource.[309]

Commission Determination

832. The Commission affirms the finding in Order No. 890 that the make whole LD provisions in the EEI firm LD product and the WSPP Schedule C agreement are sufficiently firm to make those agreements eligible for designation as a network resource. In Order No. 890, the Commission distinguished between LD provisions that make the aggrieved buyer financially whole by reimbursing the additional costs, if any, of replacement power and LD provisions that establish penalties at a fixed-dollar amount, cap penalties at some level, or are otherwise not equivalent to a general make whole provision.[310] The Commission explained that, under the latter type of LD provision, the seller need only compare its savings from interruption with the specified LD penalty when deciding whether to interrupt. The EEI firm LD product and the WSPP Schedule C agreement make the buyer adequately whole and, therefore, appropriately qualify for designation as a network resource.

833. With respect to the EEI firm LD product, section 1.51 of the EEI Master Agreement defines the replacement price as either the prevailing market price or, at the buyer's option, the price at which the buyer purchases a replacement product plus costs reasonably incurred in purchasing the substitute product and any reasonably incurred transmission charges to deliver the product. While the replacement price does not exclude penalties, ratcheted demand, or similar charges, as NCPA points out, that does not mean a supplier has inadequate incentives to deliver under the contract. The aggrieved buyer is explicitly allowed to cover the costs reasonably incurred to purchase a substitute product and, therefore, the seller must take into consideration the buyer's actual cost of replacement power, which is our principal concern.

834. With respect to the WSPP Schedule C product, the Commission did not require that contracts make the buyer more than whole in the event it chooses not to purchase less expensive energy available in the market. Again, the Commission is concerned that suppliers providing resources that have been designated by network customers take into consideration the cost of replacing that power should the supplier decide to interrupt. It is therefore adequate for a firm LD contract, such as the WSPP Schedule C agreement, to provide for recovery of the market price of replacement power in the event the buyer decides to run its more expensive generation to cover the interruption.

835. We disagree with Ameren that allowing power purchase agreements containing make whole LD provisions to qualify for designation as network resources will compromise reliability. Firm energy purchases need not be backed by capacity to qualify as network resources since they are by definition firm, consistent with the Commission's finding in *Illinois Power*.[311] We appreciate Ameren's concerns that system reliability be maintained and would not expect double-counting of supplies to result from our designation rules. The proper mechanism for addressing system reliability is through the reliability standards, and not through restrictions on eligibility for network resource status. The requirements for eligibility for network resource status are intended to provide the proper incentives to network customers designating network resources, and not to replace or replicate reliability requirements.

836. Our decision is not, as Ameren claims, inconsistent with the structure of the *pro forma* OATT. As the Commission acknowledged in Order No. 890, there may be situations in which the supplier of a firm LD product is presented with a net financial gain and has an incentive to interrupt, but those incentives are similar to those faced by the owner of a generating unit that has been designated as a network resource.[312] Ameren offers no reasons to require power purchase agreements not tied to a particular generating unit to be more firm than those that are in order to serve as a network resource under the *pro forma* OATT.

837. We clarify in response to Duke that we are not concerned with the particular form used to contract for resources. Each power purchase agreement designated as a network resource must meet the relevant requirements. Whether a contract meets

[309] *Citing Consolidated Edison* v. *Pub. Serv. Elec. & Gas Co.,* 101 FERC ¶ 61,282 (2002).

[310] *See* Order No. 890 at P 1453.

[311] *Illinois Power Co.,* 102 FERC ¶ 61,257 at P 14 (2003), *reh'g denied,* 108 FERC ¶ 61,175 (2004) (*Illinois Power*).

[312] *See* Order No. 890 at P 1454.

these requirements by being modeled after any specific form contract has no bearing on whether the contract is eligible for designation as a network resource. Consistent with *Illinois Power*, a firm LD contract need not represent a contractual right to the output of any specific generating facility. Whether or not such power purchase agreements may serve as a capacity resource under PJM's Reliability Pricing Model (RPM) is governed by the relevant RPM rules adopted by PJM, which were not addressed in Order No. 890.

838. In response to PNM, we decline here to rule on whether a particular purchase qualifies as a network resource because the contract is not before us in this rulemaking. We reiterate, however, that power purchase agreements that are not interruptible for economic reasons may qualify for designation as a network resource. If the binding rules governing a particular agreement allow the seller to curtail or interrupt service only for system emergencies, then that agreement would be eligible for designation as a network resource, provided it complied with the remaining requirements of section 29.2(v) of the *pro forma* OATT.

(2) Off-System Resources

839. In order to ensure that transmission providers have sufficient information to determine the effect on ATC associated with the designation of an off-system network resource, the Commission in Order No. 890 modified section 29.2(v) of the *pro forma* OATT to specify exactly what information must be provided to designate an off-system network resource. As revised by Order No. 890, section 29.2(v) of the *pro forma* OATT requires the following information to be provided with the request and posted on OASIS when designating an off-system resource: (1) Identification of the resource as an off-system resource; (2) amount of power to which the customer has rights; (3) identification of the control area from which the power will originate; (4) delivery point(s) to the transmission providers' transmission system; and (5) transmission arrangements on the external transmission system(s). Additionally, Order No. 890 revised section 29.2(v) of the *pro forma* OATT to require that the following information be provided with off-system designations, but that such information must be masked on OASIS to prevent the release of commercially sensitive information including (1) any operating restrictions (periods of restricted operation, maintenance schedules, minimum loading level of resource, normal operating level of resource); and (2) approximate variable generating cost ($/MWH) for redispatch computations.

Requests for Rehearing and Clarification

840. Duke argues that the Commission's finding that network customers need only identify the control area from which power will originate for an off-system resource is inappropriate in an era in which many control areas encompass the transmission systems of multiple operating companies. Duke requests rehearing, arguing that the Commission should require network customers to provide more specific information for multi-company systems (like Southern) or for ISOs or RTOs. Duke argues that designations such as ''the Southern system'' or ''the PJM system'' do not provide sufficient granularity to accurately model a transaction. Duke maintains that a network customer should at least be required to specify the transmission system (*e.g.*, Georgia Power Company for Southern, or Dominion Virginia Power Company for PJM) from which the power will originate.

841. Duke acknowledges that the Commission stated in Order No. 890 that transmission providers could seek amendments to their OATT via an FPA section 205 filing if they believe that they face unique circumstances that require deviations from the *pro forma* OATT to require additional granularity in order to allow them to determine the effects of designating network resources on ATC. Duke argues that this is an inadequate response to the problem, stating that the standard for receiving Commission approval of a variation from the *pro forma* OATT has proved to be a significant bar. Duke also argues that transmission providers could undermine consistency by developing different manners in which to study and analyze such designations. Instead, Duke argues, this issue ought to be resolved ''up front'' and on a consistent basis, rather than in subsequent case-by-case skirmishes that may not provide guidance for future disagreements.

842. TDU Systems disagree with Duke in their post-technical conference comments, arguing that the requirement to identify the control area within which an off-system resource is located provides the appropriate balance. TDU Systems contend that identification of the control area allows control area operators to calculate the effects on ATC of the designation of an off-system resource while protecting commercially sensitive information about the specific location of a customer's generation resources. Southern agrees that (at least in the Eastern Interconnection) requiring the identification of the ''control area(s)'' gives the transmission provider sufficient information to reliably plan its system while also providing the market with the flexibility afforded by such off-system seller's choice contracts.

843. Several petitioners request clarification that specification of the control area is not required within purchase agreements for generators located off-system.[313] These petitioners argue that only the actual delivery point for power (which could be a physical resource, a liquid trading hub, and interface point, or some other location) is necessary for transmission system modeling purposes. Information about the originating control area, they contend, is almost never known with certainty at the time the request for designation as a network resource is made and, therefore, requiring such specificity will effectively invalidate such contracts as network resources. Financial Service Joint Requestors and Idaho Power contend that such a requirement could have serious adverse effects on liquidity, competition, and risk management by limiting the ability of marketers to participate in those markets, restricting resource options for LSEs. Financial Service Joint Requestors maintain that participation in the market by companies like its members augments the number of highly creditworthy counterparties willing and able to supply power over mid-to-long tenors to LSEs.

844. In their post-technical conference comments, Financial Service Joint Requestors argue that the Final Rule's acceptance of LD contracts conflicts with the requirement in section 29.2(v) to specify the control area(s) from which the power is sourced, since an LD contract may not provide that information. Financial Service Joint Requestors also argue that Order No. 890 could be interpreted to allow a contract to qualify as a network resource by identifying multiple control areas of origin of the resource, although not the resource itself. Financial Service Joint Requestors state that there is likely to be a wide range of control areas from which power might ultimately be sourced and listing each and every possible originating control area (such

[313] *E.g.*, Financial Service Joint Requestors, Idaho Power, Washington IOUs, and Morgan Stanley, joined by Barrick Goldstrike Mines in its post-technical conference comments. Washington IOUs also argues that the requirement to identify the originating control area ''constitutes a direct restriction on the ability of a utility to serve its bundled retail load, and thus violates the limitations on the Commission's jurisdiction over transmission in bundled retail transaction, citing *Northern States Power Co.* v. *FERC,* 176 F.3d 1090 (8th Cir. 1999) and Order No. 890 at P 92–94.

as listing all 33 control areas in the Western Interconnection) seems to be unduly burdensome and cumbersome.

845. APS and EEI, and Financial Service Joint Requestors, joined by Southwestern Utilities in their post-technical conference comments, argue that transmission providers should have discretion to waive the requirement to provide originating control area information for proposed network resources when such information is not needed or is not meaningful for determining impacts on ATC. APS and EEI state that it uses an approved rated path methodology to determine ATC, under which the control area of an off-system purchase delivered to one of its liquid trading hub border interfaces (Palo Verde or Four Corners) has no effect on ATC calculations. APS and EEI state that this contrasts with a flow-based ATC methodology, where the specification of the originating control area can affect the ATC on a transmission provider's system and, therefore, be necessary to calculate ATC. APS and EEI argue that requiring the source control area for all purchased power network resources will significantly reduce the liquidity of physical power markets at Palo Verde and potentially elsewhere in the West. APS and EEI argue that concerns about discrimination could be addressed by directing transmission providers to post a nondiscriminatory policy on its OASIS or directing NAESB to include this issue in its business practices.

846. APS and EEI, and Southwestern Utilities agree, in their post-technical conference comments, that the Eastern and Western Interconnections have very different physical configurations, operating modes and planning modes that have implications for the Commission's rules for designating off-system network resources. In the Eastern Interconnect, EEI argues, contract paths have little bearing on how electrons actually flow, and thus it is critical for transmission planners to know the location, at least at the control area level, of the generation when reviewing requests to designate network resources. In the Western Interconnection, which uses a rated path ATC calculation methodology, APS and EEI, and Southwestern Utilities argue that identification of the source generation for an off-system resource is not important. EEI explains that the physical layout in the West is more of a hub-and-spoke model where the only information required to evaluate a request to designate a network resource is the point at which power is delivered (often a trading hub). For these reasons, EEI argues, seller's choice contracts are not appropriate for network resource status in the Eastern Interconnection, but work well in the Western Interconnection.

847. Pacific Northwest IOUs also agree, in their post-technical conference comments, that it is not necessary in the Western Interconnection for a transmission provider to know the source control area of a remote resource in order to determine its effect on ATC, since WECC path ratings incorporate parallel flows and other operational conditions. Pacific Northwest IOUs state that it is only necessary for a transmission provider in the WECC to know the border location at which power will be delivered to its system in order to determine the effect of the designation on ATC.

848. Morgan Stanley similarly argues, in its post-technical conference comments, that, at a minimum, source control area information for network resources should not be required in control areas where participants agree that such information is not needed for planning purposes. Morgan Stanley suggests that the Commission should create a default approach that explicitly allows designations for off-system network resources to not specify the resource location.

849. APS and EEI state, in its post-technical conference comments, that the kinds of seller's choice contracts at issue (the WSPP Schedule C contracts) are firm, physical contracts that require a seller to deliver power at a specified location. Such contracts, APS and EEI argue, are an important resource for most network customers, because they are not unit contingent, and so sellers must find alternative sources of power and continue to perform even in the event of an outage of a particular generator. These contracts, APS and EEI contend, are more dependable than contracts that specify a specific generator or control area.

850. APS and EEI further contend that allowing flexibility of supply when it does not adversely affect the transmission provider is critical to maintaining liquid power markets in the West. The types of contracts which are at issue, particularly when they are executed with banks, allow physical transactions that could not otherwise occur due to credit quality issues. If the banks conclude that the regulatory constraints are too limiting and choose to move to a financial rather than a physical approach to trading power, an important market, that is currently available to APS and their customers, will be adversely affected.

851. MISO and Duke oppose allowing a seller's choice contract that does not meet all of the section 29.2 requirements to qualify as a designated network resource. MISO argues that the specification of the origin of supply resources or control area improves reliability in a tightly interconnected grid. Duke agrees that, as amended, section 29.2(v) appropriately requires identification of the control area(s) from which the power will originate. Duke argues, however, that there is a facial conflict between this tariff requirement and the preamble, which indicates that off-system seller's choice contracts may be designated network resources. Duke maintains that, unlike a system sale that designated a control area from which the power will originate, a seller's choice contract does not require that power actually originate from the control area designated.

852. Southern notes, in its post-technical conference comments, that the more information that can be provided to the transmission provider, the more accurately it can model its system and, in turn, calculate ATC. Thus, Southern requests clarification that network customers that have designated such an off-system seller's choice contract as a network resource should provide to the transmission provider as much information as the customer has regarding the actual, underlying generating facilities from which the power will be sourced.

853. On rehearing, TDU Systems request clarification that a ''delivery point'' as contemplated by section 29.2(v) of the *pro forma* OATT includes any point on an interface where deliveries are made. TDU Systems argue that it is common in the industry to purchase a system product from off-system and deliver that product to any interconnection point on the interface between the system where the customer's native load is embedded and the system in which the generation is sourced. TDU Systems contend that this is how the term ''delivery point'' is used throughout the industry generally and, in particular, in the NAESB WEQ Glossary Subcommittee's Preliminary Draft Glossary which states that ''a delivery point can be a delivery node, an aggregation of delivery nodes, an interface or trading hub.'' TDU Systems contend that NERC's Glossary of Terms Used in Reliability Standards similarly contemplates that a delivery point may include an interface, defining ''Point of Delivery'' as ''a location * * * where an Interchange Transaction leaves or a Load-Serving Entity receives its energy.'' TDU Systems further argue that current RTO markets embrace the concept of interfaces as delivery points, referring to a statement in section 30.2

of the PJM OATT that ''in the event that the Network Resource to be designated will use interface capacity'' contemplates interfaces as delivery points.

854. Several post-technical conference comments raised questions regarding the need to specify a firm transmission path for the upstream delivery of off-system firm LD contracts designated as network resources.[314] Morgan Stanley argues that sellers of firm LD contracts typically hedge the risk of non-delivery by purchasing a portfolio of paths and sources for supply. If a non-firm path is available that can enable delivery of power used to source a designated network resource, Morgan Stanley contends that the use of that path should be an option for the seller. Morgan Stanley maintains that its experience has shown that firm transmission is often no more reliable than non-firm transmission and is often less reliable. By utilizing more flow options, especially during high-load periods, Morgan Stanley argues that existing transmission capacity is better utilized, as opposed to forcing users into arbitrary firm paths.

855. Southwestern Utilities similarly request that network customers only be required to specify transmission arrangements on external systems from the point at which power is contractually received to the delivery point specified on the transmission provider's transmission system, rather than from the source generator or control area. Sellers of firm LD contracts, Southwestern Utilities argue, would frequently not be able to provide a description of the upstream transmission arrangements on external transmission systems at the time the sale to a network customer is made because, just as with control area location, sellers are reluctant to limit their options well in advance of delivery.

856. EPSA argues in post-technical conference comments that the Commission should require the identification of neither the control area, *nor* the point of delivery, for ''into'' firm LD products. To do so would be, in EPSA's view, inconsistent with allowing firm LD contracts to qualify for network resource designation without identification of specific physical generation resources.

857. EPSA contends that, prior to the effectiveness of Order No. 890, LSEs have consistently been able to obtain network resource designations for into-Entergy firm LD contracts, thereby ensuring that the LSEs could rely on firm network transmission to deliver the energy to their specific loads when their suppliers delivered energy into the Entergy system. EPSA maintains that, beginning July 13, 2007, requests to designate into-Entergy firm LD contracts as network resources, even as daily network transmission, have been denied because LSEs have been unable to provide Entergy with the source control area and information about transmission arrangements associated with a firm transmission reservation that will be used to deliver the firm LD contract.

858. EPSA explains that LSEs cannot provide this information because, until the energy is scheduled, the LSE does not know the source control area and transmission information. EPSA maintains that, under the flexible terms of the firm LD contract, however, the seller takes full responsibility for ensuring that the energy will be delivered into the specified control area. EPSA states that source and transmission arrangement information is provided when energy is scheduled, and scheduling is made possible only because appropriate transmission arrangements have been made. If a seller cannot make the appropriate transmission arrangements to provide energy into the Entergy system, EPSA explains, it will have defaulted on its contract to deliver a firm product into Entergy. EPSA argues that, as noted in Order No. 890, the liquidated damages resulting from such a default makes the buyer whole providing the basis for the Commission's determination that firm LD contracts can be designated as network resources.

859. EPSA argues that, at a minimum, the Commission should clarify that network customers are not required to provide information as to source control area and transmission arrangements except on a day-ahead basis when such information is made available through required scheduling and tagging procedures.

860. On rehearing, Washington IOUs argue that any reliability concerns the Commission might have about lack of control area information at the time of designation is alleviated by the fact that the tagging information provided with a schedule for a designated resource contains all information to ensure reliability.

Commission Determination

861. The Commission affirms the decision in Order No. 890 to continue to require identification of the control area in which an off-system resource is located and the delivery point(s) to the transmission provider's transmission system in order to designate the resource as a network resource. Providing both the control area in which the off-system resource is located and the delivery point(s) to the transmission provider's system is usually sufficiently specific to allow a transaction to be evaluated for its effects on ATC of the local transmission system. As the Commission acknowledged in Order No. 890, however, some transmission providers might need additional information in order to determine the effects of designating off-system resources on ATC and that such transmission providers could propose variations to the *pro forma* OATT in an FPA section 205 filing.[315] We continue to believe that a generic rulemaking is not the appropriate venue to make accommodations for system-specific issues faced by transmission providers and, therefore, deny Duke's request to require more specific information regarding the transmission system from which power will originate.

862. Similarly, we decline to generically relax the designation requirements by eliminating the need to identify the source control area for an off-system resource or delivery point(s) to the transmission provider's transmission system. The Commission's policy balances the need to accurately model transactions for ATC and related purposes and the flexibility of a seller to source power from a range of generators. We are unconvinced that identification of the source control area and delivery point(s) is not needed to perform the ATC analysis in every circumstance. We therefore reject requests to allow designation of purchased power contracts that provide essentially no advance information about the location or delivery of their power sources. Waiting until the scheduling timeframe for tagging information fails to address the up-front need for information in order to accurately model ATC.

863. Several parties raise arguments relevant to local and regional concerns that merit consideration, but a generic rulemaking is not the appropriate venue to address such concerns. Transmission providers that believe that their circumstances warrant a variation from the designation requirements of the *pro forma* OATT may make a proposal under section 205 of the FPA. We have already approved one such request for Puget Sound Energy, Inc., conditioned on that company demonstrating that its tariff variation continues to be

[314] *E.g.*, Barrick Goldstrike Mines, Morgan Stanley, and Southwestern Utilities.

[315] *See* Order No. 890 at P 1481.

appropriate after the ATC standardization process is complete.[316]

864. We disagree with Financial Service Joint Intervenors' contention that there is an inconsistency between the requirement in section 29.2(v) of the *pro forma* OATT that the network customer identify the control area from which power is sourced and the finding in Order No. 890 that firm LD contracts are eligible for designation as network resources. The Commission did not state that *every* firm LD contract can be designated as a network resource, but rather that they are eligible for designation. Such contracts must also comport with the other requirements of section 29.2 of the *pro forma* OATT, including identifying the control area from which the power will originate, to actually be designated as a network resource. A seller's choice firm LD contract therefore cannot be designated until the source control area is disclosed by the seller.[317] The Commission's discussion of particular aspects of firm LD contracts does not mean that remaining requirements of section 29.2 no longer apply.

865. We decline to grant Southern's request to generically require that network customers provide as much information as they have regarding the actual, underlying generating facilities from which power will be sourced for an off-system seller's choice contract. We encourage network customers to share such information when they have it, and encourage transmission providers to develop business practices to establish procedures through which network customers can provide such information, but conclude that a formal requirement would be cumbersome to administer and enforce. We believe that the existing requirements generally provide sufficient information to evaluate a designation request.

866. Section 29.2(v) of the *pro forma* OATT requires identification of the ''delivery point(s) to the transmission provider's transmission system.'' To the extent necessary, we clarify that the term ''delivery point'' does contemplate an interface between the local transmission provider's transmission system and the neighboring transmission system from which power is being received. In response to Financial Service Joint Intervenors, we clarify that the use of the plural ''control area(s)'' in the revisions to section 29.2(v) adopted in Order No. 890 was inadvertent and amend that language accordingly in this order. We disagree that a network customer could satisfy the requirements of section 29.2(v) by identifying multiple control areas, such as all 33 control areas in the Western Interconnection, from which a particular transaction could be sourced.

867. In response to Barrick Goldstrike Mines, Morgan Stanley, and Southwestern Utilities, the Commission clarifies that the requirement in section 29.2(v) of the *pro forma* OATT to identify the transmission arrangements on external systems applies to the transmission leg from the resource being designated to the transmission provider's transmission system. If an off-system power purchase is sufficiently firm to satisfy the designation requirements, then the transmission provider need not be concerned with the upstream transmission leg(s) from the generator(s) to the point where the buyer takes title of the firm power. Because the contract itself is the resource being designated, and that contract is firm in nature, it is not necessary to demonstrate the firmness of the upstream transmission in order to designate the contract as a network resource.

(3) On-System Resources

868. In response to a commenter request, the Commission clarified in Order No. 890 that a customer may not designate as a network resource a seller's choice power purchase agreement that is sourced by generating units internal to the transmission provider's control area, since evaluating the effect on ATC would be problematic. The Commission stated that, if a customer wishes to have a choice of resources that are internal to the particular transmission provider's control area from which to dispatch power, it must designate each of the resources as network resources. The Commission did not specifically address on-system system sales (*i.e.*, purchases from a specified generation system).[318]

Requests for Rehearing and Clarification

869. Various concerns were raised in post-technical conference comments regarding a possible interpretation of Order No. 890 as prohibiting the designation of on-system system sales as network resources.[319] Some argue that such an interpretation would be inconsistent with statements in the NOPR and Order No. 890 that, when a network customer is designating a system purchase as a new network resource, the source information required in section 29.2(v) should identify that the resource is a system purchase and should identify the control area from which the power will originate.[320] Given this discussion in Order No. 890, TAPS and APPA argue that the deletion of language requiring ''description of purchased power designated as a Network Resource including source of supply, Control Area location, transmission arrangements and delivery point(s) to the Transmission Provider's Transmission System'' from section 29.2(v) of the *pro forma* OATT may have been inadvertent. TAPS and APPA state that they are unaware of any party having argued against the eligibility of on-system system sales for designation as network resources and that, given the absence of any indication of a problem with these types of contracts, the Commission should not implement such a policy.

870. Alabama Municipal argues in its post-technical conference comments that designation of on-system system sales as network resources does not contribute to difficulties in computing ATC. Alabama Municipal argues that system sales contracts do identify the source of power: the seller's whole generation fleet. Others argue in post-technical conference comments that, because system power is what utilities use to supply retail load, wholesale system power cannot do any more harm to ATC calculations than the utility's service to its retail customers.[321]

871. Wisconsin Electric argues that stand-alone transmission providers and RTOs should be allowed to have different rules regarding the designation of on-system system sales as network resources. Wisconsin Electric contends that within MISO, for example, deliverability studies are performed for each resource to assess whether the designated capacity is deliverable to the MISO system and that, once that deliverability test has been satisfied, another load within MISO is able to designate the same resource as a network resource. Wisconsin Electric further states that energy may not actually be delivered from a designated resource in a particular hour due to MISO decisions on which units are dispatched on an hour-by-hour basis.

[316] *See Puget Sound Energy, Inc.*, 120 FERC ¶ 61,232 (2007); *see also Arizona Public Service Company*, 121 FERC ¶ 61,246 (2007).

[317] *See* Order No. 890 at P 1481 (requiring identification of source control area, rather than more specific transmission system, prior to designation of off-system seller's choice contracts).

[318] The Commission proposed in the NOPR to maintain its current policy of allowing network customers to designate resources from system purchases not linked to a specific generating unit. *See* NOPR at P 407.

[319] *E.g.*, Alabama Municipal, Hoosier, and TAPS and APPA.

[320] *See* NOPR at P 408; Order No. 890 at P 1435.

[321] *E.g.*, Alabama Municipal, Hoosier, NRECA

872. Others argue in post-technical conference comments that prohibiting the designation of on-system system sales as network resources and requiring the designation of specific generating capacity would not be comparable to the way the transmission provider operates when serving its load.[322] Some contend that making system products more difficult to use is contrary to the Commission's policy of encouraging and facilitating use of long-term contracts and contrary to the Commission's obligations under section 217(b)(4) of the FPA.[323]

873. Many of the post-technical conference comments raise concerns regarding the burdens that would be imposed on customers if they were forced to re-structure their system purchase contracts in order to micromanage the designation of their network resources. There is general agreement that customers would be subject to unauthorized use penalties and would lose the benefits of purchases from system products if they were required to designate particular units within the seller's system.[324] In their view, requiring identification of each individual generating station with fixed amounts of generation and fixed amounts of delivery would be chaotic and overwhelming and would diminish reliability.

874. TDU Systems and TAPS and APPA argue in their post-technical conference comments that, if on-system system sales are not allowed to be designated as network resources, customers will be motivated to seek off-system system products instead, leading to pancaked transmission rates and the loss of local transmission providers as possible suppliers. TDU Systems also argue that disallowing on-system system sales to be designated as network resources would, in some areas, diminish the ability of the wholesale transmission-dependent utility systems that provide virtually the only competition in retail electricity markets before Order No. 888 to compete effectively. TAPS and APPA state that an alternative would be for the on-system seller to be the network customer and take on (or possibly avoid) the headache of designating and undesignating resources. TAPS and APPA argue that this would be practical, however, only if the network customer desires full-requirements system power and that customers seeking to use other resources in combination with the system power (as many transmission dependent utilities do) would not have this option. TAPS and APPA also point out that customers may own transmission facilities for which, under the Commission's policy, credits are to be provided only where the owner of the transmission assets is the network customer itself. TAPS and APPA therefore conclude that a transmission dependent utility may have good reason to want to be the network customer, rather than allowing the transmission provider to assume that role.

875. Great Lakes supports TAPS and APPA's position in its post-technical conference comments, adding that requiring transmission dependent utilities to be full-requirements customers of a system power seller would effectively shut out entities that do not exclusively utilize full-requirements system power contracts. Great Lakes adds that transmission dependent utilities have begun to develop the requisite expertise required to allow them to compete more effectively in the wholesale market and should not be required to give up those benefits in order to utilize system power contracts.

876. Several petitioners argue that system sales contracts are not the same as seller's choice contracts.[325] These petitioners argue that typically a seller's choice contract involves a situation where, under certain delineated circumstances, a seller that would normally sell power to the purchaser from one unit may choose to deliver power from an alternate unit. These petitioners argue that the Commission's ruling in Order No. 890 regarding the eligibility of seller's choice contracts does not affect the eligibility of system sales.

877. Duke Energy Carolinas contends in its post-technical conference comments that the requirement in section 29.2(v) to provide the delivery point for a resource sourced from purchased power could be interpreted to require either an interface delivery point or a local load delivery point. For system purchases that are sourced by generators in the same control area as the load, Duke Energy Carolinas argues, the only delivery point is the location of the load. Duke Energy Carolinas states that a network load may have more than one load delivery point, but all such points are where some network load is located. Duke Energy Carolinas also distinguishes system sales from seller's choice contracts, which it states allow the seller to select on a daily basis the source of the physical power. Duke Energy Carolinas contends that system sales do not fit within this category of seller's choice contracts since the source control area is known and there is no ''choice'' as to which units will be used to serve a network customer's load, given that units are dispatched according to economic and reliability dispatch principles.

878. Duke Energy Carolinas also argues that disallowing on-system system sales would be inconsistent with the Commission's longstanding practice of accepting network integration transmission service agreements with designated network resources such as ''Seller's Generation System'' or ''Contract with Seller'' with no concern about transmission providers calculating ATC. Duke Energy Carolinas further argues that disallowing on-system system sales would be inconsistent with allowing at least some wholesale customers to be classified as native load customers and permitting the seller to serve such native load customers from a choice of all of its network resources. If the Commission does not allow on-system system sales to be designated as network resources, Duke Energy Carolinas requests clarification of whether a wholesale customer that entered into an on-system system purchase contract with a transmission provider prior to July 13, 2007 can continue to designate the contract as a network resource. Duke Energy Carolinas also requests various other clarifications regarding the designation of system sales as network resources.

879. TAPS and APPA state that, while the *pro forma* OATT does not now appear to require it, they would not object to a requirement that every network customer, as well as the transmission providers and merchant affiliates, seeking to designate on-system system sales (or generation fleet) list the generators in the portfolio that stands behind it, provided that this not

[322] *E.g.*, Alabama Municipal, Hoosier, TDU Systems, and TAPS and APPA.

[323] *E.g.*, Great Lakes, Hoosier, TDU Systems, and TAPS and APPA.

[324] *E.g.*, Alabama Municipal, Duke, Great Lakes, Hoosier, Kansas Power Pool, NRECA, PNGC Power, TAPS and APPA, TDU Systems, and Wisconsin Electric. PPL Parties also appear to support allowing on-system system sales to be designated as network resources. PPL Parties state that they support allowing designation of on-system ''seller's choice'' contracts, but their comments about increased reliability and reduced costs when service is provided by a ''fleet of generators'' suggest they are specifically in support of allowing designation of on-system system sales, and not necessarily on-system seller's choice contracts. Southern also argues that system sales should be allowed to be designated so long as the underlying generating facilities are individually capable of receiving firm transmission service during the period of designation.

[325] *E.g.*, NRECA, TDU Systems and Wisconsin Electric. Duke Energy Carolinas and Hoosier make similar arguments in their post-technical conference comments.

translate to a requirement to assign particular generators or amounts to serve the contract. These petitioners argue that the location of the generators, which presumably the transmission provider knows anyway, ought to be enough to permit the transmission provider to determine whether the system sale can be delivered to the customer and, thus, whether the designation of the network resource can be accepted.

880. Bonneville argues that, because of the interconnected nature of a hydroelectric power system, it cannot make power sales from particular generating units and, therefore, all of its sales are system sales. Bonneville states that the federal hydroelectric projects in the Pacific Northwest are multi-purpose projects and that the operators (the United States Corps of Engineers and Bureau of Reclamation) cannot dedicate a given hydroelectric project to generate a given amount of power every hour to serve a given contract or for any other purpose. Bonneville states that almost 100 of its customers take network transmission service and have included Bonneville system purchases of power as network resources. Bonneville also notes that, under the Northwest Power Act, it is obligated to sell electric power to each Northwest utility to meet the firm power load, to the extent that the utility's firm power load exceeds its resources.[326] Bonneville maintains that nothing in the Northwest Power Act contemplates sales out of, or rates based on, individual resources, and that all of Congress's directives treat federal generation as a whole and make no distinction based on the individual resource. Bonneville argues that it has addressed the ATC issues that the Commission has identified through its AFC methodology. PNGC Power and PPC express support in their post-technical conference comments for Bonneville's general position with respect to the designation of on-system system sales from the Bonneville's hydroelectric system.

881. Several of the post-technical conference comments address the eligibility of on-system seller's choice contracts to be designated as network resources. Southern states that it generally opposes allowing on-system seller's choice contracts to be designated on a long-term basis, but acknowledges that such contracts might be designated on a short-term basis. Southern states that many seller's choice contracts require the source to be named at least on a day-ahead basis. Southern states that it would be acceptable to designate such resources on a short-term basis once the delivery source is identified.

882. Kansas Power Pool, however, argues, in its post-technical conference comments, that all seller's choice contracts should be eligible to serve as network resources. Kansas Power Pool argues that it is the supplier, not the customer, of a seller's choice contract that enjoys the flexibility to select resources or to determine which resources will or will not be dispatched.

883. Some post technical conference comments argue that seller's choice contracts from on-system generation located in an unconstrained system or zone (*i.e.*, an area within which there are no internal paths for which ATC is calculated) should be eligible for network resource status.[327] Conversely, Duke Energy Carolinas and EEI argue that, if a system or zone has congestion (*i.e.*, internal ATC paths), then unit designation becomes necessary to be able to correctly calculate ATC. South Carolina E&G argues that unconstrained transmission systems could become constrained over time, but any possible need for the designation of network resources to assist in calculating internal ATC will be observable on OASIS. South Carolina E&G argues that a transmission provider has no incentive to overstate ATC, so the Commission can be assured that designation of network resources is unnecessary if OASIS shows no constraints, and vice versa.

884. Other post technical-conference comments oppose the proposal for unconstrained transmission areas, at least as applied to on-system system sales, arguing that the proposal appears to be motivated by the incorrect assumption that the Commission in Order No. 890 found that both on-system seller's choice contracts and on-system system sales are eligible for designation as network resources.[328] With regard to seller's choice contracts, Hoosier and TDU Systems argue that adopting an unconstrained transmission area approach would leave those LSEs unfortunate enough to be located on constrained systems without the transmission rights they had prior to Order No. 890. Hoosier and TDU Systems argue that ATC would not be limited unless the transmission provider has failed to expand its system to meet the needs of its network customers, pointing to TLR statistics to emphasize concerns regarding particular transmission providers. Hoosier contends that restricting seller's choice contracts to particular areas of the transmission provider's system would assume the existence of constraints on a system to such a degree that the long-held rights of network customers to designate their historical resources as network resources would be eliminated. Hoosier and TDU Systems believe that the Commission's policy should assume transmission providers have been planning and expanding their systems appropriately, putting the burden on the transmission provider whose system is so constrained that it cannot evaluate internal ATC to make a filing proposing changes to its OATT to accommodate their problems. Acceptance of the unconstrained transmission area proposal, they argue, would be inconsistent with the Commission's obligations under FPA sections 217. Hoosier and TDU Systems argue that the transmission provider should experience no more difficulty in calculating ATC for its network customers than it does to serve its own retail native load.

Commission Determination

885. In the NOPR, the Commission proposed to continue to allow resources from system purchases not linked to a specific generating unit to be designated as network resources.[329] The Commission did not specifically address on-system system sales in Order No. 890, focusing instead on on-system seller's choice contracts.[330] Thus, the Commission's existing policies regarding the eligibility of on-system system sales for network resource status were not affected by the reforms adopted in Order No. 890.

886. Various concerns have nonetheless been expressed regarding the treatment of on-system system sales in requests for rehearing and clarification and at the technical conference held by Commission staff on July 30, 2007 and in subsequent comments. TAPS and APPA, for example, question whether the revisions to section 29.2(v) of the *pro forma* OATT adopted in Order No. 890 were intended to alter the designation requirements for on-system system sales. Alabama Municipal and Wisconsin Electric argue that the Commission's concerns regarding the accuracy of ATC calculations are not relevant in the context of system sales. In order to respond to these concerns, and provide guidance to the industry, we clarify that Order No. 890 was not intended to change the requirements for

[326] 16 U.S.C. 839a(10).

[327] *E.g.*, Duke Energy Carolinas, EEI, Pacific Northwest IOUs, South Carolina E&G, and Southwestern Utilities.

[328] *E.g.*, TAPS and APPA.

[329] *See* NOPR at P 407.

[330] *See* Order No. 890 at P 1483.

designating on-system system sales as network resources under the *pro forma* OATT.[331]

887. Prior to Order No. 890, section 29.2(v) of the *pro forma* OATT did not distinguish between the designation of on-system and off-system resources. In order to designate a network resource, the network customer was required to provide information regarding the unit size, the amount of capacity being designated, VAR capability, operating restrictions, approximate variable cost, and arrangements governing the third-party sales and deliveries. For off-system power purchases, information was also required regarding the source of supply, control area location, transmission arrangements, and delivery point(s) to the transmission provider's system. These various requirements were stated in a single series of bullets in section 29.2(v).

888. In Order No. 890, the Commission restructured section 29.2(v) to more clearly identify the information that must be provided for on-system resources and off-system resources, breaking apart the series of bullets into two separate lists. The basic requirements of designation remain the same, except that the tariff language more clearly specifies the information (*i.e.*, source of supply, control area location, transmission arrangements, and delivery point(s) to the system) that applies only to off-system resources. This was implicit in the prior tariff formulation, since the underlying information related to off-system transactions. The Commission sought to more explicitly state the information required under section 29.2(v) to facilitate compliance with the new obligation for customers to provide an attestation that the requirements for designation as a network resource have been met for the particular resource being designated.

889. These changes to the *pro forma* OATT therefore did not change the substantive requirements for designating network resources as they apply to on-system and off-system resources. For on-system resources, network customers must continue to provide the same information in their designation request: the unit size, the amount of capacity being designated, VAR capability, operating restrictions, approximate variable cost, and arrangements governing the third party sales and deliveries. We understand that it is common practice in the industry for transmission providers to consider the identification of the source system for an on-system system sale sufficient to provide this information, since the transmission provider already has the necessary information for constituent generators on the system given that the units supporting the system sale have otherwise been designated for use by network or native load.[332] Nothing in Order No. 890 imposed new information requirements on transmission providers that previously deemed the requirements of section 29.2(v) fulfilled by the identification of the source system for an on-system system sale. Network customers may therefore continue to designate such resources as appropriate.

890. To the extent there are concerns regarding the effect of designating on-system system sales on ATC, we note that transmission providers have been directed to address the effect on ATC of designating and undesignating network resources as part of the on-going NERC/NAESB standardization effort.[333] Through that process, transmission providers will develop consistent methodologies for calculating the effect on ATC of designation resources, both on-system and off-system. Until the standardization process is complete, however, the Commission cannot know whether additional information is required in order to accurately model the designation of an on-system system sale. We will revisit the requirements of section 29.2(v) as necessary after the NERC/NAESB ATC standardization effort is complete. Until such time as those requirements change, transmission providers should continue their existing practices regarding the designation of on-system system sales as network resources. Further clarification as requested by Duke is not necessary.

891. The Commission affirms the finding in Order No. 890 that on-system seller's choice contracts generally do not provide enough information to satisfy the requirements for designation as a network resource. For on-system resources, the location of the capacity is necessary for determining the effect of a proposed designation on transmission capacity, both for evaluating the acceptability of the resource itself, and for allowing future transmission service requests to be evaluated. We agree with Southern, however, that a contract that may not provide enough information provided to be designated as a network resource at one time may become eligible for designation as the information becomes available. For instance, if a day before scheduling the seller were to identify source generation for a seller's choice contract for the following day, and if the contract were to bind the seller to use the newly identified generation (at least for the period that it was identified), then the resource would be eligible to be designated for the period during which the source information is firm (provided the resource complied with all other relevant requirements). At that point, the agreement is effectively no longer a seller's choice contract for the specified period. If, on the other hand, the seller identifies only what it *intends* to source the power with, but no contractual mechanism prevents the seller from sourcing the power from an alternative source prior to scheduling, then the resource would remain a seller's choice contract and would not be eligible for network resource status.

892. We disagree with Kansas Power Pool's argument that, because it is not the customer that has the flexibility to select the generation in a seller's choice contract, such contracts should be eligible for network resource status. It is the inability to evaluate or determine the proper transmission reservations for on-system seller's choice contracts that is concerning, and not the fact that it is the seller or the buyer who has the ''choice'' of how to dispatch the power.

893. With regard to the proposal to allow the designation of on-system seller's choice contracts within unconstrained transmission areas, we believe that our clarification above that Order No. 890 did not change the Order No. 888 requirements for designating on-system system sales will alleviate most of the concerns expressed by supporters of this proposal.

(4) Resource Information

894. In Order No. 890, the Commission affirmed the requirement that customers designating a network resource must provide a description of the resource (current and 10-year projection) including, among other things, approximate variable generating cost ($/MWH) for redispatch computations and any operating restrictions.

Requests for Clarification and/or Rehearing

895. EEI requests clarification that the operating restrictions information required by section 29.2(v) of the *pro forma* OATT need not be provided for

[331] Slice-of-system sales are a type of system sale and, therefore, our discussion below regarding on-system system sales applies equally to on-system slice-of-system sales, as well as system sales from hydroelectric systems.

[332] It may be the case that identification of another system within the transmission provider's control area, such as a fleet of merchant generators, would trigger the need for additional information under section 29.2(v). That type of transaction, however, does not appear to be of concern to petitioners and thus we do not address it here.

[333] *See* Order No. 693 at P 1041.

off-system system sales if that information is not contained in the relevant contracts. EEI also suggests that the variable price of energy specified in the contract and not the actual variable costs of the units that supply the sale serve as the variable generating cost for redispatch computations. EEI argues that the network customer generally will not know the actual variable cost and that the price specified in the contract is the relevant price for purposes of redispatch, since that is the cost that the network customer will incur or avoid if its contract is redispatched up or down. Bonneville and Duke Energy Carolinas question in their post-technical conference comments what variable costs should be provided for on-system system sales. Duke Energy Carolinas states that the contract energy price is used as the approximate variable generating cost for redispatch purposes.

896. EPSA requests clarification that network customers are not required to provide a redispatch cost for a firm LD contract, since such contracts are effectively take-or-pay contracts and cannot, for example, provide a source of incremental energy if Entergy is surveying redispatch options to address a reliability event. EPSA argues that the fact that not all network resources are suitable for redispatch options is not unusual, since many units may be must-run in order to meet reliability needs (such as voltage support) or contractual requirements (such as QF purchases), or to reflect operating characteristics (such as nuclear units that cannot be cycled off and on quickly). EPSA is concerned that some transmission providers may believe that the supplier of a firm LD contract is required to provide the network customer with a contract-specific variable redispatch cost based on its own supply alternatives which, as noted, is not possible. EPSA argues that a determination that designation requests could be rejected for lack of information that is not relevant to such contracts would be contrary to the Commission determination that firm LD contracts can serve as network resources.

Commission Determination

897. The Commission clarifies in response to EEI that the operating restrictions applicable to off-system system sales designated as network resources are the restrictions set forth in the relevant contracts, not the underlying units supplying the contracts. Similarly, the approximate generating cost for redispatch purposes for a system sale is the variable energy cost specified in the contract.

898. We disagree with EPSA that a network customer should not be required to provide a redispatch cost for a firm LD contract. When a network customer designates a network resource, it agrees under section 30.5 of the *pro forma* OATT to redispatch its resource as requested by the transmission provider pursuant to section 33.2 of the *pro forma* OATT. A firm LD contract is like any other resource, redispatchable by the transmission provider within the customer's rights to the resource, as stated in the contract.

(5) General

899. In Order No. 890, the Commission determined that firm point-to-point service provided on a conditional firm basis is sufficiently firm to be used for transmission to import an off-system designated network resource. The Commission also denied a request to require the validity of network resource designations to be verified by the seller or owner of the generation, finding that such a verification is unnecessary in light of the new attestation requirements. Finally, the Commission clarified that the minimum term for designations of new network resources should be the same as the minimum term used for firm point-to-point service (*i.e.*, daily), unless otherwise demonstrated by the transmission provider and approved by the Commission.

Requests for Rehearing and Clarification

900. Duke seeks clarification that network customers that designate off-system resources supported by conditional firm point-to-point transmission service are required to have in place or obtain from the transmission provider reserves or backup resources to cover the periods when the conditional firm point-to-point transmission service is not available.

901. Indicated Commenters argue that a network customer designating a generating unit that it does not own should have an obligation to provide contemporaneous notice of the designation to the owner of the generating unit. Indicated Commenters argue that such notice should indicate, at a minimum, the amount of capacity claimed to be under contract and the duration of the claimed contractual right. Indicated Commenters argue that their proposed notice requirement is appropriate since designation as a network resource may subject the generation owner to certain must-offer requirements (in organized markets) or redispatch orders (in non-organized markets). Indicated Commenters also contend that such a notice requirement would facilitate enforcement of the OATT requirements by ensuring that generators are not obligated without their knowledge and that false or questionable designations are identified promptly. Indicated Commenters argue that the current system of audits and increased penalty authority and other sanctions will have some deterrent effect, but that it will do nothing to make generation owners and other users of the transmission system whole after violations occur.

902. Pacific Northwest Parties, joined by PPC in its post-technical conference comments, requests clarification that, to the extent a transmission provider establishes a minimum term for designation of network resources, it need not be the same as the minimum term offered by the transmission provider for firm point-to-point service. Pacific Northwest Parties argue that this clarification will promote hourly firm energy markets by allowing transmission providers to offer hourly firm point-to-point transmission service even if they cannot accommodate a one-hour minimum term for designation of network resources.

903. Reliant asks in its post-technical conference comments that the Commission carefully consider any variations from the network service requirements of the *pro forma* OATT proposed by RTOs and ISOs in their compliance filings. Reliant contends that requirement for proper identification of network resources is intended to ensure that transmission reserved for firm network use is used only to deliver properly designated network resources and that no more than one LSE has identified the same resource capacity as serving its load (*i.e.*, to avoid double-counting). Reliant asks the Commission to ensure that any variations from the *pro forma* OATT proposed by RTOs and ISOs similarly prevent double-counting.

Commission Determination

904. The Commission declines Duke's request to require that a network customer, as a condition of designating off-system resources supported with conditional firm point-to-point transmission service, have in place or obtain from the transmission provider reserves or backup resources to cover the periods when the resource supported with conditional firm point-to-point transmission service might not be delivered. Duke appears to misunderstand the nature of conditional firm service. A network customer utilizing conditional firm service would be using firm transmission service

except during the limited periods where such service is conditional. Transmission service for those resources could be curtailed during such periods, similar to how secondary network service may be curtailed prior to curtailment of other firm transactions. In the event conditional firm service is curtailed, the network customer would be required to serve its network load from other resources, just as when the transmission provider curtails the network customer's use of secondary network service. It is not the responsibility of the transmission provider to ensure that the network customer has sufficient resources to meet its load.

905. We disagree with Indicated Commenters that network customers should be required to serve notice on sellers of power that is designated as a network resource. The obligation to comply with the designation requirements applies to the network customer, not the resource owner. The appropriate place to impose obligations on the resource owner is in the contract governing the sale. To the extent a contract has been executed that meets the requirements for network resource designation, it is not clear why the seller would be affected by the actual designation of the resource, since the network resource redispatch obligations do not go beyond the amount of power that is available under the contract as designated by the network customer. If, as Indicated Commenters argue, there are unique considerations in some organized markets, a generic rulemaking is not the appropriate venue to make accommodations for such system-specific issues.

906. We also decline to grant the request of Pacific Northwest Parties to generically allow transmission providers to establish a minimum term for designations of network resources that is not the same as the term for firm point-to-point service. Pacific Northwest Parties do not explain why a transmission provider could accommodate hourly point-to-point transmission service, but not hourly network service. To the extent that a transmission provider has specific circumstances that justify adoption of a different minimum term for network resource designations, it should raise them in the context of an FPA section 205 filing.

907. To the extent Reliant or any other party has a concern regarding an RTO or ISO's compliance with the requirements of Order No. 890, the appropriate forum to consider those concerns is on review of the underlying compliance filing.

b. Documentation for Network Resources

908. The Commission concluded in Order No. 890 that transmission providers should be responsible for verifying that third-party transmission arrangements to deliver an off-system designated network resource to the transmission provider's system are firm. However, the Commission found that transmission providers should not be responsible for verifying that the generating units and power purchase agreements designated as network resources satisfy the requirements of section 30.1 and 30.7 of the *pro forma* OATT. The Commission instead required network customers and the transmission provider's network function to include a statement with each application for network service or to designate a new network resource that attests, for each network resource identified, that (1) the transmission customer owns or has committed to purchase the designated network resource and (2) the designated network resource comports with the requirements for designated network resources.

909. The Commission stated that network customers should include this attestation in the customer's comments section of the request when it confirms the request on OASIS. In the event that a transmission provider or any other network customer designates a network resource that it does not own or has not committed to purchase, or that does not comport with the requirements for designated network resources, the Commission will deem the network customer to be in violation of the *pro forma* OATT and will consider assessing civil penalties on a case-by-case basis, consistent with the Commission's Policy Statement on Enforcement. The Commission rejected requests to allow transmission providers to voluntarily verify terms and conditions of power purchase agreements, concluding that such authority is unnecessary in light of the new attestation requirement.

Requests for Rehearing and Clarification

910. South Carolina E&G asks for clarification of the language describing the attestation requirement in paragraph 1521 of Order No. 890, arguing that it is a less precise paraphrase of the language in section 30.2 of the *pro forma* OATT. South Carolina E&G asks the Commission to confirm that the precise language of section 30.2 governs and that paragraph 1521 of Order No. 890 does not add any additional requirements. South Carolina E&G also suggests that, because of space limitations in the customer's comment section on OASIS, the attestation can be made by a reference, such as ''the customer attests pursuant to Section 30.2.''

911. Several petitioners request rehearing of the Commission's decision to not allow transmission providers to review power supply contracts for power purchases designated as network resources.[334] These petitioners argue that allowing such review would improve reliability and/or allow transmission providers to more accurately model their systems. Duke and EEI argue that transmission providers should have the right, but not the obligation, to review such contracts. They assert that transmission providers have a legitimate interest in ensuring the reliability of energy service to network loads on their systems, since interruptions and resulting imbalances may harm the reliability of the entire system, and because the transmission providers may be forced to provide backup energy in order to avoid curtailment of network load. EEI complains that network customers who incorrectly designate unqualified resources take transmission capacity that otherwise would be used for transmission service from legitimate network resources. Duke notes that it has routinely been provided access upon request to underlying contracts, with commercially sensitive information redacted.

912. EEI argues that reliance on attestations by network customers that their power purchases qualify as network resources is insufficient to adequately protect against improper designations. EEI states that some of its transmission provider members have found, by comparing customer contracts against network resource certifications that are required by their business practices, that some customers are incorrectly designating power purchase contracts that clearly do not meet the Commission's criteria. EEI argues that after-the-fact audits of customers' attestations do not address the system reliability concerns of the misuse of the transmission system that results from the designation of unqualified network resources.

913. EEI acknowledges the Commission's reluctance to place transmission providers in the position of policing whether customers' contracts qualify as network resources, but argues that does not warrant precluding voluntary review of network customers' purchased power contracts. EEI

[334] *E.g.,* Duke, EEI, and MISO.

contends that the Standards of Conduct prohibit any transfer of customer information to the transmission provider's marketing and energy affiliates and that any residual concerns about transmission providers deciding whether power purchase contracts qualify as network resources could be addressed by permitting the transmission provider to act in a purely advisory role. EEI suggests that transmission providers could bring concerns about possibly incorrect attestations to the attention of the customer or, if necessary, the Commission's Enforcement Hotline. EEI argues that allowing such review by the transmission provider would not supplant the obligation of the network customer to attest to the validity of its designations of network resources.

914. MISO argues that a statement that the transmission customer owns or has committed to purchase the designated network resource and that the designated network resource comports with applicable requirements does not provide the necessary level of assurance to the transmission provider, particularly in those cases where the network customer unduly relies on representations made by its supplying marketers. MISO asks the Commission to supplement its existing attestation requirements with a certification from an external control area's administrator and/or the seller of the generation that the resource being designated in that area is not counted as a designated network resource for another load on or off the system.

915. Joined by Southern, EEI also objects to making transmission providers responsible for verifying the firmness of off-system transmission service. Southern argues that the requirement that transmission providers verify the firmness of off-system transmission service is unduly burdensome and could result in unnecessary rejection of requests to designate network resources on a day-ahead basis. Southern contends that the specific transmission path(s) and arrangements to deliver power to the network customer usually have not been finalized at the time off-system resources are designated in the ''day-ahead'' cycle and, instead, are typically finalized the hour before delivery. Southern and EEI suggest that sections 29.2(viii), 30.1, 30.2, and 30.7 of the *pro forma* OATT be amended to allow the network customer to attest that the external resource is contractually required to be delivered using firm transmission service, without confirmation that an actual firm path has been scheduled and confirmed. Southern argues that transmission customers also could be required to attest to the firmness of their requested and expected transmission service and face the possibility of complaint, audit or other inquiry and, ultimately, sanction for false attestations.

916. In the alternative, EEI requests further clarification that transmission providers could obtain waiver of the verification requirement if they demonstrate that verification of the firmness of transmission service is not required because of the way in which transmission service and markets operate on the transmission provider's transmission system. EEI states that network resources in the West are frequently designated at hubs such as the Palo Verde Hub prior to tagging. EEI states that a network customer has very limited ability to know the source of the energy that is being made available at a specific hub and, indeed, has no need to know that information since what is important is the seller's commitment that the energy is being provided at that hub on a firm basis. EEI argues that the host transmission provider has no ability or need to evaluate the firmness of the external transmission path between the generator and hub. EEI contends that the Commission's decision to require verification of the firmness of transmission paths, in conjunction with other requirements relating to off-system network resources, has caused financial institutions to consider withdrawing from the market.

917. EEI and Southern also argue that, in many instances, transmission providers are unable to perform the verifications required by the Commission. They state that some systems refuse to allow other transmission providers access to their OASIS and refuse to perform the verification themselves. EEI suggests that the Commission require each transmission provider to grant ''read only'' access to its OASIS by any computer that has an X509 security certificate (the security certificate that is provided to transmission function personnel). EEI requests that the Commission, at a minimum, delay the date by which transmission providers must verify off-system transmission service for 180 days, in order to allow time for modifications to OASIS protocols to grant access to transmission providers who are seeking to verify the firmness of transmission service.

918. If the Commission declines to amend the attestation requirement, EEI requests clarification with regard to instances where transmission providers cannot verify the firmness of off-system transmission service because the information is not posted on OASIS. EEI states that many non-jurisdictional transmission providers that do not have reciprocity tariffs also do not have OASIS nodes on which the firmness of service can be verified. EEI also states that grandfathered transmission agreements frequently are not posted on OASIS or, if they are posted, postings do not contain sufficient detail to enable off-system transmission personnel to verify the firmness of the transmission service.

Commission Determination

919. The Commission clarifies, in response to South Carolina E&G's request, that the language in paragraph 1521 of Order No. 890 is only meant to be a paraphrase of the more detailed attestation to be provided in the *pro forma* OATT itself. A network customer designating network resources should submit an attestation using the language set forth in sections 29.2(viii) and 30.2 of the *pro forma* OATT, as amended in Order No. 890, not the language of the preamble. A network customer is not permitted to merely reference the applicable section of the *pro forma* OATT when completing the attestation requirement. If the OASIS customer comment section does not currently allow enough space for a network customer to provide its attestation, transmission providers should modify, in coordination with NAESB, OASIS functionality to accommodate the full attestation. In the interim, the transmission provider should identify alternate means, such as by telefax or e-mail, for the network customer to provide the attestation.

920. We decline to require that network customers provide their power supply contracts to transmission providers for review, whether such review is advisory or otherwise. Allowing transmission providers to review power sales contracts would put transmission providers in the position of interpreting their network customer's contracts and accepting or rejecting designations based on their interpretations. Regardless of the protections provided by the Standards of Conduct, it would be inappropriate for transmission providers to be in that position. The new attestation requirement properly places the responsibility of interpreting the terms of a power sales agreement on the network customer, an actual party to the agreement. We believe that the new attestation requirement, coupled with the prospect of significant civil penalties for improper attestations, will prove effective at providing the proper

incentives for network customers to not designate ineligible network resources.

921. Similarly, we decline to require, as requested by MISO, that network customers designating off-system resources provide a certification from the external control area's administrator and/or the seller of the generation that the resource being designated is not counted as a network resource for another load. Again, it is the responsibility of the network customer to assure that the requirements of the *pro forma* OATT are satisfied prior to requesting the designation of a network resource. The network customer must take appropriate steps to ensure that the resource has not been committed for sale to non-designated third party load or is otherwise unable to be called upon to meet the network customer's network load on a non-interruptible basis.

922. We affirm the decision in Order No. 890 to require each transmission provider to verify the firmness of off-system transmission service to deliver designated network resources to the transmission provider's system. Under normal circumstances, this verification requirement should not present a significant burden for the transmission provider because it only requires review of the transmission arrangements from the designated network resource to the transmission provider's system. Several of the arguments raised by petitioners incorrectly assume that the transmission provider is under an obligation to look beyond a power purchase designated as a network resource to upstream transmission arrangements from the source generator. There is no need for the transmission provider to consider transmission arrangements upstream of the designated resource, since the network customer has attested that the resource is sufficiently firm to be designated as a network resource. We therefore do not believe, as Southern argues, that the verification process will result in unnecessary rejections of request to designate network resources.

923. We recognize that, in some circumstances, the external transmission provider may not have an OASIS or make relevant information on its OASIS available to other transmission providers and, therefore, the host transmission provider may be unable to use OASIS to verify the firmness of transmission used to deliver the off-system designated network resource. The Commission explained in Order No. 890 that the transmission provider should attempt to remedy such information deficiencies through informal communications with the customer.[335] Network customers have every incentive to cooperate in providing this information since, if the transmission provider is unable to confirm the firmness of these transmission arrangements, the request to designate the network resource is deficient. We agree with EEI and Southern, however, that transmission providers should have access to view other transmission providers' OASIS for this purpose. We therefore direct transmission providers to allow such access and to work through NAESB to modify business practices as necessary.[336] We decline to waive the verification requirement in the interim since transmission providers are able to request this information directly from customers.

c. Undesignation of Network Resources

(1) Risk to ATC Rights

924. The Commission clarified in Order No. 890 that a request for termination of a network resource that is concurrently paired with a request to redesignate that resource at a specific point in time will not result in the network customer permanently forfeiting its rights to use that resource as a designated network resource. Any change in ATC that is determined by the transmission provider to have resulted from the temporary termination shall be posted on OASIS during this temporary period. A request that is not accompanied with a request to redesignate that resource at a specific point in time is to be considered an indefinite termination. After an indefinite termination of a resource, the network customer has no continuing rights to the use of such resource and future requests to designate that resource would be processed consistent with section 30.2 of the *pro forma* OATT as a designation of a new network resource.

Requests for Clarification and Rehearing

925. NorthWestern argues that, once upgrades specified through the interconnection process have been installed, the generator can be specified as a network resource by any customer, at the time of commercial operation of the generator or at any time in the future. NorthWestern acknowledges that the Commission rejected this position in Order No. 890, but contends that the Commission's determination cannot be reconciled with the ability of a generator under Order No. 2003 to designate, during the application process, whether it wishes to be studied and interconnected as a network resource or an energy resource.[337] NorthWestern contends that interconnection as a network resource assumes that the generator will be eligible to be designated by any network customer to serve its load in the future. If this is not the case, NorthWestern questions the distinction between energy resource interconnection service and network resource interconnection service and the transmission provider's ability to confidently study any network generation request will be diminished. NorthWestern states that a generator's request for network interconnection does not necessarily mean that any customer has designated the generator as a network resource, but only that it may be designated as a network resource by any customer.

926. NorthWestern also requests clarification regarding the interaction of transmission service and generation interconnection requests, asking the Commission to confirm that both should be studied through a single queue prioritized by request date. NorthWestern argues that decoupling the network generation interconnection study from the transmission service study could undermine reliability. NorthWestern suggests that all generation interconnection and transmission service requests be studied through a single study queue, where the requests are prioritized by their request date, in order to allow the relationship and mitigation requirements between senior and junior queued transmission and interconnection requests to be known and applied appropriately in junior queue studies.

Commission Determination

927. We disagree with NorthWestern that a generator interconnected under network resource interconnection service (NRIS) may be designated as a network resource by any customer at any point in time. As the Commission explained in Order No. 2003–A, NRIS status does not convey any right to transmit power and does not constitute a reservation of transmission capacity to any specific point.[338] The purpose of NRIS is to provide only those network upgrades needed to allow the aggregate of generation in the facility's local area to be delivered to the aggregate of load on the transmission provider's

[335] *See* Order No. 890 at P 1527.

[336] Transmission providers are free to use the NAESB standards development process to create automated OASIS functionality for verifying third-party transmission service at the time a designation request is submitted or any other processes to further minimize any burden associated with the verification requirement.

[337] *Citing* Order No. 2003.

[338] Order No. 2003–A at P 516.

transmission system, such that the output of the generating facility will not be ''bottled up'' during peak load conditions.[339] As a result, NRIS does not necessarily provide the interconnection customer with the capability to physically deliver the output of its generating facility to any particular load on the system without incurring congestion costs. Requests for delivery service inside the transmission provider's transmission system may require additional studies and upgrades to reduce congestion to acceptable levels.[340]

928. We decline to adopt at this time NorthWestern's request that all transmission service and generation interconnection requests be studied through a single queue prioritized by application date and time. NorthWestern requests specific revisions to the management of generator interconnection and transmission service request queues that were not proposed in the NOPR and are beyond the scope of this proceeding. Earlier this month, Commission staff held a technical conference to address issues related to the management of interconnection queues in Docket No. AD08–2–000.[341] The queuing concerns raised by NorthWestern are more appropriately addressed in that proceeding.

(2) Minimum Lead-Time

929. The Commission concluded in Order No. 890 that network customers should not be permitted to make firm third-party sales from any designated network resource without (1) undesignating that resource for the period of the third-party sale pursuant to section 30.3 of the *pro forma* OATT and (2) providing notice of such undesignation before the firm scheduling deadline. The Commission stated that this requirement allows undesignated capacity to be acquired on a non-firm basis without creating an undue adverse effect on third-party sales.

Requests for Clarification and Rehearing

930. Various petitioners have requested rehearing or clarification of the Commission's determinations regarding the minimum lead-time for undesignating network resources in order to make firm third-party sales.[342] Petitioners generally object to imposing this minimum lead-time requirement, arguing that it unduly restricts the ability of network customers and the transmission provider to engage in third-party sales and impairs liquidity in the market.

Commission Determination

931. In a notice issued on September 7, 2007, the Commission extended the effective date of the minimum lead-time for undesignating network resources adopted in Order No. 890, deferring the effectiveness of the phrase ''* * * but not later than the firm scheduling deadline for the period of termination'' in section 30.3 of the *pro forma* OATT.[343] The Commission stated that it will address the appropriate effective date for that tariff language, or any modification thereto, in a future order to be issued in this proceeding. The Commission therefore defers responding to the requests for rehearing and clarification on this subject pending further action in the forthcoming order.

(3) General

932. In response to commenter requests, the Commission addressed a number of other issues in Order No. 890 related to the undesignation of network resources. Among other things, the Commission denied a request that network customers be given the flexibility to substitute new designated network resources without abandoning the original transmission queue position of the existing designated network resource. The Commission explained that granting the request would, without any apparent justification, put point-to-point customers seeking ATC freed up by an undesignation at a disadvantage. Pending the implementation of new OASIS functionality to accept electronic requests to designate and undesignated network resources, the Commission stated that network customers could submit their requests by transmitting the required information to the transmission provider by telefax or providing the information by telephone over the transmission provider's time recorded telephone line.

933. The Commission clarified that a network customer may only enter into a third-party power sale from a designated network resource if the third-party power purchase agreement allows the seller to interrupt power sales to the third party in order to serve the designated network load. The Commission stated that such interruptions must be permitted without penalty, to avoid imposing financial incentives that compete with the network resource's obligation to serve its network load. The Commission also clarified that firm third-party sales may be made from an undesignated portion of a network customer's network resources (*i.e.*, a ''slice-of-system sale''), so long as all of the applicable requirements are met. The Commission stated that the network customer must submit undesignations for each portion of the resource supporting the third-party sale.

934. The Commission rejected requests to relax rules for changing the undesignation of network resources at any time to handle system emergencies, force majeure events, forced outages or unusual weather conditions. The Commission explained that other procedures such as those in NERC's standard for Capacity & Energy Emergencies, EOP–002–2, or the possible use of capacity benefit margin are more appropriate to deal with legitimate system emergencies. In situations where a request to undesignate a network resource cannot be accommodated without jeopardizing reliability, the Commission stated that the transmission provider could deny the request.

Requests for Rehearing and Clarification

935. Bonneville argues that, if the only ATC on a path is the ATC freed up by an undesignation, then the network customer should be granted use of that ATC for its requested alternate service. Bonneville contends that such a policy would not adversely affect customers because, if the customer that is undesignating a resource is not placed first in line for the capacity made available by the undesignation, that customer would not undesignate (since it will continue to need the capacity on its existing path) and no capacity would be freed up for others. Bonneville concludes that refusing to place the undesignating customer first in line for the freed-up ATC will harm that customer while advantaging no one. Bonneville suggests that allowing such redirects of network resources would be particularly helpful for intermittent resources such as wind, given that transmission customers with state-

[339] *Id.* at P 531.

[340] *Id.* at P 502.

[341] *See Interconnection Queuing Practices,* Notice of Technical Conference, Docket No. AD08–2–000 (Nov. 2, 2007); *Interconnection Queuing Practices,* Notice Inviting Comments, Docket Nos. AD08–2–000, *et al.*

[342] *E.g.,* APS and EEI, E.ON U.S., Financial Service Joint Filers, Pacific Northwest Parties, PNM, Progress Energy, Washington IOUs, and WSPP. In addition, APS and EEI, Barrick Goldstrike Mines, Bonneville, EPSA, Morgan Stanley, Pacific Northwest IOUs, PNGC Power, Powerex, PPL Parties, Public Power Council, San Diego G&E, SCE&G, SoCal Edison, Southern, Southwestern Utilities, and WSPP filed post-technical conference comments on this issue.

[343] *Preventing Undue Discrimination and Preference in Transmission Service, Notice Granting Extension of Effective Date,* 120 FERC ¶ 61,222 (2007).

mandated renewable resource requirements may wish to redirect for a short-term period to import renewable energy, but may be unable to do so on a constrained path if they are unable to utilize the capacity they are freeing up by the request to undesignate.

936. Several petitioners request rehearing or clarification with respect to the Commission's finding in Order No. 890 that network customers making firm third-party system sales from network resources must undesignate each portion of each resource supporting the third-party sales. [344] Petitioners generally argue that requiring a network customer to keep track of the individual generating units and amounts of generation from each unit being used to supply a system sale is unduly burdensome or impossible. South Carolina E&G argues that, between the scheduling deadline and the time when service commences, any number of events can change the available generating units being dispatched, change the merit order dispatch, or cause dispatch of additional units. Joined by EEI, South Carolina E&G asks the Commission to allow slice of system sales from a generation fleet by undesignating the amount of the sale.

937. Duke states that the Commission's policies are clear that for off-system system sales a generating resource must be identified on a specific basis for purposes of arranging point-to-point transmission service to support the off-system sale. However, with regard to identifying which generating units will be used to generate the energy to make on-system system sales, Duke argues that the Commission has never required that particular units or portions of units be identified and undesignated on a unit-by-unit basis. Duke contends that all generating units that comprise the ''system'' are used to serve all loads, and the undesignation process should occur through the recognition that a share of the generation system is used for retail native load and a share is used for wholesale native load (*i.e.*, requirements customers) and off-system firm load. Duke maintains that this approach is reasonable and ensures that the transmission provider is not double-counting or double-reserving transmission capacity needed to serve such loads, and is purchasing point-to-point service that is needed.

938. E.ON U.S. argues that the Commission has provided insufficient protection for LSEs and others that may need to recall undesignated resources for use to supply native load during times of system emergencies. E.ON U.S. asks the Commission to make clear in the *pro forma* OATT that the obligation to serve native load may require the redesignation of network resources in times of system emergency. Absent such a clarification, E.ON U.S. argues that LSEs will be reluctant to make network resources available to serve the market and, in a time of emergency, confusion may occur regarding the proper procedure for redesignating resources.

939. Pacific Northwest IOUs and South Carolina E&G request clarification in their post-technical conference comments that a network resource does not have to be undesignated before it is used to support the provision of reserve energy under a regional reserve sharing arrangement. E.ON U.S. requests similar clarification, arguing that flexible undesignation rules are necessary to allow utilities to quickly respond under reserve-sharing arrangements. Together, they argue that the failure to provide such clarification, and the related complications and potential sanctions, could impede or destroy reserve sharing arrangements and/or seriously imperil system reliability. South Carolina E&G proposes that the Commission expressly redefine network load under the *pro forma* OATT to include responses by the transmission provider to requests for emergency assistance or calls for reserves under reserves sharing agreements. If the Commission concludes that the undesignation requirements apply to designated network load used for reserve sharing purposes, E.ON U.S. proposes to post on OASIS information regarding its reserve sharing events within five days of the end of each month in which an event occurred. E.ON U.S. states that the particular units used to meet its reserve sharing obligation are not known until it performs an after-the-fact, monthly allocation of the highest-cost resources to off-system sales.

940. MidAmerican requests clarification that, during the period until improved OASIS functionality is available for designating and undesignating network resources, electronic transmissions and e-mail are acceptable means of designating and undesignating network resources. MidAmerican argues that electronic transmittals are similar to the already accepted telefax and recorded telephone line procedures, in that they provide a quick, efficient means of communication that can be readily stored.

941. NRECA requests rehearing of the Commission's determination that transmission providers have the discretion to deny undesignations of network resources. NRECA argues that the Commission has given transmission providers the ability to unduly discriminate against its wholesale customers (*i.e.*, its direct competitors). Because the transmission provider is not likely to deny its own undesignation requests, NRECA contends that comparability requires that it not be allowed the ability to deny undesignation requests of its network customers. NRECA argues that while the actual scheduling of a resource could affect reliability, there should be no reliability effects from the mere designation or undesignation of a resource. NRECA contends that there are many other standards and procedures in place to protect against insufficient capacity.

942. If the Commission retains the ability to deny a request to terminate the designation of a network resource, NRECA asks the Commission to at least require that denials come at the direction of the reliability coordinator, rather than the transmission provider. NRECA argues that denying the undesignation of a network resource is akin to designating the resource as a ''must-run'' generating resource. If the resource is owned by the network customer, NRECA maintains that the reliability coordinator should be able to designate the unit as a reliability-must-run unit and compensate the network customer for its dispatch. If the resource is not owned by the network customer, NRECA argues that nothing in the FPA authorizes the Commission to require the network customer or the owner of the resource to continue to contract for service with each other or use any particular capacity for a specific purpose.

943. TAPS seeks clarification that a transmission provider could deny a request to undesignate a network resource only in the context of requests for temporary undesignation. TAPS argues that there are circumstances in which a resource is simply not available because, for example, it is incapable of continued operation or no longer economically viable or, in the case of a purchase, the contract has ended.

944. MidAmerican asks that transmission providers be required to explicitly approve or deny requests to undesignate network resources and that the timing of action on undesignation requests be made consistent with the timing requirements to designate a network resource. MidAmerican argues that clarification is necessary to avoid confusion when one customer is undesignating a network resource so that another customer may designate it,

[344] *E.g.*, Duke, EEI, and South Carolina E&G. Pacific Northwest IOUs raise similar issues in their post-tech conference comments.

otherwise a customer could be attempting to designate a resource before the request to undesignate has been addressed.

945. Bonneville argues that the Commission should not require network resources to be temporarily undesignated to make firm third-party power sales if the transmission provider's ATC methodology already assures that ATC has not been withheld to accommodate the underlying designation. Bonneville maintains that its transmission customers usually designate as network resources power purchase agreements sourced from the resources that comprise the interconnected hydroelectric system. Bonneville argues that its ATC methodology, which is based on historical usage data, addresses the Commission's concerns about the availability of ATC without further requiring network resources to be undesignated prior to making third-party sales from those resources.

Commission Determination

946. We disagree with Bonneville's argument that a customer undesignating a network resource should be first-in-line for the transmission capacity freed up by such a designation. While it may be true in some circumstances that a network customer would choose not to undesignate a resource if there is insufficient ATC to accommodate a desired alternative transaction, it does not follow that the network customer's alternative transaction should be put ahead of other competing requests in the queue. That would undermine long-standing policies governing the priority of service requests and unduly preference network customers. The Commission rejects similar requests by point-to-point customers to be first in line for ATC in section III.D.4.b.

947. With regard to the undesignation of units used to supply system sales, we clarify that portions of the seller's individual network resources supporting a sale of system power do not need to be undesignated so long as the system sale is itself designated as a network resource by the buyer. Instead, the seller should undesignate a portion of its system equal to the amount of the system sale, but which is not attributed to any specific generators. If the system sale is not designated as a network resource by the buyer, the seller must submit undesignations for each portion of each resource supporting the third-party sale. Since we believe most, if not all, system sales sourced from designated network resources are themselves designated as network resources by the buyer, we expect that few system sales will require undesignation on a unit-by-unit basis.

948. As we reiterate in section III.D.9.c there is also no need to undesignate network resources prior to making sales that permit curtailment without penalty to serve the seller's native load.[345] Since there is no need to undesignate resources to make such sales, there is no corresponding need to redesignate those resources in times of emergency when power is recalled to serve native load. We therefore disagree with E.ON U.S. that special redesignation procedures are necessary for LSEs selling recallable energy. In response to Pacific Northwest IOUs and South Carolina E&G, we amend sections 1.26 and 30.4 of the *pro forma* OATT to make clear that network resources do not have to be undesignated before they are used to support the provision of reserve energy under a Commission-approved reserve sharing agreement.

949. In response to MidAmerican's request, we clarify that, pending implementation of the new OASIS functionality, submission of requests to designate and undesignate network resources may be provided by any appropriate electronic procedures established by the transmission provider, or by telephone or telefax as provided in Order No. 890.

950. We grant NRECA and TAPS' request for rehearing of the Commission's decision in Order No. 890 to allow transmission providers to deny requests to terminate network resource designations in certain situations. Upon consideration of petitioners' arguments, we agree that it is not appropriate to allow the transmission provider to deny undesignation, effectively requiring the network customer to continue to make available a resource that the customer is unable to, or no longer wishes to, make available. Reliability problems caused by the lack of available resources should be dealt with through other means, such as negotiation of must-run service agreements. In light of this decision, MidAmerican's request to establish a time by which a transmission provider must act on a request to terminate the designation of a network resource is rejected as moot.

951. We disagree with Bonneville that the *pro forma* OATT should be amended to allow for firm third-party sales from a network resource without first undesignating the network resource. If the particular ATC methodology used by the transmission provider allows for flexibility in implementing this requirement, the transmission provider may propose a variation to the *pro forma* OATT in an FPA section 205 filing. Any such request should adequately address the Commission's concern, as stated in Order No. 888, that network customers may (absent a prohibition on network resources including any portion of a resource that was committed for sale to a third party) have the incentive to specify unlimited *generation* resources to be integrated into their load without any commensurate financial obligation, given that network transmission service is billed on a *load* ratio basis.[346]

6. Clarifications Related to Network Service

a. Secondary Network Service

952. In Order No. 890, the Commission declined to adopt further limitations to the use of secondary network service under section 28.4 of the *pro forma* OATT, which allows a network customer to deliver energy to its network load from non-designated network resources on an as-available basis without additional charge. Although the Commission had proposed in the NOPR to limit the proper use of secondary network service to deliveries of economy energy only, upon review of comments submitted on this issue the Commission concluded that there were instances outside of the proposed definition of economy energy that warranted the use of secondary network service. The Commission therefore decided to retain the existing section 28.4 of the *pro forma* OATT that allows the use of secondary network service ''to deliver energy to its Network Loads.''

Requests for Rehearing and Clarification

953. Idaho Power asks the Commission to clarify the showing that transmission customers must make to demonstrate that they are using secondary network service properly or not using secondary network service to support off-system sales. Idaho Power states that several commenters lamented in response to the NOPR the difficulties of making the calculations necessary to demonstrate that secondary network service is not being used to support off-system sales. Idaho Power contends that the Commission has never clearly articulated the test used to determine improper use of network service. Although Idaho Power acknowledges that the Commission has provided some guidance on these issues in audit and investigation reports, Idaho Power states

[345] *See* Order No. 890 at P 1459; *see also WPPI* 84 FERC at 61,152. Curtailment contemplates a reduction in service as a result of system reliability conditions, not economic reasons.

[346] *See* Order No. 888 at 31,753–54.

that it is unclear to what extent the Commission intends language in such reports to apply beyond the context of the particular audit or investigation.

954. Idaho Power suggests that an economic test would not be precise enough to address all the circumstances where network and secondary transmission should be used. Idaho Power asks that the Commission instead consider three factual questions to evaluate the proper use of secondary network service: Whether the utility's decisions were intended to maintain a balanced portfolio for service to load; whether the off-system sale was made at a time when the utility's resources exceeded its expected load and needed to balance its portfolio; and, whether the utility either actually needed the imported energy to serve load or needed the imported energy to replace a more expensive resource that otherwise would have been used to serve load. If the answer to these questions is ''yes,'' then Idaho Power argues that the use of network or secondary transmission should always be allowed to import energy.

955. Idaho Power also asks the Commission to articulate the types of records it expects a utility to maintain in order to document the use of its transmission network in compliance with Commission requirements. In Idaho Power's view, clarification of the rules and corresponding documentation requirements will allow utilities and other network customers to become more comfortable using secondary network service rather than buying excessive amounts of point-to-point transmission.

Commission Determination

956. The Commission affirms the decision in Order No. 890 to retain the existing test for eligibility to use secondary network service, *i.e.*, when energy is delivered to serve network loads. In rejecting the proposed restriction to deliveries of economy energy, the Commission recognized that there may be instances that warrant the use of secondary service in order to serve network loads reliably that would not satisfy an economic test, as Idaho Power suggests. The Commission declined to adopt other restrictions on the use of secondary network service proposed by commenters, expressing concern that the proposals could preclude legitimate use of secondary network service.

957. We similarly conclude that the alternative three-part factual test proposed by Idaho Power might not reflect all of the factors to be considered in determining whether a particular use of secondary network service was to deliver energy to network loads. The Commission did not preclude in Order No. 890 consideration of whether the delivery in question is economic energy and, instead, determined that restricting the use of secondary network service only to economic energy would be too severe. The primary focus of the Commission's analysis is whether the energy delivered using secondary network service was intended to serve network load. Whether a delivery in question is for economic energy may very well be relevant when considering intent, but so would contemporaneous documentation and other evidence. We will continue to address the appropriate use of secondary network service on a case-by-case basis, as in *MidAmerican,*[347] which we intend to serve as guidance to the industry regarding the appropriate use of secondary network service and the documentation that would be relevant for analysis.

b. ''On an as-available basis''

958. The Commission clarified in Order No. 890 that secondary service must be requested in accordance with section 18, including the timing restrictions set forth in section 18.3 of the *pro forma* OATT. The Commission explained that secondary service is on an as-available basis and that network customers should not be allowed to lock in such service in advance of other non-firm uses of available transmission. The Commission concluded that allowing lower priority secondary service to have a scheduling advantage over non-firm transmission would be inappropriate and would discourage the use of non-firm transmission service.

Requests for Rehearing and Clarification

959. Several petitioners request clarification regarding the priority level of secondary network service in relation to non-firm transmission service. NRECA, Southern, and TDU Systems ask the Commission to clarify that secondary service has a higher priority than non-firm point-to-point service. These petitioners state that section 28.4 of the pro forma OATT grants secondary service a higher priority than all non-firm point-to-point service and that the Commission's reference to secondary network service as ''lower-priority'' in Order No. 890 is incorrect and contradictory of Order No. 888. Without a higher priority for secondary network service, these petitioners contend that network customers located in constrained regions who are forced to rely on secondary service will be worse off and reliability will be impaired.

960. Joined by TAPS, NRECA argues that application of the scheduling requirements for non-firm point-to-point service to network customer reservations of secondary service would present a serious set-back for LSEs. NRECA states that its members commonly use secondary service to import long-term firm power from other states into their home states in order to serve native load. NRECA argues that this use of secondary service could not happen if network customers were held to the timing restrictions in section 18.3. NRECA contends that precluding network customers from acquiring secondary service to coincide with long-term generation requirements, but before actual use of the transmission, would contradict Congressional intent to preserve and enhance network service to native load.

961. NRECA further contends that there is no evidentiary record for finding that the existing practice of scheduling secondary service without regard to the time restrictions of section 18.3 has ''discouraged'' the use of non-firm transmission service or minimized associated revenue credits. Even if that is the case, NRECA argues that secondary network service customers should have priority and any marginal amount of foregone revenues is justified by more reliable, economic service for LSEs. Because network customers pay a load ratio share of total transmission costs regardless of whether their energy is coming from designated network resources or non-designated network resources on an as-available basis, NRECA concludes that network customers use the transmission system in a fundamentally different way from non-firm users and, therefore, they should not be held to the same timing restrictions in 18.3 that apply to non-firm customers.

962. TAPS argues that, as long as network customers bear a full share of the costs of operating the entire system, they should have first call on non-firm use, just as secondary network service is the last non-firm use to be curtailed in response to constraints. In the event the Commission denies rehearing on this issue and retains the new timing restrictions on secondary service, TAPS asks that transmission providers also be required to abide by those same requirements when they seek to use an undesignated resource (or the undesignated portion of a resource) to service their native load.

[347] *MidAmerican Energy Co.,* 112 FERC ¶ 61,346 at P 6 (2005) (*MidAmerican*).

Commission Determination

963. The Commission grants clarification of the reference to ''lower-priority'' secondary network service in paragraph 1606 of Order No. 890, which was intended to distinguish secondary network service from firm transmission service, not non-firm transmission service. Section 28.4 of the *pro forma* OATT affords secondary service a higher curtailment priority than any non-firm point-to-point service and the Commission did not intend to imply otherwise in Order No. 890. We disagree, however, that secondary service should be allowed a higher scheduling priority compared to all other non-firm service. Secondary service is on an ''as available'' basis and, therefore, network customers should not be allowed to lock in such service in advance of other non-firm uses of available transmission.

964. Petitioners' arguments to the contrary are misplaced. Although FPA section 217 does address LSE uses of the transmission systems, the focus of that provision is on the use of firm transmission, not non-firm uses such as secondary network service. The fact that network customers pay a load ratio share of transmission costs does not grant them superior rights when scheduling firm transmission, nor should it justify superior rights when scheduling uses of the transmission system other than firm uses. Any request for secondary network service therefore must be made in compliance with section 18, including the timing restrictions set forth in 18.3, of the *pro forma* OATT. In response to TAPS, we reiterate that section 28.2 of the *pro forma* OATT requires the transmission provider to designate resources and loads in the same manner as any network customer.

c. Behind the Meter Generation and Uses of Point-To-Point Service

965. The Commission declined to require transmission providers to allow netting of behind the meter generation against transmission service charges to the extent customers do not rely on the transmission system to meet their energy needs, stating that commenters had not provided any different arguments not fully addressed in Order No. 888. The Commission explained that the existing *pro forma* OATT already allowed transmission customers to exclude the entirety of a discrete load from network service and serve such load with the customer's behind the meter generation and point-to-point transmission service as necessary, thereby reducing the network customer's load ratio share. The Commission concluded it is most appropriate to continue to review alternative transmission provider proposals for behind the meter generation treatment on a case-by-case basis.

Requests for Rehearing and Clarification

966. Washington IOUs contend that the language added to section 30.4 of the pro forma OATT in Order No. 890 appears to permit a transmission provider or network customer to take point-to-point service to deliver power from remote network resources to loads in certain instances. Washington IOUs ask the Commission to clarify that a transmission provider or network customer may use short-term firm point-to-point service to serve native load or network load, respectively. Washington IOUs state that there are at least two events in which the use of point-to-point service to serve native or network load is needed and appropriate: the need to import power when it is unclear whether or not the power will be deemed to be used to serve native or network load because of its relative cost; and the need to import power reliably from non-designated network resources in order to serve native or network load, instead of relying on secondary network service. In their view, a restriction on the use of point-to-point service would prevent the transmission provider and network customer from competing for scarce transmission capacity in order to serve their native or network load.

967. Idaho Power similarly asks the Commission to clarify whether a network customer or transmission provider could use point-to-point transmission to serve load in addition to, and not in place of, paying its full load ratio share for use of the network. Idaho Power contends that a transmission provider or network customer should have the option to compete in the market for point-to-point service when it is not sure at the time of a purchase whether the energy will be needed for load or sold off-system as surplus, provided they pay the full value of point-to-point service. Alternatively, Idaho Power requests the Commission clarify that the network customer and the transmission provider may procure firm point-to-point service in order to serve native and network load when the utility requires capacity in addition to the existing network reservations or secondary transmission over an interface. In order to ensure that network and secondary transmission rights are not being used to support off-system sales, Idaho Power contends that the use of network transmission rights must be minimized and used in combination with point-to-point service.

968. Idaho Power also requests clarification that the following examples are considered proper uses of network transmission, secondary transmission and point-to-point transmission. First, use of point-to-point transmission to accomplish an off-system sale entered into at a time the utility was forecasted to be long, even if followed by a subsequent purchase to serve load using secondary network service or point-to-point transmission if the utility becomes short. Second, use of a combination of network service, secondary network service, or point-to-point transmission for a purchase at a time the utility was forecasted to be short, even if followed by a subsequent sale using point-to-point transmission from a portion of that resource that becomes excess due to a drop in forecasted load. Third, and related, use of network transmission for a purchase expected to serve load, even if followed by a subsequent sale using point-to-point service from a portion of that resource that becomes excess in real-time. Fourth, use of point-to-point service to purchase economic energy to serve network load in conjunction with an off-setting undesignation of network resources and sale of energy off system using point-to-point transmission. Finally, use of secondary network service to purchase economic energy to serve network load in conjunction with an off-setting undesignation of network resources and sale of energy off system using point-to-point transmission. Idaho Power contends that only the last example should involve an economic test to demonstrate that the imported resource will displace a resource in the utility's load service stack of resources.

969. TAPS and FMPA argue that the Commission failed to consider in Order No. 890 the circumstance when it is physically impossible for the transmission system to actually deliver a customer's full load, which they contend was not addressed in Order No. 888.[348] TAPS states that the Commission's proposed solution of the exclusion of the entirety of a discrete load from network service is no help to a customer that is served through a single delivery point and, therefore, has no discrete load that could be service through a combination of point-to-point service and behind the meter generation while other load takes network service. FMPA argues that it is unjust to charge a customer for service that cannot be provided and, therefore, there should be an exception to load ratio share pricing

[348] *Citing Florida Mun. Power Agency* v. *FERC*, 411 F.3d 287, 291 (D.C. Cir. 2005).

when the transmission provider is unable to serve the network customer's entire load.

Commission Determination

970. As stated in Order No. 890, the *pro forma* OATT permits transmission customers to exclude the *entirety* of a discrete load from network service and serve such load with the customer's behind the meter generation and through any needed point-to-point transmission service, thereby reducing the network customer's load ratio share.[349] In other situations, use of point-to-point service by network customers is in addition to network service and therefore does not serve to reduce their load ratio share. As the Commission concluded in Order No. 888–A, transmission customers ultimately must evaluate the financial advantages and risks and choose to use either network integration or firm point-to-point transmission service to serve load.[350] Any alternative transmission provider proposals for behind the meter generation treatment will be reviewed on a case-by-case basis.[351]

971. With regard to concerns of insufficient transmission to serve the network customer's full load, we fail to understand how, under normal circumstances, the transmission provider has no capacity to service a load that has been designated by the network customer. Once a load has been designated, it is the obligation of the transmission provider to serve that load and to plan its system so that the load can be accommodated in the future. To assist the transmission provider in fulfilling that obligation, network customers are required to provide load forecasts to the transmission provider each year. The transmission planning reforms adopted in Order No. 890 will add greater transparency to this planning process, better enabling network customers to understand how their needs are reflected in the development of the transmission system. To the extent a transmission provider is unable to satisfy its obligation to serve a designated network load, it is more appropriate to address that situation on a case-by-case basis.

972. The Commission also declines to address here the hypothetical scenarios offered by Idaho Power. Any determination regarding the appropriate use of secondary, network, or point-to-point service will depend upon the facts surrounding the use of such services. While load forecasts may change and weather related incidents may occur, with corresponding implications for a utility's purchasing activities, it is most appropriate for the Commission to consider whether a particular transaction is an appropriate use of secondary network service based on the facts and circumstances surrounding the transaction, as discussed above.

7. Transmission Curtailments

973. The Commission did not propose in the NOPR, or adopt in Order No. 890, any changes to the terms and conditions under which a transmission provider may curtail service to maintain reliable operation of the grid, as set forth in sections 13.6 and 14.7 for point-to-point service and section 33 for network service. The Commission did, however, conclude that the posting of additional curtailment information is necessary to provide transparency and allow customers to determine whether they have been treated in the same manner as other transmission system users, including customers of the transmission provider. Accordingly, the Commission required transmission providers, working through NAESB, to develop a detailed template for the posting of additional information on OASIS regarding firm transmission curtailments, including all circumstances and events contributing to the need for a firm service curtailment, specific services and customers curtailed (including the transmission provider's own retail loads), and the duration of the curtailment.

Requests for Rehearing and Clarification

974. Powerex claims the Commission improperly rejected its request that the *pro forma* curtailment provisions be modified to provide for *pro rata* curtailment based on a customer's reserved capacity rather than its scheduled capacity. Powerex states that the Commission appears to have misunderstood its proposed two-stage curtailment procedure, which was rejected for having the potential to impair reliability since the amount of capacity curtailed using that approach would not address the actual power flows and, therefore, could be less than required to relieve the overloaded facility. Powerex explains that the proposed two-stage process pertained solely to the timeframe before power is actually flowing. Powerex further states that *pro rata* curtailments based on reservation capacity would be made prior to the energy scheduling and tagging deadline (*e.g.*, 20 minutes before the operating hour), that the transmission provider would compare a customer's individual schedule to its reduced/curtailed rights, and, if the customer's scheduled quantities fall within its reduced rights, that schedule would flow uncut. After calculating the total capacity scheduled following the application of the *pro rata* curtailment, Powerex proposes that any excess transmission be allocated back on a *pro rata* basis to transmission customers whose schedules were cut below their reduced rights. Powerex states that this would in no way affect curtailments to actual power flows. Powerex suggests that curtailment within the hour, due to the limited time available to affect relief, should continue to be allocated based on actual schedules.

975. Powerex contends that the Commission mistakenly concluded that Powerex's proposal would adversely impact reliability, arguing that the amount of capacity curtailed under the two-stage process would be no different from the amount of capacity the transmission provider believes is necessary to address the constraint and that the capacity would be more equitably and economically cut according to the transmission customers' reserved quantities rather than the scheduled quantities. Powerex states that it is not aware of a single commenter that provided any evidence that the above modification would be detrimental in any way to reliability, nor did the Commission provide any evidentiary support for its response.

976. E.ON U.S. requests clarification of the correct order of curtailments given the addition of conditional firm point-to-point transmission service. Specifically, E.ON U.S. requests clarification regarding the curtailment priority of the different conditional firm options, *i.e.*, conditions based on an annual number of hours and conditions based on specific system conditions.

Commission Determination

977. The Commission rejects Powerex's request to modify the curtailment provisions of the *pro forma* OATT to provide for *pro rata* curtailment based on a customer's reserved capacity rather than its scheduled capacity. Although Powerex addresses in its request for rehearing the Commission's initial concern regarding the proposal,[352] we continue to believe that the proposal would have a potentially adverse impact on reliability. Powerex's proposal would

[349] *See* Order No. 890 at P 1619.

[350] Order No. 888–A at 30,260–61.

[351] *See, e.g.*, *PJM Interconnection, L.L.C.*, 113 FERC ¶ 61,279 (2005).

[352] *See* Order No. 890 at P 1629 (stating that the amount of capacity actually curtailed under the Powerex proposal might be less than required to relieve the overloaded facility).

greatly increase the complexity of scheduling transactions at or near real-time operations, threatening reliability without providing significant competitive benefits. Powerex has taken a complex issue and presented it in two simple steps, leaving out the details of how the transmission operators could obtain all the necessary information required to make on-the-spot decisions, perform the analyses to determine whether each schedule flow fully utilizes its respective reservation, reallocate unused reserved capacity, and curtail transactions without impairing reliability. We thus reject the Powerex's request for rehearing in this regard.

978. In response to E.ON U.S., we reiterate that the Commission adopted a secondary network curtailment priority to apply for the hours or specific conditions when conditional firm service is conditional. During non-conditional periods, conditional firm service curtailment is treated consistent with curtailment of other long-term firm service.[353] We reiterate that Order No. 890 did not change the terms and conditions under which a transmission provider may curtail service to maintain reliable operation of the grid or change the priority of curtailment for any type of transmission service. Rather, conditional firm point-to-point service, as adopted in Order No. 890, fits within the existing curtailment priorities and constructs.

8. Standardization of Rules and Practices

a. Business Practices

979. In Order No. 890, the Commission adopted the NOPR proposal to continue to require that only those rules, standards, and practices that significantly affect transmission service be incorporated into a transmission provider's OATT. The Commission affirmed the use of a ''rule of reason'' to determine what rules, standards, and practices significantly affect transmission service and, as a result, must be included in the transmission provider's OATT.

980. Regarding rules, standards, and practices that relate to transmission service, but are not included in the OATT, the Commission required transmission providers to post this information on their public Web sites and make it accessible via OASIS. The Commission made this requirement applicable to all such rules, standards, and practices, currently written or otherwise.[354] The Commission stated that it would not be appropriate to place the rules, standards, and practices only on OASIS, as some transmission providers use certificates to restrict access to their OASIS sites. The Commission amended section 4 of the *pro forma* OATT to establish this posting requirement.

981. The Commission also required each transmission provider to post on its public Web site, with a corresponding link on OASIS, a statement of the process by which the transmission provider will amend the rules, standards, and practices that relate to transmission service, but which are not included in the OATT. The Commission stated that this process must include a mechanism to provide reasonable notice of any proposed changes to a posted business practice and the respective effective date of such change.[355] Section 4 of the *pro forma* OATT was further amended to formalize this posting requirement.

982. Finally, the Commission adopted the NOPR proposal to amend the *pro forma* OATT by including a new Attachment L specifying the qualitative and quantitative criteria that the transmission provider uses to determine the level of secured and unsecured credit required. The Commission determined that Attachment L must contain the following elements: (1) A summary of the procedure for determining the level of secured and unsecured credit; (2) a list of the acceptable types of collateral/security; (3) a procedure for providing customers with reasonable notice of changes in credit levels and collateral requirements; (4) a procedure for providing customers, upon request, a written explanation for any change in credit levels or collateral requirements; (5) a reasonable opportunity to contest determinations of credit levels or collateral requirements; and (6) a reasonable opportunity to post additional collateral, including curing any non-creditworthy determination. The Commission stated that the transmission provider could supplement Attachment L with a credit guide or manual to be posted on OASIS.

Requests for Rehearing and Clarification

983. TDU Systems contend that the Commission's filing standard suggests that the ''rule of reason'' test will only come into play *after* it has determined that a particular practice is one that significantly affects transmission service. TDU Systems argue that, once the Commission has determined that a practice significantly affects rates and services, the only remaining question is whether the practice is realistically susceptible of specification and is not so generally understood in any contract or arrangement as to render recitation superfluous.[356] TDU Systems contend that Order No. 890 is an unexplained departure from prior precedent and that the Commission failed to justify its limitation on the data to be included in the OATT.

984. In order to increase certainty, TDU Systems also requests that the Commission specify in advance the different categories of transmission provider issuances that the Commission expects to see in the tariffs. At a minimum, TDU Systems asks that the Commission clarify that any rule, standard, or practice that can serve to limit a transmission customer's access to transmission service is one that significantly affects transmission service and, therefore, should be included in the OATT.

985. Old Dominion requests that the Commission clarify that, for individual transmission-owning members of an RTO that do not maintain their own OATT, the transmission owners must comply with the requirements of Order No. 890 by including in the RTO's OATT any rules, standards and practices that affect transmission service that are either different from or an expansion upon those in the RTO's OATT. Old Dominion states that this is necessary because individual transmission owners' planning criteria and business practices can limit access to transmission service in the same manner as those of the RTO.

986. NRECA states that it supports the Commission's decision to require each transmission provider to post on its public Web site (with a corresponding link on OASIS) all rules, standards or business practices that relate to the terms and conditions of transmission service, if not already stated in the OATT itself. NRECA contends, however, that the Commission's subsequent discussion of transmission providers' credit guides or manuals seemingly allows that information to be

[353] *See id.* at P 1074.

[354] With respect to the business practices developed by NAESB, the Commission noted that there may be copyright restrictions that limit the transmission provider's ability to post those practices on its own Web site. In such instances, the Commission stated its expectation that the transmission provider will reference any NAESB practices it uses and provide a link on its public Web site to the copyrighted material on the NAESB Web site.

[355] The Commission permitted transmission providers to adopt such additional procedures they deem appropriate, such as opportunities for comment to proposed changes to rules, standards, and practices.

[356] *Citing City of Cleveland* v. *FERC,* 773 F.2d 1368, 1376 (D.C. Cir. 1985) (*City of Cleveland*).

posted only on OASIS.[357] Because credit is such an important potential barrier to transmission access, NRECA maintains that it is critical for the details of the credit criteria and methodologies to be posted on the public Web site of the transmission provider, with a link on OASIS. NRECA also contends that a statement should be added to the first paragraph of Attachment L explicitly clarifying that the credit review procedures and criteria may not unfairly disadvantage public power entities or other customer groups having unconventional financing or business structures.

987. Southern requests that the Commission grant rehearing to allow a transmission provider that does not restrict access to its OASIS site the option of posting rules, standards and practices relating to transmission service on its OASIS with a link to such information on its public Web site. Southern maintains that permitting transmission providers that do not restrict access to their OASIS to make required postings on OASIS would satisfy the Commission's objective to provide public access to such information. Southern argues that not allowing such flexibility would be arbitrary and capricious.

Commission Determination

988. The Commission did not intend, as TDU Systems suggest, that the Commission must first determine that a particular practice significantly affects transmission service before it applies the ''rule of reason.'' In Order No. 890, the Commission ''affirm[ed] the use of a ''rule of reason'' to determine what rules, standards, and practices significantly affect transmission service and, as a result, must be included in the transmission provider's OATT.''[358] Specifically, the ''rule of reason'' requires ''recitation of only those practices that affect rates and services significantly, that are realistically susceptible of specification, and that are not so generally understood as to render recitation superfluous.''[359] The Commission intends to continue to use the ''rule of reason'' for this purpose, consistent with its statutory responsibility and precedent.

989. We decline to specify in advance the particular categories of rules, standards, and practices that must be documented in the transmission provider's OATT. Although rules, standards, and practices that limit a transmission customer's access to transmission service may very well have a significant effect on transmission services, and therefore should be in the OATT, any attempt to list the specific categories of rules, practices and standards that must be included in an OATT would be over- or under-inclusive as applied to a particular transmission provider. The Commission believes that, through application of the ''rule of reason,'' we will be better able to identify those rules, standards and practices that significantly affect transmission service and, as a result, are required to be in each transmission provider's OATT.

990. In response to Old Dominion, we reiterate that each ISO and RTO must include in its OATT *all* of the rules, standards and practices that significantly affect the transmission service provided by the ISO or RTO and must electronically post *all* of the rules, standards and practices that relate to transmission service, but which are not included in the OATT. To the extent any of the transmission-owning members of the ISO or RTO have additional rules, standards and practices that significantly affect, or relate to, the transmission service being provided by the ISO or RTO, the ISO or RTO must include such rules, standards and practices in its OATT or electronic postings, as relevant. Transmission customers must be able to understand the rules, standards and practices that affect or relate to the service being provided by the transmission provider, even if such rules, standards or practices are developed or implemented by third parties.

991. We agree with Southern's request for rehearing to allow a transmission provider that does not restrict access to its OASIS site the option of posting rules, standards and practices relating to transmission service on its OASIS with a link to such information on its public Web site. The Commission is sympathetic to Southern's concern and agrees that section 4 of the *pro forma* OATT, as revised by Order No. 890, is overly restrictive. The Commission's purpose in revising section 4 was to ensure that the public has unrestricted electronic access to the transmission provider's rules, standards and practices that are not included in its OATT. The Commission concludes that the transmission provider should be free to place this information on OASIS, its public Web site or other suitable electronic platform as long as the transmission provider provides, both on OASIS and on its public Web site, an electronic link to the information. We have revised section 4 accordingly.

992. We also agree with NRECA that, in Order No. 890, the Commission appears to allow the transmission provider to post its credit guides or manuals only on OASIS.[360] This was not our intent. The Commission considers credit guides and manuals containing more detailed information than that required in Attachment L to be rules, standards or practices that relate to transmission service, that not be included in the transmission provider's OATT. We clarify that the transmission provider must electronically post such credit guides and manuals and provide a link to that information on its public Web site and OASIS. We deny as unnecessary NRECA's request to add a statement to Attachment L regarding application of credit review procedures and criteria to customer groups with unconventional financing or business structures. The Commission already provided in Order No. 890 that transmission providers must consider both quantitative and qualitative factors so that the particular circumstances surrounding public power entities can be recognized when analyzing their creditworthiness.[361]

b. Limitation on Liability

993. In Order No. 890, the Commission declined to amend the liability protections found in the *pro forma* OATT for the same reasons that the Commission rejected similar proposals in the past.[362] The Commission relied upon the reasoning found in Order Nos. 888–A, 888–B, 2003,[363] the Reliability Policy Statement,[364] and Commission precedent.[365] The Commission explained that the *pro forma* OATT was not intended to address liability issues and that liability was a separate issue from indemnification.[366] The Commission further explained that

[357] *Citing* Order No. 890 at P 1657–58.

[358] *Id.* at P 1649.

[359] *Public Serv. Co. of Colo.,* 67 FERC ¶ 61,371 at 62,267 (1994) (quoting *City of Cleveland,* 773 F.2d at 1376).

[360] *See* Order No. 890 at P 1657–58.

[361] *See id.* at P 1659.

[362] *See, e.g., Southwest Power Pool, Inc.,* 113 FERC ¶ 61,287 (2005); *Southern Company Services, Inc.,* 113 FERC ¶ 61,239 (2005); *Nevada Power Co.,* 99 FERC ¶ 61,347 (2002); *Arkansas Louisiana Gas Co.* v. *Hall,* 7 FERC ¶ 61,175, *reh'g denied,* 8 FERC ¶ 61,039 (1979).

[363] Order No. 2003 at P 636; Order No. 2003–A at 31,162.

[364] Policy Statement on Matters Related to Bulk Power System Reliability, 107 FERC ¶ 61,052 (2004) (Reliability Policy Statement).

[365] *See, e.g., Northeast Utilities Services Co.,* 111 FERC ¶ 61,333 (2005) (*Northeast Utilities*); *Southwest Power Pool, Inc.,* 112 FERC ¶ 61,100 at P 39 (2005); *Southern Company Services, Inc.,* 113 FERC ¶ 61,239, at P 7 (2005).

[366] *See* Order No. 888–A at 30,301 and Order No. 888–B at 62,081 (section 10.2 of the *pro forma* OATT).

transmission providers were not precluded from relying on state laws that protected utilities or others from claims founded in ordinary negligence.[367] The Commission declined to adopt a uniform federal liability standard and decided that, while it was appropriate to protect the transmission provider through force majeure and indemnification provisions from damages or liability when service is provided by the transmission provider without negligence, it would leave the determination of liability in other instances to other proceedings.[368]

Requests for Rehearing and Clarification

994. Washington IOUs request that the Commission grant rehearing and establish a uniform liability provision in the *pro forma* OATT that limits transmission provider liability except in instances of gross negligence or willful misconduct. In their view, enactment of mandatory reliability standards under FPA section 215, the threat of civil penalties and other remedial actions, and state oversight all provide appropriate incentives for utilities to exercise due care in the operation of their systems. Washington IOUs argue that state protections do not appear to be sufficient to protect a transmission provider against outage liability since they have arisen in the context of claims by retail customers. They argue that granting liability limitations except in instances of gross negligence or intentional misconduct is appropriate given that outage liability is not necessary to ensure utilities operate their transmission systems reliably.

995. Washington IOUs also contend that limitations of liability can be effected by contracts, such as the *pro forma* OATT, under much state law. They argue that it is therefore arbitrary for the Commission to expect transmission providers to rely on state law for appropriate limitations of liability, while preventing the inclusion of provisions in the *pro forma* OATT to effectuate such limitations of liability. Washington IOUs also argue that the Commission has provided no good reason for approving limitations on liability for RTOs/ISOs, but not for other transmission providers. In their view, the policy concerns justifying liability limitations for utilities in RTOs/ISOs are identical to those confronting utilities in non-RTO/ISO areas.

Commission Determination

996. The Commission denies rehearing of the determination in Order No. 890 not to change the liability protections found in the *pro forma* OAAT. Washington IOUs raise no new arguments in support of their position. As the Commission explained in Order No. 890, proposals by public utilities to amend their OATTs to include limitations on liability will be considered on a case-by-case basis.[369] On review of such requests, the Commission will consider whether state laws provide inadequate protection from liability.[370] In response, Washington IOUs argue that state law protections appear to be insufficient because they arose in the context of claims by retail customers, yet petitioners offer no evidence that transmission providers are in fact precluded from relying on state law for liability protections. The potential for legal and regulatory gap is therefore not so great as to warrant inclusion of liability protections in the *pro forma* OATT for all transmission providers.

997. We also disagree that there is no reason to distinguish between RTOs/ISOs and other transmission providers in considering requests to amend the liability standard of their OATTs. The Commission has provided increased liability protection to RTOs/ISOs because they were created by and are solely regulated by the Commission and otherwise would be without limitations on liability.[371] Because Washington IOUs have failed to show that other transmission providers are similarly situated to RTOs/ISOs in this regard, we affirm the decision to continue to review on a case-by-case basis a request to amend the liability standard in a transmission provider's OATT.

9. OATT Definitions

998. In order to support the reforms adopted in Order No. 890 and otherwise clarify the requirements of the *pro forma* OATT, the Commission added and amended various definitions in the *pro forma* OATT. Petitioners have sought rehearing and clarification of certain of these definitions.

a. Affiliate

999. In order to support reforms associated with the distribution of operational penalties, the Commission adopted the following definition of Affiliate in the *pro forma* OATT: ''With respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity.''

Requests for Rehearing and Clarification

1000. EEI states that the term Affiliate is used in several provisions of the *pro forma* OATT that were not modified by Order No. 890. To avoid potential confusion, EEI requests that the Commission amend the *pro forma* OATT to capitalize every use of the term.

1001. APPA requests that, consistent with Order No. 888–A, the Commission clarify that public power joint agencies and their members are not corporate affiliates and, therefore, the definition of Affiliate does not apply to public power joint action agencies for the purposes of applying the Standards of Conduct. APPA notes that the Commission in Order No. 890 concluded that the definition of Affiliate does not apply to G&T cooperatives and their member distribution cooperatives. APPA argues that public power joint action agencies and their members are similarly situated to G&T cooperatives and their members and, as a result, the rationale set out in Order No. 888–A and Order No. 890 applies equally to public power agencies joint action agencies and their members.[372] APPA suggests Commission policy that supports not treating joint action agencies and their members as consisting of ''single economic units'' also supports not treating joint action agencies and their members as Affiliates.[373]

1002. E.ON U.S. requests guidance on how functionally unbundled transmission providers should treat their generation function for purposes of the *pro forma* OATT. E.ON U.S. states that its generation and transmission functions are owned by the same corporate entity, but are unbundled from each other for purposes of the Standards of Conduct. As a result, E.ON U.S. contends that its generation and transmission functions are not Affiliates because they are part of the same corporate entity. E.ON U.S. asks the Commission to clarify whether it intends to include a transmission provider's unbundled generation function within the definition of Affiliate even if the generation function is part of the same corporate entity.

Commission Determination

1003. The Commission grants rehearing, as requested by EEI, to amend

[367] Order No. 888–A at 30,301.

[368] Order No. 888–B at 62,081.

[369] *See* Order No. 890 at P 1675 (citing Reliability Policy Statement at P 40).

[370] *See Southern Company Services, Inc.,* 113 FERC ¶ 61,239 at P 7.

[371] *See id.*

[372] *Citing* Order No. 890 at P 1682 (*citing* Order No. 888–A at 30,286 and 30,366).

[373] *Citing Southwest Power Pool,* 112 FERC ¶ 61,355 at P 23–24 (2005).

the *pro forma* OATT such that every use of the term Affiliate is capitalized. We agree with APPA that members of an umbrella joint action agency are not Affiliates of the joint action agency within the meaning of the *pro forma* OATT. We clarify in response to E.ON U.S., however, that the transmission function and generation function of a single corporation are Affiliates. Each would be an entity under common control, notwithstanding the fact that they are within the same corporation.

b. Good Utility Practice

1004. In Order No. 890, the Commission incorporated the definition of reliable operation in FPA section 215 into the definition of Good Utility Practice in the *pro forma* OATT. As amended, the definition of Good Utility Practice is: ''Any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region, including those practices required by Federal Power Act section 215(a)(4).''

Requests for Rehearing and Clarification

1005. Xcel argues that revising the definition of Good Utility Practice to include compliance with the mandatory reliability standards of FPA section 215 inappropriately subjects transmission providers to two separate enforcement schemes for alleged violations of the reliability standards. Xcel suggests that the Commission eliminate from the definition of Good Utility Practice the reference to practices under FPA section 215. Xcel argues that this would not eliminate the obligation of transmission providers or transmission owners to comply with the mandatory reliability standards and, instead, would make such compliance subject to enforcement and potential penalties under one enforcement regime, as contemplated by Congress under the FPA.

1006. If the Commission does not eliminate the reference to practices required by section 215, Xcel asks the Commission to clarify that reliability standards that have not been approved under FPA section 215 would not be enforceable as an OATT violation.[374] Xcel also argues that a violation of a mandatory reliability standard approved by the Commission should be subject to enforcement only by the ERO or applicable RE under the compliance and enforcement scheme created by NERC and the Commission under FPA section 215. Xcel contends it would subject FERC-jurisdictional transmission providers to ''double jeopardy'' to allow a claim of an alleged violation of a mandatory reliability standard to be pursued in both an OATT enforcement proceeding and a section 215 enforcement proceeding. Finally, Xcel argues that in no event should an alleged violation of a mandatory reliability standard be subject to dual financial penalties through separate enforcement actions by the Commission for an OATT violation and by the ERO or RE for a reliability violation.

Commission Determination

1007. The Commission affirms the decision in Order No. 890 to incorporate within the definition of Good Utility Practice those practices required by FPA section 215(a)(4). Even without the revisions adopted in Order No. 890, the definition of Good Utility Practice would have incorporated each reliability standard approved by the Commission, since they represent practices in which the industry is required to engage. The Commission simply made this explicit in Order No. 890.

1008. As we explained in Order No. 693, however, the Commission does not believe it would be appropriate to retain a dual mechanism to enforce reliability standards both as Good Utility Practice and under FPA section 215.[375] The *pro forma* OATT only applies to entities subject to our jurisdiction as public utilities under the FPA, while section 215 defines more broadly our jurisdiction with respect to mandatory reliability standards. We therefore do not intend to enforce, as an OATT violation, compliance with any reliability standard approved by the Commission under section 215. It is more appropriate for the Commission to rely on its authority under section 215 to enforce compliance with mandatory reliability standards.

c. Non-Firm Sales

1009. In order to clarify the obligations of network customers under section 30.4 of the *pro forma* OATT, the Commission adopted the following definition of Non-Firm Sales in the *pro forma* OATT: ''An energy sale for which receipt or delivery may be interrupted for any reason or no reason, without liability on the part of either the buyer or seller.''

Requests for Rehearing and Clarification

1010. NRECA asks the Commission to clarify that a unit-contingent contract is not a Non-Firm Sale within the meaning of the *pro forma* OATT, which NRECA argues would make it ineligible for designation as a network resource. NRECA states that unit-contingent contracts excuse non-delivery only on account of constraints on the unit providing service and not, more generally, for ''any reason'' or ''no reason.'' NRECA contends that such contracts are sufficiently firm to be considered ''LU'' and ''IU'' service in FERC Form One Account 447 and should likewise not be considered Non-Firm Sales under the *pro forma* OATT.

1011. Southern questions whether system-firm sales that permit curtailment without penalty to serve the seller's native load should be treated as Non-Firm Sales for purposes of section 30.4 of the pro forma OATT. Southern states that the Commission has considered the purchase of a system-firm energy to be eligible for designation as a network resource,[376] but contends that it is ambiguous whether the seller should consider those sales as a Non-Firm Sale. Southern argues that treating such sales as Non-Firm Sales would assure internal consistency within the *pro forma* OATT, foster liquidity in short-term wholesale opportunity markets, and promote the efficient optimization of network resources.

1012. Washington IOUs argues that a contract that allows for interruption to serve native load should be considered a Non-Firm Sale even if there is a ''make whole'' penalty for the interruption. Washington IOUs argue that a requirement that sales from a designated network resource be recallable for service of native or network load without any financial consequences would constitute an unnecessary regulatory intrusion into wholesale electricity markets, and is not necessary for reliability purposes.[377]

1013. TAPS express similar concerns, asking the Commission to clarify that the definition of Non-Firm Sales includes transactions that permit interruption for any or no reason

[374] *Citing* Order No. 693 at P 302.

[375] *See id.*

[376] *Citing WPPI.*

[377] Washington IOUs argue that, now that the Commission has enforcement authority for reliability under section 215 of the FPA, there are avenues to address reliability concerns that are more effective than the use of rules for designated network resources.

without penalty, even if the seller may entail some financial liability for interruption. TAPS states that failure to deliver energy sold in a day-ahead organized market creates an obligation to pay the real-time LMP and potentially other charges, even though the power sale is not generally considered firm. If this potential obligation is interpreted as a liability for purposes of qualifying as a Non-Firm Sale, TAPS concludes that sales into day-ahead organized markets cannot be made from a network resource without first undesignating that resource, which TAPS argues would be unduly burdensome and would discourage network customers from making sales into those markets. TAPS contends that network customers will be reluctant to undesignate their network resources for fear that they would be unable to redesignate them in a timely manner if they are needed to serve native load in real-time.

1014. With regard to the MISO market in particular, TAPS argues that refusing to treat sales into that day-ahead market as Non-Firm Sales would require network customers to undesignate resources to comply with MISO's must offer requirements. TAPS argues that it would be inappropriate to require undesignation of a network resource to sell into the RTO in which the resource is located as well as neighboring RTOs, such as from MISO into PJM. The use of centralized dispatch in these markets, TAPS argues, eliminates any effect temporary resource undesignations and redesignations may have on dispatch or ATC calculations. TAPS contends that the added burden of undesignating and redesignating network resources is therefore pointless in centrally dispatched markets.

1015. E.ON LSE expresses similar concerns, arguing that the definition of Non-Firm Sale in combination with restricted network resource designation policies will result in fewer resources being made available. With regard to the MISO market in particular, E.ON LSE states that the MISO tariff requires that certain day-ahead transactions are made on the condition that the selling generator provide service on-demand. E.ON LSE similarly request that the Commission clarify that day-ahead and real-time sales in MISO and other RTO/ISO markets need not meet the definition of Non-Firm Sales.

Commission Determination

1016. The Commission agrees with NRECA that, under normal circumstances, we would not expect a unit contingent agreement to fall within the definition of a Non-Firm Sale since typically delivery can only be interrupted for the specific reasons identified in the underlying agreement. We also agree with Southern that, under normal circumstances, a system sale that permits curtailment without penalty to serve the seller's native load would fall within the definition of a Non-Firm Sale since the seller would have the right to rely on that capacity in the event it is needed to serve native load, which is the Commission's principal concern in restricting sales from designated network resources to Non-Firm Sales. Whether any particular contract satisfies the definition of Non-Firm Sales, however, must be considered based on the terms and conditions of that contract.

1017. We disagree with TAPS and Washington IOUs that the definition of Non-Firm Sales includes transactions that permit interruption with financial liability, whether make whole or limited to certain penalties. In Order No. 890, the Commission clarified its existing policy prohibiting network customers from making third-party sales from a designated network resource if the third-party power purchase agreement does not allow the seller to interrupt power sales to the third party in order to serve the designated network load.[378] The Commission adopted the definition of Non-Firm Sales to identify more clearly those types of sales that are permitted from designated network resources, explaining that any interruption in service that would create liability on the part of the seller would create conflicting incentives regarding use of the network resource and, therefore, such sale could not be made without first undesignating the resource.[379] The Commission concluded that it would be inappropriate to adopt commenter suggestions to relax the definition of a Non-Firm Sale to include any sale that is not otherwise firm enough to be designated as a network resource.[380]

1018. We appreciate the concerns of E.ON LSE and TAPS regarding the potential effect of this decision on RTO/ISO markets. It does not follow, however, that the *pro forma* OATT must be amended to accommodate the particular market operations of each RTO and ISO. RTOs and ISOs have adopted many variations from the *pro forma* OATT to facilitate development of their markets, with some entirely eliminating the designation/undesignation requirements for network resources. As TAPS explains, centralized dispatch in these markets may very well eliminate any effect that temporary resource undesignations and redesignations have on dispatch or ATC calculations and, therefore, tailoring the rules governing the designation of network resources to each RTO/ISO market could be appropriate.

1019. We note that MISO has adopted the *pro forma* definition of Non-Firm Sales in its compliance filing in response to Order No. 890 and certain members of TAPS have argued in response that adoption of that definition is inconsistent with the operation of the MISO market.[381] The Commission will address those arguments on review of the MISO compliance filing. In the interim, we note that MISO retains significant discretion in how to implement the undesignation requirements for network resources. Pending development of OASIS functionality for electronic submission of undesignations and redesignations, each transmission provider may adopt business practices governing the undesignation and redesignation of network resources. While the Commission referenced the use of telefax or recorded telephone lines to convey this information,[382] the bid-based nature of LMP markets may justify adoption of other procedures. We decline to impose any particular requirements here regarding the designation and undesignation of network resources selling in an RTO/ISO market, as it is more appropriate to leave development of those requirements to each transmission provider, in coordination with its stakeholders as relevant.

d. Commenter Proposals

1020. The Commission declined to adopt various commenter proposals for modifications or additions to the definitions contained in the *pro forma* OATT. For example, the Commission declined to revise the definition of Long-Term Firm Point-to-Point Transmission Service to include service longer than one year, instead of one year or longer. The Commission also rejected commenter requests to adopt proposed definitions for the terms ''source,''

[378] *See* Order No. 890 at P 1539.

[379] *See id.* at P 1692. The Commission's use of the word ''penalty'' in paragraph 1539 of Order No. 890 was not intended to restrict the scope of Non-Firm Sales. As the Commission explained in that paragraph, our concern is that there not be financial incentives that compete with the network resource's obligations to serve its network load. Interruption must therefore be allowed without liability or penalty.

[380] *Id.*

[381] *See* Supplemental Comments of Indiana Municipal Power Agency, Lincoln Electric System, Madison Gas & Electric Company, and Wisconsin Public Power Inc., Docket No. OA08–14–000 (Nov. 6, 2007).

[382] *See* Order No. 890 at P 1543.

''sink,'' ''use,'' and ''transmission peak'' in the *pro forma* OATT.[383]

Requests for Rehearing and Clarification

1021. Ameren argues that the Commission failed to adequately consider its proposal to amend the definition of long-term firm service to include only contracts that are longer than a year. Ameren argues that contracts of only one year in duration should be reflected as a revenue credit and that the current definition of long-term service makes calculation very difficult in the modern RTO/Seams Elimination Cost Allocation (SECA) environment. Ameren contends that the Commission's refusal to modify the definition of long-term service is inconsistent with other decisions in Order No. 890, such as the requirement that the planning redispatch and conditional firm options for long-term firm point-to-point service apply be offered only to customers requesting service of more than a year in duration[384] and the intended planning benefits associated with granting rollover rights only to customers with contracts of five years or longer.

1022. Ameren also challenges the Commission's rejection of an alternative definition for ''transmission peak,'' arguing that the current definition and calculation methodology is unworkable because the data necessary no longer resides with the transmission owner. Ameren further states that the Commission failed to adequately explain rejection of proposed definitions of ''source'' and ''sink'' in section 22.2 of the *pro forma* OATT, and clarification whether the word ''use'' in section 30.8 of the *pro forma* OATT includes load ratio limitations, although Ameren states no arguments in support of that contention.

Commission Determination

1023. The Commission affirms the decision in Order No. 890 to maintain the current definition of Long-Term Firm Point-to-Point Service. The definition is well-established in Commission precedent and, notwithstanding Ameren's arguments to the contrary, consistent with the reforms adopted in Order No. 890.[385] Ameren has failed to justify altering the definition of Long-Term Firm Point-to-Point Service in light of the disruption such a change would cause.

1024. We also decline to amend the *pro forma* OATT to adopt Ameren's proposed definitions of ''transmission peak,'' ''source,'' ''sink,'' and ''use.'' Ameren simply repeats arguments that have previously been rejected. While peak load data ultimately resides with the RTO or ISO in those regions, each transmission owner coordinates this data with the RTO/ISO and, therefore, it is not necessary to alter the definition of transmission peak as suggested by Ameren. The Commission has adequately addressed the definitions of ''source'' and ''sink'' in Order No. 888 and OASIS related proceedings and Ameren fails to state why, in its view, additional clarification is needed. Finally, the Commission has made clear that there are no load ratio limitations on the use of interfaces under section 30.8 of the *pro forma* OATT.[386]

E. Enforcement

1025. The Commission addressed several matters regarding enforcement of the *pro forma* OATT in Order No. 890. Among other things, the Commission concluded that it would revoke an entity's market-based rate authority in response to an OATT violation only upon a finding of a specific factual nexus between the violation and the entity's market-based rate authority.[387] The Commission reasoned that the ''nexus condition'' is required in order to ensure that the Commission's actions are not arbitrary or capricious or based on an inadequate factual record. The Commission noted that in such situations it would have the burden to show a factual nexus and did not assign a burden on the violator to show a lack of nexus.

1026. The Commission disagreed that a finding of a ''serious'' or ''material'' violation of the OATT alone would be sufficient to justify revocation of an entity's market-based rate authority. The Commission concluded that the nexus condition requires a finding both that a substantial OATT violation has occurred and that the violation either related to the exercise of the violator's market-based rate authority or violated a specific condition of that authority.[388] The Commission emphasized, moreover, that it has discretion to fashion further sanctions, such as civil penalties or modification of a violator's market-based rate authority, for OATT violations that relate to the violator's market-based rate authority where a factual nexus justification was not found to justify revocation of that authority.

1027. The Commission also created a rebuttable presumption that all of the transmission provider's affiliates should lose their market-based rate authority in each market in which their affiliated transmission provider loses its market-based rate authority as a result of an OATT violation.[389] The Commission stated that it would allow an affiliate of a transmission provider to retain its market-based rate authority in a market area if the affiliate overcomes the rebuttable presumption with respect to that market area. To afford due process to a transmission provider's affiliates and to ensure that revocation of market-based rate authority in a particular market for the transmission provider and all of its affiliates is adequately based upon record evidence and not arbitrary or capricious, the Commission provided that each such affiliate will be allowed to make a showing that it should retain its market-based rate authority or that enforcement action against it should be less severe than revocation.

1028. The Commission explained that whether an affiliate has overcome the rebuttable presumption will depend on an analysis of specific facts in the record. Relevant facts would include, but are not limited to, whether: (1) The transmission provider and the affiliate were under the same control; (2) the affiliate knew of, participated in or was an accomplice to the OATT violation; (3) the affiliate assisted the transmission provider in exercising market power; or (4) the affiliate benefited from the violation.[390]

Requests for Rehearing and Clarification

1029. NRECA argues that it is unclear what would constitute a sufficient factual nexus between an OATT violation and revocation of the violator's market-based rate authority. NRECA suggests that the Commission instead adopt the standard advocated by APPA in its NOPR comments, which would require revocation of the affiliate's market-based rate authority when there is any material violation of the transmission provider's OATT that denies a customer access to just, reasonable, nondiscriminatory, and comparable transmission service. If the Commission retains the nexus

[383] Powerex's request for rehearing of the Commission's decision not to modify the definition of System Impact Study to exclude short-term service requests is discussed in section III.D.4.a.(6) above.

[384] *Citing* Order No. 890 at P 978.

[385] The Commission clarifies in section III.D.1 our intent that the conditional firm and planning redispatch options apply to all long-term firm point-to-point requests for service, *i.e.,* service of one year or longer.

[386] *See* Order No. 888 at 31,753–54; Order No. 888–A at 30,304–5; *see also Sierra Pacific Power Co.,* 81 FERC ¶ 61,136 at 61,139–40 (1997); *New England Power Pool,* 83 FERC ¶ 61,045 at 61,248 (1998).

[387] Order No. 890 at P 1743.

[388] *Id.* at P 1744.

[389] *Id.* at P 1747.

[390] *Id.* at P 1748.

requirement as formulated in Order No. 890, NRECA asks that the Commission provide an illustrative list of what types of violations could constitute a sufficient nexus between an OATT violation and an entity's market-based rate authority. NRECA urges the Commission to specifically identify failure to comply with the planning requirements of Order No. 890 as satisfying the nexus requirement.

1030. TDU Systems argue that the nexus requirement does not pay adequate attention to the basic nature and purpose of the market-based rate authorization and, in their view, the critical question is whether the OATT violation is indicative of conditions in the market which are significantly different from those upon which the market-based rate authorization was premised. TDU Systems argue that a transmission provider's violation of a material term of its OATT should serve as *prima facie* evidence that the structures presumed to cabin the exercise of monopoly power may not be adequate. Even if the transmission provider has not violated its OATT explicitly in connection with the market-based rate authorization, TDU Systems contend that the violation may nonetheless promote conditions in which the transmission provider could gain an advantage in future transactions. TDU Systems state particular concern that failure to comply with the planning obligations of Order No. 890 may not be associated with any specific exercise of market-based rate authority, yet could foster conditions inconsistent with the premises of unconstrained and competitive markets.

1031. EEI argues that, since there is no rebuttable presumption with respect to a transmission provider's OATT violation and its potential loss of market-based rate authority, there should be no rebuttable presumption regarding the market-based rate authority of the transmission provider's affiliates. EEI contends that the Commission's Code of Conduct actually supports a presumption that a transmission provider's OATT violation does *not* have any relation to the activities of the marketing affiliate since, absent evidence to the contrary, the utility and its energy affiliates should be presumed to be obeying the Commission's separation of function requirements. EEI further argues that the Commission's reference to allegations that transmission providers have engaged in transactions with affiliates does not justify adoption of a rebuttable presumption in instances in which there are no transactions with affiliates that violated the OATT. EEI therefore asks the Commission to grant rehearing and hold that the rebuttable presumption applies only if there is a specific factual nexus between the activities of the marketing affiliate and the OATT violation.

1032. Ameren similarly argues that most integrated utility companies that have market-based rate authority have separated their marketing activities into ''regulated'' traditional utility functions and ''non-regulated'' power marketing functions and have further separated their transmission and merchant energy functions. Ameren states that these utilities' codes of conduct and the Commission's Standards of Conduct severely restrict the sharing of information within an integrated utility company or the possible benefit to affiliates from an OATT violation. Ameren argues that the presumption adopted by the Commission unreasonably assumes a lack of compliance with these obligations and unfairly shifts the burden to the affiliate to show that it has not engaged in bad acts.

1033. Ameren contends that a decision by the Commission to revoke a transmission provider's market-based rate authority would indicate only that the Commission has determined that sanction to be appropriate in light of the transmission provider's actions. In Ameren's view, there is no reason or basis to similarly sanction the transmission provider's affiliate in the absence of a showing that the affiliate participated in, or benefited from, the transmission provider's improper behavior. Ameren also argues that the presumption is inconsistent with the Commission's decision in Order No. 890 to allow non-offending affiliates of the transmission provider to share in the distribution of operating penalties. Finally, Ameren argues that revoking the market-based rate authority of a utility because of the actions of an affiliated transmission provider would unfairly harm the traditional utility affiliate as well as its bundled customers since many traditional utilities engage in sales at market-based rates to reduce their overall cost of power.

1034. Southern asks that the Commission confirm and clarify that the rebuttable presumption does not shift the ultimate burden of proof to the transmission provider or its affiliates, but rather places a burden of going forward on the affiliates, with the ultimate burden remaining with the Commission or other proponents of a revocation sanction. Southern suggests that the presentation of evidence that rebuts the presumption should result in the burden of proof reverting back to the Commission or the proponent of revocation.

1035. Southern also requests clarification of the relevant facts to be considered by the Commission in determining whether a sanction less severe than revocation of market-based rate authority may be appropriate for an affiliate. Southern notes that the first relevant fact noted by the Commission in paragraph 1748 of Order No. 890 is whether the transmission provider and the affiliate were under ''the same control.'' Southern questions what the Commission meant by that language since a transmission provider is by definition under the same corporate control as an affiliate.

Commission Determination

1036. The Commission denies rehearing of the decision in Order No. 890 to require a factual nexus between a substantial OATT violation and the entity's market-based rate authority to justify revocation of that authority. As the Commission explained in Order No. 890, the ''nexus condition'' is required in order to ensure that our actions are not arbitrary or capricious or based on an inadequate factual record. We disagree with NRECA and TDU Systems that any material OATT violation should justify revocation of the entity's market-based rate authority since the violation may have no relation to the market-based rate authority. In such circumstances, the Commission will consider such other sanctions as may be appropriate. We also decline to provide an illustrative list of examples that would constitute a sufficient nexus between an entity's market-based rate authority and an OATT violation. The factual circumstances involved in a claimed violation will be unique to the company and, therefore, any such list would be incomplete. This is especially true in light of continually developing market conditions. We continue to believe that the determination of what would be a sufficient factual nexus between an OATT violation and revocation of the violator's market-based rate authority is best left to case-by-case consideration.

1037. With regard to the transmission provider's planning obligations, violations of the planning-related requirements of the *pro forma* OATT may or may not have a sufficient factual nexus with the transmission provider's market-based rate authority. A case-by-case analysis will be necessary to determine if the violation justifies revocation of the transmission provider's market-based rate authority. While we agree with TDU Systems that a transmission provider's OATT

violations that are not explicitly connected with its market-based rate authorization may nonetheless promote conditions in which the violator could gain an advantage in future transactions, we note that this is the precise result that we seek to avoid with this enforcement provision. Therefore, we will apply the mechanisms adopted in Order No. 890 to aid us in determining, on a case-by-case basis if a particular violation promotes conditions that will put that company at a future advantage vis-à-vis its market-based rate authority.

1038. We also decline to adopt TDU Systems' suggestion that we consider whether the OATT violation is indicative of conditions in the market that are significantly different from those upon which the market-based rate authorization was premised. When the revocation of market-based rate authority is being considered, we will distinguish between those violations resulting from a change in market conditions upon which the market-based rate authority was granted (and which are likely outside of the company's control) versus a clear violation related to the company's market-based rate authority. It may be most appropriate to address those violations resulting from changes in market conditions with an amendment to the affected company's OATT or market-based rate tariff.

1039. We also affirm the adoption of a rebuttable presumption that all of the transmission provider's affiliates should lose their market-based rate authority in each market in which their affiliated transmission provider loses its market-based rate authority as a result of an OATT violation.[391] While we agree that, absent evidence to the contrary, the transmission provider and its affiliates should be presumed to be obeying the Commission's separation of function requirements and Affiliate Restrictions, we disagree that this undermines the rebuttable presumption adopted in Order No. 890. If a violation has occurred that justifies revocation of the entity's market-based rate authority, the violation must have related to that market-based rate authority. Assuming that the Standards of Conduct and Affiliate Restrictions were followed, the finding of a nexus between the violation and the entity's market-based rate authority demonstrates that the Standards of Conduct or Affiliate Restrictions did not preclude the violation. An OATT violation by a transmission provider that merits revocation of the transmission provider's market-based rate authority will, at a minimum, raise the question whether the transmission provider's affiliates continue to qualify for market-based rates under the standards established by the Commission.

1040. Applying this rebuttable presumption to the transmission provider's affiliates is not, as suggested by Ameren, inconsistent with the Commission's decision in Order No. 890 to allow non-offending affiliates of the transmission provider to share in the distribution of unreserved use penalties.[392] Unreserved use penalties are a mechanism used to redress administrative violations of the OATT and can be assessed on any transmission customer. It is therefore appropriate to distribute those penalties to all non-offending customers, whether or not affiliated with the transmission provider. Unreserved use penalties do not rise to the level of the sanction of revocation of market-based rate authority, to which the presumption applies.

1041. We also disagree that there must be a showing of benefit by the affiliate in order to revoke its market-based rate authority or that potential economic harm to the transmission provider's bundled customers categorically justifies an affiliate to continue making sales at market-based rates to reduce the company's overall cost of power, even if the affiliate should otherwise lose its market-based rate authority. It is possible that a transmission provider could violate its OATT with an intent to advantage an affiliated marketer that, in turn, attempts to take advantage of the violation in the market but is unsuccessful because of market conditions. Alternatively, the affiliated marketer could be successful, gaining an unfair advantage due to the transmission provider's OATT violation, but thereby earning revenue that ultimately serves to lower the cost of supplies for the company's bundled customers. In either of these circumstances, it could be appropriate to revoke or modify the market-based rate authority of the affiliate. Therefore, the facts of each violation must be considered in order to determine if revocation of market-based rate authority is an appropriate sanction.

1042. With regard to Southern's request for clarification concerning the burden of proof to show that an affiliate should lose its market-based rate authority, we confirm that the ultimate burden remains with the Commission. The presumption does not constitute a definitive finding that the affiliate's market-based rate authority should be revoked and, thus, the affiliate has an opportunity to demonstrate that revocation would not be appropriate under the facts and circumstances at issue.[393] The rebuttable presumption thus satisfies the Commission's burden of going forward and shifts to the affiliate the burden of presenting evidence rebutting the presumption. The ultimate burden of proof remains with the Commission throughout these proceedings, and it must base any finding on a review of the factual record.[394]

1043. We clarify in response to Southern that the reference to whether ''the transmission provider and the affiliate were under the same control'' in paragraph 1748 of Order No. 890 is intended to reflect that the Commission will consider whether the affiliation between the transmission provider and the affiliate is sufficient to give either or a common parent control over both entities.

IV. Information Collection Statement

1044. The Office of Management and Budget (OMB) regulations require that OMB approve certain information collection requirements imposed by an agency.[395] The revisions to the information collection requirements for transmission providers adopted in Order No. 890 were approved under OMB Control Nos. 1902–0233. This order further revises these requirements in order to more clearly state the obligations imposed in Order No. 890, but does not substantively alter those requirements. OMB approval of this order is therefore unnecessary. However, the Commission will send a copy of this order to OMB for informational purposes only.

V. Document Availability

1045. In addition to publishing the full text of this document in the **Federal Register**, the Commission provides all interested persons an opportunity to view and/or print the contents of this document via the Internet through FERC's Home Page (*http://www.ferc.gov*) and in FERC's Public Reference Room during normal business hours (8:30 a.m. to 5 p.m. Eastern time) at 888 First

[391] *Accord* Order No. 697 at P 424–427.

[392] Although Ameren refers more generally to operational penalties, only unreserved use penalties may be distributed to affiliated customers. Late study penalties are to be distributed only to non-affiliated transmission customers. *See* Order No. 890 at P 1351.

[393] The use of shifting burdens of proof is consistent with Commission practice in other areas. *See, e.g., AEP Power Mktg, Inc.,* 108 FERC ¶ 61,026 (2004); *Southern Companies Energy Mktg, Inc.,* 111 FERC ¶ 61,144 (2005).

[394] *See* Order No. 890 at P 1743–48.

[395] 5 CFR 1320.

Street, NE., Room 2A, Washington DC 20426.

1046. From FERC's Home Page on the Internet, this information is available on eLibrary. The full text of this document is available on eLibrary in PDF and Microsoft Word format for viewing, printing, and/or downloading. To access this document in eLibrary, type the docket number excluding the last three digits of this document in the docket number field.

1047. User assistance is available for eLibrary and the FERC's Web site during normal business hours from FERC Online Support at 202–502–6652 (toll free at 1–866–208–3676) or e-mail at *ferconlinesupport@ferc.gov*, or the Public Reference Room at (202) 502–8371, TTY (202) 502–8659. E-mail the Public Reference Room at *public.referenceroom@ferc.gov*.

VI. Effective Date and Congressional Notification

1048. Changes to Order No. 890 adopted in this order on rehearing will become effective March 17, 2008.

List of Subjects in 18 CFR Part 37

Conflict on interests, Electric power rates, Electric power plants, Reporting and recordkeeping requirements.

By the Commission.

Nathaniel J. Davis, Sr.,

Deputy Secretary.

■ In consideration of the foregoing, the Commission amends part 37, Chapter I, Title 18 of the *Code of Federal Regulations*, as follows:

PART 37—OPEN ACCESS SAME-TIME INFORMATION SYSTEMS

■ 1. The authority citation for part 37 continues to read as follows:

Authority: 16 U.S.C. 791–825r, 2601–2645; 31 U.S.C. 9701; 42 U.S.C. 7101–7352.

■ 2. Amend § 37.6 as follows:

■ a. Paragraph (b)(3)(iv) is revised.

■ b. Paragraph (h)(1) introductory text is revised.

■ c. Paragraph (h)(3) introductory text is revised.

■ d. Paragraph (i) is revised.

§ 37.6 Information to be posted on the OASIS.

* * * * *

(b) * * *

(3) * * *

(iv) *Daily load.* The Transmission Provider must post on a daily basis, its load forecast, including underlying assumptions, and actual daily peak load for the prior day.

* * * * *

(h) *Posting information summarizing the time to complete transmission service request studies.* (1) For each calendar quarter, the Responsible Party must post the set of measures detailed in paragraph (h)(1)(i) through paragraph (h)(1)(vi) of this section related to the Responsible Party's processing of transmission service request system impact studies and facilities studies. The Responsible Party must calculate and post the measures in paragraph (h)(1)(i) through paragraph (h)(1)(vi) of this section for requests for short-term firm point-to-point transmission service, requests for long-term firm point-to-point transmission service, and requests to designate a new network resource or network load. When calculating the measures in paragraph (h)(1)(i) through paragraph (h)(1)(iv) of this section, the Responsible Party may aggregate requests for short-term firm point-to-point service and requests for long-term firm point-to-point service, but must calculate and post measures separately for transmission service requests from Affiliates and transmission service requests from Transmission Customers who are not Affiliates. The Responsible Party is required to include in the calculations of the measures in paragraph (h)(1)(i) through paragraph (h)(1)(vi) of this section all studies the Responsible Party conducts of transmission service requests on another Transmission Provider's OASIS.

* * * * *

(3) The Responsible Party will be required to post on OASIS the measures in paragraph (h)(3)(i) through paragraph (h)(3)(iv) of this section in the event the Responsible Party, for two consecutive calendar quarters, completes more than twenty (20) percent of the studies associated with requests for transmission service from entities that are not Affiliates of the Responsible Party more than sixty (60) days after the Responsible Party delivers the appropriate study agreement. The Responsible Party will have to post the measures in paragraph (h)(3)(i) through paragraph (h)(3)(iv) of this section until it processes at least ninety (90) percent of all studies within 60 days after it has received the appropriate executed study agreement. For the purposes of calculating the percent of studies completed more than sixty (60) days after the Responsible Party delivers the appropriate study agreement, the Responsible Party should aggregate all system impact studies and facilities studies that it completes during the reporting quarter.

* * * * *

(i) *Posting data related to grants and denials of service.* The Responsible Party is required to post data each month listing, by path or flowgate, the number of transmission service requests that have been accepted and the number of transmission service requests that have been denied during the prior month. This posting must distinguish between the length of the service request (*e.g.*, short-term or long-term requests) and between the type of service requested (*e.g.*, firm point-to-point, non-firm point-to-point or network service). The posted data must show:

(1) The number of non-Affiliate requests for transmission service that have been rejected,

(2) The total number of non-Affiliate requests for transmission service that have been made,

(3) The number of Affiliate requests for transmission service, including requests by the transmission provider's merchant function to designate a network resource or to procure secondary network service, that have been rejected, and

(4) The total number of Affiliate requests for transmission service, including requests by the transmission provider's merchant function to designate, or terminate the designation of, a network resource or to procure secondary network service, that have been made.

* * * * *

Note: The following appendix will not appear in the Code of Federal Regulations.

APPENDIX A TO THE PREAMBLE: PETITIONER ACRONYMS

Abbreviation	Petitioner names
Alcoa	Alcoa Inc. and Alcoa Power Generating Inc.
Ameren	Ameren Services Company.
AMP-Ohio	American Municipal Power-Ohio, Inc.
APPA	American Public Power Association.
AWEA	American Wind Energy Association.

APPENDIX A TO THE PREAMBLE: PETITIONER ACRONYMS—Continued

Abbreviation	Petitioner names
Areva	Areva T&D.
APS	Arizona Public Service Company.
ATCLLC	American Transmission Company LLC.
Barclays	Barclays Bank PLC, Credit Suisse Energy LLC, J. Aron & Co., and Morgan Stanley Capital Group Inc.
Bonneville	Bonneville Power Administration.
Constellation	Constellation Energy Group, Inc.
Duke	Duke Energy Corp.
Dynegy	Dynegy Power Marketing, Inc., Entegra Power Group LLC, LS Power Associates.
E.ON LSE	E.ON Load Serving Entity.
E.ON U.S.	E.ON U.S. LLC.
East Texas Cooperatives	East Texas Electric Cooperative, Inc.; Northeast Texas Electric Cooperative, Inc.; Sam Rayburn Generation and Electric Cooperative, Inc. and Tex-La Electric Cooperative of Texas, Inc.
EEI	Edison Electric Institute.
EPSA	Electric Power Supply Association.
Entergy	Entergy Services, Inc.
Financial Service Joint Requestors	Barclays Bank PLC, Credit Suisse Energy LLC, J. Aron & Company, and Morgan Stanley Capital Group Inc.
FMPA	Florida Municipal Power Agency and Midwest Municipal Transmission Group.
Florida Power	Florida Power & Light Co.
Great Northern	Great Northern Power Development, L.P.
Idaho Power	Idaho Power Co.
Indicated Commenters	Dynegy Power Marketing, Inc., Entegra Power Group LLC, and LS Power Associates, L.P.
ISO/RTO Council	ISO/RTO Council.
Mark Lively	Mark B. Lively.
MidAmerican	MidAmerican Energy Company and PacifiCorp.
MISO	Midwest Independent Transmission System Operator, Inc.
Morgan Stanley	Morgan Stanley Capital Group Inc.
National Grid	National Grid USA.
NRECA	National Rural Electric Cooperative Association.
NYISO	New York Independent System Operator.
New York Transmission Owners	Central Hudson Gas & Elec. Corp., Consolidated Edison Co. of New York, Inc., LIPA, New York Power Authority, New York State Electric & Gas Corp., Orange and Rockland Utilities, Inc., and Rochester Gas and Electric Corp.
NCEMC	North Carolina Electric Membership Corporation.
NCPA	Northern California Power Agency.
NorthWestern	NorthWestern Corporation.
Old Dominion	Old Dominion Electric Cooperative.
Pacific Northwest Parties	Avista Corp., Bonneville Power Administration, PacifiCorp, PNGC Power, Portland General Electric Company, and Puget Sound Energy, Inc.
PJM	PJM Interconnection, LLC.
Powerex	Powerex Corp.
Progress Energy	Progress Energy, Inc. (Carolina Power & Light Co. d/b/a Progress Energy Carolinas, Inc. and Florida Power Corp., d/b/a Progress Energy Florida, Inc.).
PNM	Public Service Company of New Mexico.
PSEG	Public Service Electric and Gas Company; PSEG Power LLC; and PSEC Energy Resources & Trade LLC (PSEG Companies).
REPIO	Renewable Energy and Public Interest Organizations (The Project for Sustainable FERC Energy Policy, Environmental Law & Policy Center, Illinois Citizens Utility Board, Natural Resources Defense Council, Northwest Energy Coalition, Pace Energy Project, Renewable Northwest Project, West Wind Wires, and Wind on Wires.
Sempra Global	Sempra Global.
South Carolina E&G	South Carolina Electric & Gas Company.
South Carolina Regulatory Staff	South Carolina Office of Regulatory Staff.
Southern	Southern Company Services, Inc.
Steel Manufacturers Association	Steel Manufacturers Association.
Tenaska	Tenaska Power Services, Co.
TranServ	TranServ International, Inc.
TAPS	Transmission Access Policy Study Group.
TDU Systems	Transmission Dependent Utilities Systems.
Unitil	Unitil Power Corp., Unitil Energy Systems, Inc. and Fitchburg Gas and Elec. Light Co.
Washington IOUs	Avista Corp. and Puget Sound Energy, Inc.
Williams	Williams Power Company, Inc.
Wisconsin Electric	Wisconsin Electric Power Company.
WSPP	Western Systems Power Pool, Inc.
Xcel	Xcel Energy Services, Inc.

Note: The following appendix will not appear in the Code of Federal Regulations.

APPENDIX B TO THE PREAMBLE: POST-TECHNICAL CONFERENCE COMMENTER ACRONYMS

Abbreviation	Commenter names
Alabama Municipal	Alabama Municipal Electric Authority.
APS and EEI	Arizona Public Service Company and Edison Electric Institute.
Barrick Goldstrike Mines	Barrick Goldstrike Mines Inc. and Barrick Turquoise Ridge Inc.
Bonneville	Bonneville Power Administration.
Duke Energy Carolinas	Duke Energy Carolinas, LLC.
Duke and EEI	Duke Energy Corp. and Edison Electric Institute.
EPSA	Electric Power Supply Association.
Great Lakes	Great Lakes Utilities.
Hoosier	Hoosier Energy Rural Electric Cooperative, Inc.
Kansas Power Pool	Kansas Power Pool.
MISO	Midwest Independent Transmission System Operator, Inc.
Morgan Stanley	Morgan Stanley Capital Group Inc.
Pacific Northwest IOUs	Avista Corp., Portland General Electric Company, and Puget Sound Energy, Inc.
Powerex	Powerex Corp.
PNGC Power	Pacific Northwest Generating Cooperative, Inc.
PPC	Public Power Council.
PPL Parties	PPL EnergyPlus, LLC, Lower Mount Bethel Energy, LLC, PPL Brunner Island, LLC, PPL Edgewood Energy, LLC, PPL Great Works, LLC, PPL Holtwood, LLC, PPL Maine, LLC, PPL Martins Creek, LLC, PPL Montana, LLC, PPL Montour, LLC, PPL Shoreham Energy, LLC, PPL Susquehanna, LLC, PPL University Park, LLC, and PPL Wallingford Energy LLC.
Reliant	Reliant Energy, Inc.
SCE and SDG&E	Southern California Edison Co. and San Diego Gas & Electric Co.
South Carolina E&G	South Carolina Electric & Gas Company.
Southern	Southern Company Services, Inc.
Southwestern Utilities	Arizona Public Service Company, El Paso Electric Company, Nevada Power Company and Sierra-Pacific Power Company, Public Service Company of New Mexico, Salt River Project, Tucson Electric Power Company, and UNS Electric Inc.
TAPS and APPA	Transmission Access Policy Study Group and the American Public Power Association.
TDU Systems	Transmission Dependent Utilities Systems.
WSPP	Western Systems Power Pool, Inc.

Note: The following appendix will not appear in the Code of Federal Regulations.

Appendix C to the Preamble: RM05–17–001, –002 & RM05–25–001, –002 (Issued)

Pro Forma Open Access Transmission Tariff

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I. Common Service Provisions

1 Definitions

1.1 Affiliate

With respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity.

1.2 Ancillary Services

Those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Transmission Provider's Transmission System in accordance with Good Utility Practice.

1.3 Annual Transmission Costs

The total annual cost of the Transmission System for purposes of Network Integration Transmission Service shall be the amount specified in Attachment H until amended by the Transmission Provider or modified by the Commission.

1.4 Application

A request by an Eligible Customer for transmission service pursuant to the provisions of the Tariff.

1.5 Commission

The Federal Energy Regulatory Commission.

1.6 Completed Application

An Application that satisfies all of the information and other requirements of the Tariff, including any required deposit.

1.7 Control Area

An electric power system or combination of electric power systems to which a common automatic generation control scheme is applied in order to:

1. Match, at all times, the power output of the generators within the electric power system(s) and capacity and energy purchased from entities outside the electric power system(s), with the load within the electric power system(s);
2. Maintain scheduled interchange with other Control Areas, within the limits of Good Utility Practice;
3. Maintain the frequency of the electric power system(s) within reasonable limits in accordance with Good Utility Practice; and
4. Provide sufficient generating capacity to maintain operating reserves in accordance with Good Utility Practice.

1.8 Curtailment

A reduction in firm or non-firm transmission service in response to a transfer capability shortage as a result of system reliability conditions.

1.9 Delivering Party

The entity supplying capacity and energy to be transmitted at Point(s) of Receipt.

1.10 Designated Agent

Any entity that performs actions or functions on behalf of the Transmission Provider, an Eligible Customer, or the Transmission Customer required under the Tariff.

1.11 Direct Assignment Facilities

Facilities or portions of facilities that are constructed by the Transmission Provider for the sole use/benefit of a particular Transmission Customer requesting service under the Tariff. Direct Assignment Facilities shall be specified in the Service Agreement that governs service to the Transmission Customer and shall be subject to Commission approval.

1.12 Eligible Customer

i. Any electric utility (including the Transmission Provider and any power marketer), Federal power marketing agency, or any person generating electric energy for sale for resale is an Eligible Customer under the Tariff. Electric energy sold or produced by such entity may be electric energy produced in the United States, Canada or Mexico. However, with respect to transmission service that the Commission is prohibited from ordering by Section 212(h) of the Federal Power Act, such entity is eligible only if the service is provided pursuant to a state requirement that the Transmission Provider offer the unbundled transmission service, or pursuant to a voluntary offer of such service by the Transmission Provider.

ii. Any retail customer taking unbundled transmission service pursuant to a state requirement that the Transmission Provider offer the transmission service, or pursuant to a voluntary offer of such service by the Transmission Provider, is an Eligible Customer under the Tariff.

1.13 Facilities Study

An engineering study conducted by the Transmission Provider to determine the required modifications to the Transmission Provider's Transmission System, including the cost and scheduled completion date for such modifications, that will be required to provide the requested transmission service.

1.14 Firm Point-To-Point Transmission Service

Transmission Service under this Tariff that is reserved and/or scheduled between specified Points of Receipt and Delivery pursuant to Part II of this Tariff.

1.15 Good Utility Practice

Any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region, including those

practices required by Federal Power Act section 215(a)(4).

1.16 Interruption

A reduction in non-firm transmission service due to economic reasons pursuant to Section 14.7.

1.17 Load Ratio Share

Ratio of a Transmission Customer's Network Load to the Transmission Provider's total load computed in accordance with Sections 34.2 and 34.3 of the Network Integration Transmission Service under Part III of the Tariff and calculated on a rolling twelve month basis.

1.18 Load Shedding

The systematic reduction of system demand by temporarily decreasing load in response to transmission system or area capacity shortages, system instability, or voltage control considerations under Part III of the Tariff.

1.19 Long-Term Firm Point-To-Point Transmission Service

Firm Point-To-Point Transmission Service under Part II of the Tariff with a term of one year or more.

1.20 Native Load Customers

The wholesale and retail power customers of the Transmission Provider on whose behalf the Transmission Provider, by statute, franchise, regulatory requirement, or contract, has undertaken an obligation to construct and operate the Transmission Provider's system to meet the reliable electric needs of such customers.

1.21 Network Customer

An entity receiving transmission service pursuant to the terms of the Transmission Provider's Network Integration Transmission Service under Part III of the Tariff.

1.22 Network Integration Transmission Service

The transmission service provided under Part III of the Tariff.

1.23 Network Load

The load that a Network Customer designates for Network Integration Transmission Service under Part III of the Tariff. The Network Customer's Network Load shall include all load served by the output of any Network Resources designated by the Network Customer. A Network Customer may elect to designate less than its total load as Network Load but may not designate only part of the load at a discrete Point of Delivery. Where an Eligible Customer has elected not to designate a particular load at discrete points of delivery as Network Load, the Eligible Customer is responsible for making separate arrangements under Part II of the Tariff for any Point-To-Point Transmission Service that may be necessary for such non-designated load.

1.24 Network Operating Agreement

An executed agreement that contains the terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Network Integration Transmission Service under Part III of the Tariff.

1.25 Network Operating Committee

A group made up of representatives from the Network Customer(s) and the Transmission Provider established to coordinate operating criteria and other technical considerations required for implementation of Network Integration Transmission Service under Part III of this Tariff.

1.26 Network Resource

Any designated generating resource owned, purchased or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a Commission-approved reserve sharing program.

1.27 Network Upgrades

Modifications or additions to transmission-related facilities that are integrated with and support the Transmission Provider's overall Transmission System for the general benefit of all users of such Transmission System.

1.28 Non-Firm Point-To-Point Transmission Service

Point-To-Point Transmission Service under the Tariff that is reserved and scheduled on an as-available basis and is subject to Curtailment or Interruption as set forth in Section 14.7 under Part II of this Tariff. Non-Firm Point-To-Point Transmission Service is available on a stand-alone basis for periods ranging from one hour to one month.

1.29 Non-Firm Sale

An energy sale for which receipt or delivery may be interrupted for any reason or no reason, without liability on the part of either the buyer or seller.

1.30 Open Access Same-Time Information System (OASIS)

The information system and standards of conduct contained in Part 37 of the Commission's regulations and all additional requirements implemented by subsequent Commission orders dealing with OASIS.

1.31 Part I

Tariff Definitions and Common Service Provisions contained in Sections 2 through 12.

1.32 Part II

Tariff Sections 13 through 27 pertaining to Point-To-Point Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.

1.33 Part III

Tariff Sections 28 through 35 pertaining to Network Integration Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.

1.34 Parties

The Transmission Provider and the Transmission Customer receiving service under the Tariff.

1.35 Point(s) of Delivery

Point(s) on the Transmission Provider's Transmission System where capacity and energy transmitted by the Transmission Provider will be made available to the Receiving Party under Part II of the Tariff. The Point(s) of Delivery shall be specified in the Service Agreement for Long-Term Firm Point-To-Point Transmission Service.

1.36 Point(s) of Receipt

Point(s) of interconnection on the Transmission Provider's Transmission System where capacity and energy will be made available to the Transmission Provider by the Delivering Party under Part II of the Tariff. The Point(s) of Receipt shall be specified in the Service Agreement for Long-Term Firm Point-To-Point Transmission Service.

1.37 Point-To-Point Transmission Service

The reservation and transmission of capacity and energy on either a firm or non-firm basis from the Point(s) of Receipt to the Point(s) of Delivery under Part II of the Tariff.

1.38 Power Purchaser

The entity that is purchasing the capacity and energy to be transmitted under the Tariff.

1.39 Pre-Confirmed Application

An Application that commits the Eligible Customer to execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service.

1.40 Receiving Party

The entity receiving the capacity and energy transmitted by the Transmission Provider to Point(s) of Delivery.

1.41 Regional Transmission Group (RTG)

A voluntary organization of transmission owners, transmission users and other entities approved by the Commission to efficiently coordinate transmission planning (and expansion), operation and use on a regional (and interregional) basis.

1.42 Reserved Capacity

The maximum amount of capacity and energy that the Transmission Provider agrees to transmit for the Transmission Customer over the Transmission Provider's Transmission System between the Point(s) of Receipt and the Point(s) of Delivery under Part II of the Tariff. Reserved Capacity shall be expressed in terms of whole megawatts on a sixty (60) minute interval (commencing on the clock hour) basis.

1.43 Service Agreement

The initial agreement and any amendments or supplements thereto entered into by the Transmission Customer and the Transmission Provider for service under the Tariff.

1.44 Service Commencement Date

The date the Transmission Provider begins to provide service pursuant to the terms of an executed Service Agreement, or the date the Transmission Provider begins to provide service in accordance with Section 15.3 or Section 29.1 under the Tariff.

1.45 Short-Term Firm Point-To-Point Transmission Service

Firm Point-To-Point Transmission Service under Part II of the Tariff with a term of less than one year.

1.46 System Condition

A specified condition on the Transmission Provider's system or on a neighboring system, such as a constrained transmission element or flowgate, that may trigger Curtailment of Long-Term Firm Point-to-Point Transmission Service using the curtailment priority pursuant to Section 13.6. Such conditions must be identified in the Transmission Customer's Service Agreement.

1.47 System Impact Study

An assessment by the Transmission Provider of (i) the adequacy of the Transmission System to accommodate a request for either Firm Point-To-Point Transmission Service or Network Integration Transmission Service and (ii) whether any additional costs may be incurred in order to provide transmission service.

1.48 Third-Party Sale

Any sale for resale in interstate commerce to a Power Purchaser that is not designated as part of Network Load under the Network Integration Transmission Service.

1.49 Transmission Customer

Any Eligible Customer (or its Designated Agent) that (i) executes a Service Agreement, or (ii) requests in writing that the Transmission Provider file with the Commission, a proposed unexecuted Service Agreement to receive transmission service under Part II of the Tariff. This term is used in the Part I Common Service Provisions to include customers receiving transmission service under Part II and Part III of this Tariff.

1.50 Transmission Provider

The public utility (or its Designated Agent) that owns, controls, or operates facilities used for the transmission of electric energy in interstate commerce and provides transmission service under the Tariff.

1.51 Transmission Provider's Monthly Transmission System Peak

The maximum firm usage of the Transmission Provider's Transmission System in a calendar month.

1.52 Transmission Service

Point-To-Point Transmission Service provided under Part II of the Tariff on a firm and non-firm basis.

1.53 Transmission System

The facilities owned, controlled or operated by the Transmission Provider that are used to provide transmission service under Part II and Part III of the Tariff.

2 Initial Allocation and Renewal Procedures

2.1 Initial Allocation of Available Transfer Capability

For purposes of determining whether existing capability on the Transmission Provider's Transmission System is adequate to accommodate a request for firm service under this Tariff, all Completed Applications for new firm transmission service received during the initial sixty (60) day period commencing with the effective date of the Tariff will be deemed to have been filed simultaneously. A lottery system conducted by an independent party shall be used to assign priorities for Completed Applications filed simultaneously. All Completed Applications for firm transmission service received after the initial sixty (60) day period shall be assigned a priority pursuant to Section 13.2.

2.2 Reservation Priority for Existing Firm Service Customers

Existing firm service customers (wholesale requirements and transmission-only, with a contract term of five years or more), have the right to continue to take transmission service from the Transmission Provider when the contract expires, rolls over or is renewed. This transmission reservation priority is independent of whether the existing customer continues to purchase capacity and energy from the Transmission Provider or elects to purchase capacity and energy from another supplier. If at the end of the contract term, the Transmission Provider's Transmission System cannot accommodate all of the requests for transmission service, the existing firm service customer must agree to accept a contract term at least equal to the longest competing request by any new Eligible Customer and to pay the current just and reasonable rate, as approved by the Commission, for such service; provided that, the firm service customer shall have a right of first refusal at the end of such service only if the new contract is for five years or more. The existing firm service customer must provide notice to the Transmission Provider whether it will exercise its right of first refusal no less than one year prior to the expiration date of its transmission service agreement. This transmission reservation priority for existing firm service customers is an ongoing right that may be exercised at the end of all firm contract terms of five years or longer. Service agreements subject to a right of first refusal entered into prior to [the date of the Transmission Provider's filing adopting

the reformed rollover language herein in compliance with Order No. 890] or associated with a transmission service request received prior to July 13, 2007, unless terminated, will become subject to the five year/one year requirement on the first rollover date after [the date of the Transmission Provider's filing adopting the reformed rollover language herein in compliance with Order No. 890]; provided that, the one-year notice requirement shall apply to such service agreements with five years or more left in their terms as of the [date of the Transmission Provider's filing adopting the reformed rollover language herein in compliance with Order No. 890].

3 Ancillary Services

Ancillary Services are needed with transmission service to maintain reliability within and among the Control Areas affected by the transmission service. The Transmission Provider is required to provide (or offer to arrange with the local Control Area operator as discussed below), and the Transmission Customer is required to purchase, the following Ancillary Services (i) Scheduling, System Control and Dispatch, and (ii) Reactive Supply and Voltage Control from Generation or Other Sources.

The Transmission Provider is required to offer to provide (or offer to arrange with the local Control Area operator as discussed below) the following Ancillary Services only to the Transmission Customer serving load within the Transmission Provider's Control Area (i) Regulation and Frequency Response, (ii) Energy Imbalance, (iii) Operating Reserve—Spinning, and (iv) Operating Reserve—Supplemental. The Transmission Customer serving load within the Transmission Provider's Control Area is required to acquire these Ancillary Services, whether from the Transmission Provider, from a third party, or by self-supply.

The Transmission Provider is required to provide (or offer to arrange with the local Control Area Operator as discussed below), to the extent it is physically feasible to do so from its resources or from resources available to it, Generator Imbalance Service when Transmission Service is used to deliver energy from a generator located within its Control Area. The Transmission Customer using Transmission Service to deliver energy from a generator located within the Transmission Provider's Control Area is required to acquire Generator Imbalance Service, whether from the Transmission Provider, from a third party, or by self-supply.

The Transmission Customer may not decline the Transmission Provider's offer of Ancillary Services unless it demonstrates that it has acquired the Ancillary Services from another source. The Transmission Customer must list in its Application which Ancillary Services it will purchase from the Transmission Provider. A Transmission Customer that exceeds its firm reserved capacity at any Point of Receipt or Point of Delivery or an Eligible Customer that uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved is required to pay for all of the Ancillary Services identified in this section that were provided by the Transmission Provider associated with the unreserved service. The Transmission Customer or Eligible Customer will pay for Ancillary Services based on the amount of transmission service it used but did not reserve.

If the Transmission Provider is a public utility providing transmission service but is not a Control Area operator, it may be unable to provide some or all of the Ancillary Services. In this case, the Transmission Provider can fulfill its obligation to provide Ancillary Services by acting as the Transmission Customer's agent to secure these Ancillary Services from the Control Area operator. The Transmission Customer may elect to (i) have the Transmission Provider act as its agent, (ii) secure the Ancillary Services directly from the Control Area operator, or (iii) secure the Ancillary Services (discussed in Schedules 3, 4, 5, 6 and 9) from a third party or by self-supply when technically feasible.

The Transmission Provider shall specify the rate treatment and all related terms and conditions in the event of an unauthorized use of Ancillary Services by the Transmission Customer.

The specific Ancillary Services, prices and/or compensation methods are described on the Schedules that are attached to and made a part of the Tariff. Three principal requirements apply to discounts for Ancillary Services provided by the Transmission Provider in conjunction with its provision of transmission service as follows: (1) Any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. A discount agreed upon for an Ancillary Service must be offered for the same period to all Eligible Customers on the Transmission Provider's system. Sections 3.1 through 3.7 below list the seven Ancillary Services.

3.1 Scheduling, System Control and Dispatch Service

The rates and/or methodology are described in Schedule 1.

3.2 Reactive Supply and Voltage Control From Generation or Other Sources Service

The rates and/or methodology are described in Schedule 2.

3.3 Regulation and Frequency Response Service

Where applicable the rates and/or methodology are described in Schedule 3.

3.4 Energy Imbalance Service

Where applicable the rates and/or methodology are described in Schedule 4.

3.5 Operating Reserve—Spinning Reserve Service

Where applicable the rates and/or methodology are described in Schedule 5.

3.6 Operating Reserve—Supplemental Reserve Service

Where applicable the rates and/or methodology are described in Schedule 6.

3.7 Generator Imbalance Service

Where applicable the rates and/or methodology are described in Schedule 9.

4 Open Access Same-Time Information System (OASIS)

Terms and conditions regarding Open Access Same-Time Information System and standards of conduct are set forth in 18 CFR § 37 of the Commission's regulations (Open Access Same-Time Information System and Standards of Conduct for Public Utilities) and 18 C.F.R. § 38 of the Commission's regulations (Business Practice Standards and Communication Protocols for Public Utilities). In the event available transfer capability as posted on the OASIS is insufficient to accommodate a request for firm transmission service, additional studies may be required as provided by this Tariff pursuant to Sections 19 and 32.

The Transmission Provider shall post on OASIS and its public Web site an electronic link to all rules, standards and practices that (i) relate to the terms

and conditions of transmission service, (ii) are not subject to a North American Energy Standards Board (NAESB) copyright restriction, and (iii) are not otherwise included in this Tariff. The Transmission Provider shall post on OASIS and on its public Web site an electronic link to the NAESB Web site where any rules, standards and practices that are protected by copyright may be obtained. The Transmission Provider shall also post on OASIS and its public Web site an electronic link to a statement of the process by which the Transmission Provider shall add, delete or otherwise modify the rules, standards and practices that are not included in this tariff. Such process shall set forth the means by which the Transmission Provider shall provide reasonable advance notice to Transmission Customers and Eligible Customers of any such additions, deletions or modifications, the associated effective date, and any additional implementation procedures that the Transmission Provider deems appropriate.

5 Local Furnishing Bonds

5.1 Transmission Providers That Own Facilities Financed by Local Furnishing Bonds

This provision is applicable only to Transmission Providers that have financed facilities for the local furnishing of electric energy with tax-exempt bonds, as described in Section 142(f) of the Internal Revenue Code (''local furnishing bonds''). Notwithstanding any other provision of this Tariff, the Transmission Provider shall not be required to provide transmission service to any Eligible Customer pursuant to this Tariff if the provision of such transmission service would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance the Transmission Provider's facilities that would be used in providing such transmission service.

5.2 Alternative Procedures for Requesting Transmission Service

(i) If the Transmission Provider determines that the provision of transmission service requested by an Eligible Customer would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance its facilities that would be used in providing such transmission service, it shall advise the Eligible Customer within thirty (30) days of receipt of the Completed Application.

(ii) If the Eligible Customer thereafter renews its request for the same transmission service referred to in (i) by tendering an application under Section 211 of the Federal Power Act, the Transmission Provider, within ten (10) days of receiving a copy of the Section 211 application, will waive its rights to a request for service under Section 213(a) of the Federal Power Act and to the issuance of a proposed order under Section 212(c) of the Federal Power Act. The Commission, upon receipt of the Transmission Provider's waiver of its rights to a request for service under Section 213(a) of the Federal Power Act and to the issuance of a proposed order under Section 212(c) of the Federal Power Act, shall issue an order under Section 211 of the Federal Power Act. Upon issuance of the order under Section 211 of the Federal Power Act, the Transmission Provider shall be required to provide the requested transmission service in accordance with the terms and conditions of this Tariff.

6 Reciprocity

A Transmission Customer receiving transmission service under this Tariff agrees to provide comparable transmission service that it is capable of providing to the Transmission Provider on similar terms and conditions over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer and over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer's corporate Affiliates. A Transmission Customer that is a member of, or takes transmission service from, a power pool, Regional Transmission Group, Regional Transmission Organization (RTO), Independent System Operator (ISO) or other transmission organization approved by the Commission for the operation of transmission facilities also agrees to provide comparable transmission service to the transmission-owning members of such power pool and Regional Transmission Group, RTO, ISO or other transmission organization on similar terms and conditions over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer and over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer's corporate Affiliates.

This reciprocity requirement applies not only to the Transmission Customer that obtains transmission service under the Tariff, but also to all parties to a transaction that involves the use of transmission service under the Tariff, including the power seller, buyer and any intermediary, such as a power marketer. This reciprocity requirement also applies to any Eligible Customer that owns, controls or operates transmission facilities that uses an intermediary, such as a power marketer, to request transmission service under the Tariff. If the Transmission Customer does not own, control or operate transmission facilities, it must include in its Application a sworn statement of one of its duly authorized officers or other representatives that the purpose of its Application is not to assist an Eligible Customer to avoid the requirements of this provision.

7 Billing and Payment

7.1 Billing Procedure

Within a reasonable time after the first day of each month, the Transmission Provider shall submit an invoice to the Transmission Customer for the charges for all services furnished under the Tariff during the preceding month. The invoice shall be paid by the Transmission Customer within twenty (20) days of receipt. All payments shall be made in immediately available funds payable to the Transmission Provider, or by wire transfer to a bank named by the Transmission Provider.

7.2 Interest on Unpaid Balances

Interest on any unpaid amounts (including amounts placed in escrow) shall be calculated in accordance with the methodology specified for interest on refunds in the Commission's regulations at 18 CFR 35.19a(a)(2)(iii). Interest on delinquent amounts shall be calculated from the due date of the bill to the date of payment. When payments are made by mail, bills shall be considered as having been paid on the date of receipt by the Transmission Provider.

7.3 Customer Default

In the event the Transmission Customer fails, for any reason other than a billing dispute as described below, to make payment to the Transmission Provider on or before the due date as described above, and such failure of payment is not corrected within thirty (30) calendar days after the Transmission Provider notifies the Transmission Customer to cure such failure, a default by the Transmission Customer shall be deemed to exist. Upon the occurrence of a default, the Transmission Provider may initiate a proceeding with the Commission to terminate service but shall not terminate service until the Commission so approves any such request. In the event of a billing dispute between the Transmission Provider and the

Transmission Customer, the Transmission Provider will continue to provide service under the Service Agreement as long as the Transmission Customer (i) continues to make all payments not in dispute, and (ii) pays into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If the Transmission Customer fails to meet these two requirements for continuation of service, then the Transmission Provider may provide notice to the Transmission Customer of its intention to suspend service in sixty (60) days, in accordance with Commission policy.

8 Accounting for the Transmission Provider's Use of the Tariff

The Transmission Provider shall record the following amounts, as outlined below.

8.1 Transmission Revenues

Include in a separate operating revenue account or subaccount the revenues it receives from Transmission Service when making Third-Party Sales under Part II of the Tariff.

8.2 Study Costs and Revenues

Include in a separate transmission operating expense account or subaccount, costs properly chargeable to expense that are incurred to perform any System Impact Studies or Facilities Studies which the Transmission Provider conducts to determine if it must construct new transmission facilities or upgrades necessary for its own uses, including making Third-Party Sales under the Tariff; and include in a separate operating revenue account or subaccount the revenues received for System Impact Studies or Facilities Studies performed when such amounts are separately stated and identified in the Transmission Customer's billing under the Tariff.

9 Regulatory Filings

Nothing contained in the Tariff or any Service Agreement shall be construed as affecting in any way the right of the Transmission Provider to unilaterally make application to the Commission for a change in rates, terms and conditions, charges, classification of service, Service Agreement, rule or regulation under Section 205 of the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder.

Nothing contained in the Tariff or any Service Agreement shall be construed as affecting in any way the ability of any Party receiving service under the Tariff to exercise its rights under the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder.

10 Force Majeure and Indemnification

10.1 Force Majeure

An event of Force Majeure means any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any Curtailment, order, regulation or restriction imposed by governmental military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include an act of negligence or intentional wrongdoing. Neither the Transmission Provider nor the Transmission Customer will be considered in default as to any obligation under this Tariff if prevented from fulfilling the obligation due to an event of Force Majeure. However, a Party whose performance under this Tariff is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Tariff.

10.2 Indemnification

The Transmission Customer shall at all times indemnify, defend, and save the Transmission Provider harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demands, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the Transmission Provider's performance of its obligations under this Tariff on behalf of the Transmission Customer, except in cases of negligence or intentional wrongdoing by the Transmission Provider.

11 Creditworthiness

The Transmission Provider will specify its Creditworthiness procedures in Attachment L.

12 Dispute Resolution Procedures

12.1 Internal Dispute Resolution Procedures

Any dispute between a Transmission Customer and the Transmission Provider involving transmission service under the Tariff (excluding applications for rate changes or other changes to the Tariff, or to any Service Agreement entered into under the Tariff, which shall be presented directly to the Commission for resolution) shall be referred to a designated senior representative of the Transmission Provider and a senior representative of the Transmission Customer for resolution on an informal basis as promptly as practicable. In the event the designated representatives are unable to resolve the dispute within thirty (30) days [or such other period as the Parties may agree upon] by mutual agreement, such dispute may be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below.

12.2 External Arbitration Procedures

Any arbitration initiated under the Tariff shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) days of the referral of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall generally conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association and any applicable Commission regulations or Regional Transmission Group rules.

12.3 Arbitration Decisions

Unless otherwise agreed, the arbitrator(s) shall render a decision within ninety (90) days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the Tariff and any Service Agreement entered into under the Tariff and shall have no power to modify or change any of the above in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act and/or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with the Commission if it affects jurisdictional

rates, terms and conditions of service or facilities.

12.4 Costs

Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable:

1. The cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or

2. One half the cost of the single arbitrator jointly chosen by the Parties.

12.5 Rights Under the Federal Power Act

Nothing in this section shall restrict the rights of any party to file a Complaint with the Commission under relevant provisions of the Federal Power Act.

II. Point-To-Point Transmission Service

Preamble

The Transmission Provider will provide Firm and Non-Firm Point-To-Point Transmission Service pursuant to the applicable terms and conditions of this Tariff. Point-To-Point Transmission Service is for the receipt of capacity and energy at designated Point(s) of Receipt and the transfer of such capacity and energy to designated Point(s) of Delivery.

13 Nature of Firm Point-To-Point Transmission Service

13.1 Term

The minimum term of Firm Point-To-Point Transmission Service shall be one day and the maximum term shall be specified in the Service Agreement.

13.2 Reservation Priority

(i) Long-Term Firm Point-To-Point Transmission Service shall be available on a first-come, first-served basis, i.e., in the chronological sequence in which each Transmission Customer has requested service.

(ii) Reservations for Short-Term Firm Point-To-Point Transmission Service will be conditional based upon the length of the requested transaction or reservation. However, Pre-Confirmed Applications for Short-Term Point-to-Point Transmission Service will receive priority over earlier-submitted requests that are not Pre-Confirmed and that have equal or shorter duration. Among requests or reservations with the same duration and, as relevant, pre-confirmation status (pre-confirmed, confirmed, or not confirmed), priority will be given to an Eligible Customer's request or reservation that offers the highest price, followed by the date and time of the request or reservation.

(iii) If the Transmission System becomes oversubscribed, requests for service may preempt competing reservations up to the following conditional reservation deadlines: one day before the commencement of daily service, one week before the commencement of weekly service, and one month before the commencement of monthly service. Before the conditional reservation deadline, if available transfer capability is insufficient to satisfy all requests and reservations, an Eligible Customer with a reservation for shorter term service or equal duration service and lower price has the right of first refusal to match any longer term request or equal duration service with a higher price before losing its reservation priority. A longer term competing request for Short-Term Firm Point-To-Point Transmission Service will be granted if the Eligible Customer with the right of first refusal does not agree to match the competing request within 24 hours (or earlier if necessary to comply with the scheduling deadlines provided in section 13.8) from being notified by the Transmission Provider of a longer-term competing request for Short-Term Firm Point-To-Point Transmission Service. When a longer duration request preempts multiple shorter duration reservations, the shorter duration reservations shall have simultaneous opportunities to exercise the right of first refusal. Duration, price and time of response will be used to determine the order by which the multiple shorter duration reservations will be able to exercise the right of first refusal. After the conditional reservation deadline, service will commence pursuant to the terms of Part II of the Tariff.

(iv) Firm Point-To-Point Transmission Service will always have a reservation priority over Non-Firm Point-To-Point Transmission Service under the Tariff. All Long-Term Firm Point-To-Point Transmission Service will have equal reservation priority with Native Load Customers and Network Customers. Reservation priorities for existing firm service customers are provided in Section 2.2.

13.3 Use of Firm Transmission Service by the Transmission Provider

The Transmission Provider will be subject to the rates, terms and conditions of Part II of the Tariff when making Third-Party Sales under (i) agreements executed on or after March 17, 2008 or (ii) agreements executed prior to the aforementioned date that the Commission requires to be unbundled, by the date specified by the Commission. The Transmission Provider will maintain separate accounting, pursuant to Section 8, for any use of the Point-To-Point Transmission Service to make Third-Party Sales.

13.4 Service Agreements

The Transmission Provider shall offer a standard form Firm Point-To-Point Transmission Service Agreement (Attachment A) to an Eligible Customer when it submits a Completed Application for Long-Term Firm Point-To-Point Transmission Service. The Transmission Provider shall offer a standard form Firm Point-To-Point Transmission Service Agreement (Attachment A) to an Eligible Customer when it first submits a Completed Application for Short-Term Firm Point-To-Point Transmission Service pursuant to the Tariff. Executed Service Agreements that contain the information required under the Tariff shall be filed with the Commission in compliance with applicable Commission regulations. An Eligible Customer that uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved and that has not executed a Service Agreement will be deemed, for purposes of assessing any appropriate charges and penalties, to have executed the appropriate Service Agreement. The Service Agreement shall, when applicable, specify any conditional curtailment options selected by the Transmission Customer. Where the Service Agreement contains conditional curtailment options and is subject to a biennial reassessment as described in Section 15.4, the Transmission Provider shall provide the Transmission Customer notice of any changes to the curtailment conditions no less than 90 days prior to the date for imposition of new curtailment conditions. Concurrent with such notice, the Transmission Provider shall provide the Transmission Customer with the reassessment study and a narrative description of the study, including the reasons for changes to the number of hours per year or System Conditions under which conditional curtailment may occur.

13.5 Transmission Customer Obligations for Facility Additions or Redispatch Costs

In cases where the Transmission Provider determines that the Transmission System is not capable of providing Firm Point-To-Point Transmission Service without (1) degrading or impairing the reliability of service to Native Load Customers, Network Customers and other Transmission Customers taking Firm

Point-To-Point Transmission Service, or (2) interfering with the Transmission Provider's ability to meet prior firm contractual commitments to others, the Transmission Provider will be obligated to expand or upgrade its Transmission System pursuant to the terms of Section 15.4. The Transmission Customer must agree to compensate the Transmission Provider for any necessary transmission facility additions pursuant to the terms of Section 27. To the extent the Transmission Provider can relieve any system constraint by redispatching the Transmission Provider's resources, it shall do so, provided that the Eligible Customer agrees to compensate the Transmission Provider pursuant to the terms of Section 27 and agrees to either (i) compensate the Transmission Provider for any necessary transmission facility additions or (ii) accept the service subject to a biennial reassessment by the Transmission Provider of redispatch requirements as described in Section 15.4. Any redispatch, Network Upgrade or Direct Assignment Facilities costs to be charged to the Transmission Customer on an incremental basis under the Tariff will be specified in the Service Agreement prior to initiating service.

13.6 Curtailment of Firm Transmission Service

In the event that a Curtailment on the Transmission Provider's Transmission System, or a portion thereof, is required to maintain reliable operation of such system and the system directly and indirectly interconnected with Transmission Provider's Transmission System, Curtailments will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint. Transmission Provider may elect to implement such Curtailments pursuant to the Transmission Loading Relief procedures specified in Attachment J. If multiple transactions require Curtailment, to the extent practicable and consistent with Good Utility Practice, the Transmission Provider will curtail service to Network Customers and Transmission Customers taking Firm Point-To-Point Transmission Service on a basis comparable to the curtailment of service to the Transmission Provider's Native Load Customers. All Curtailments will be made on a non-discriminatory basis, however, Non-Firm Point-To-Point Transmission Service shall be subordinate to Firm Transmission Service. Long-Term Firm Point-to-Point Service subject to conditions described in Section 15.4 shall be curtailed with secondary service in cases where the conditions apply, but otherwise will be curtailed on a pro rata basis with other Firm Transmission Service. When the Transmission Provider determines that an electrical emergency exists on its Transmission System and implements emergency procedures to Curtail Firm Transmission Service, the Transmission Customer shall make the required reductions upon request of the Transmission Provider. However, the Transmission Provider reserves the right to Curtail, in whole or in part, any Firm Transmission Service provided under the Tariff when, in the Transmission Provider's sole discretion, an emergency or other unforeseen condition impairs or degrades the reliability of its Transmission System. The Transmission Provider will notify all affected Transmission Customers in a timely manner of any scheduled Curtailments.

13.7 Classification of Firm Transmission Service

(a) The Transmission Customer taking Firm Point-To-Point Transmission Service may (1) change its Receipt and Delivery Points to obtain service on a non-firm basis consistent with the terms of Section 22.1 or (2) request a modification of the Points of Receipt or Delivery on a firm basis pursuant to the terms of Section 22.2.

(b) The Transmission Customer may purchase transmission service to make sales of capacity and energy from multiple generating units that are on the Transmission Provider's Transmission System. For such a purchase of transmission service, the resources will be designated as multiple Points of Receipt, unless the multiple generating units are at the same generating plant in which case the units would be treated as a single Point of Receipt.

(c) The Transmission Provider shall provide firm deliveries of capacity and energy from the Point(s) of Receipt to the Point(s) of Delivery. Each Point of Receipt at which firm transmission capacity is reserved by the Transmission Customer shall be set forth in the Firm Point-To-Point Service Agreement for Long-Term Firm Transmission Service along with a corresponding capacity reservation associated with each Point of Receipt. Points of Receipt and corresponding capacity reservations shall be as mutually agreed upon by the Parties for Short-Term Firm Transmission. Each Point of Delivery at which firm transfer capability is reserved by the Transmission Customer shall be set forth in the Firm Point-To-Point Service Agreement for Long-Term Firm Transmission Service along with a corresponding capacity reservation associated with each Point of Delivery. Points of Delivery and corresponding capacity reservations shall be as mutually agreed upon by the Parties for Short-Term Firm Transmission. The greater of either (1) the sum of the capacity reservations at the Point(s) of Receipt, or (2) the sum of the capacity reservations at the Point(s) of Delivery shall be the Transmission Customer's Reserved Capacity. The Transmission Customer will be billed for its Reserved Capacity under the terms of Schedule 7. The Transmission Customer may not exceed its firm capacity reserved at each Point of Receipt and each Point of Delivery except as otherwise specified in Section 22. The Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in the event that a Transmission Customer (including Third-Party Sales by the Transmission Provider) exceeds its firm reserved capacity at any Point of Receipt or Point of Delivery or uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved.

13.8 Scheduling of Firm Point-To-Point Transmission Service

Schedules for the Transmission Customer's Firm Point-To-Point Transmission Service must be submitted to the Transmission Provider no later than 10 a.m. [or a reasonable time that is generally accepted in the region and is consistently adhered to by the Transmission Provider] of the day prior to commencement of such service. Schedules submitted after 10 a.m. will be accommodated, if practicable. Hour-to-hour schedules of any capacity and energy that is to be delivered must be stated in increments of 1,000 kW per hour [or a reasonable increment that is generally accepted in the region and is consistently adhered to by the Transmission Provider]. Transmission Customers within the Transmission Provider's service area with multiple requests for Transmission Service at a Point of Receipt, each of which is under 1,000 kW per hour, may consolidate their service requests at a common point of receipt into units of 1,000 kW per hour for scheduling and billing purposes. Scheduling changes will be permitted up to twenty (20) minutes [or a reasonable time that is generally accepted in the region and is consistently adhered to by the Transmission Provider] before the start of the next clock hour provided that the Delivering Party and Receiving Party also agree to the schedule modification. The Transmission Provider will furnish to the Delivering Party's system operator, hour-to-hour schedules equal to those furnished by the Receiving Party (unless reduced for losses) and

shall deliver the capacity and energy provided by such schedules. Should the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify the Transmission Provider, and the Transmission Provider shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

14 Nature of Non-Firm Point-To-Point Transmission Service

14.1 Term

Non-Firm Point-To-Point Transmission Service will be available for periods ranging from one (1) hour to one (1) month. However, a Purchaser of Non-Firm Point-To-Point Transmission Service will be entitled to reserve a sequential term of service (such as a sequential monthly term without having to wait for the initial term to expire before requesting another monthly term) so that the total time period for which the reservation applies is greater than one month, subject to the requirements of Section 18.3.

14.2 Reservation Priority

Non-Firm Point-To-Point Transmission Service shall be available from transfer capability in excess of that needed for reliable service to Native Load Customers, Network Customers and other Transmission Customers taking Long-Term and Short-Term Firm Point-To-Point Transmission Service. A higher priority will be assigned first to requests or reservations with a longer duration of service and second to Pre-Confirmed Applications. In the event the Transmission System is constrained, competing requests of the same Pre-Confirmation status and equal duration will be prioritized based on the highest price offered by the Eligible Customer for the Transmission Service. Eligible Customers that have already reserved shorter term service have the right of first refusal to match any longer term request before being preempted. A longer term competing request for Non-Firm Point-To-Point Transmission Service will be granted if the Eligible Customer with the right of first refusal does not agree to match the competing request: (a) immediately for hourly Non-Firm Point-To-Point Transmission Service after notification by the Transmission Provider; and, (b) within 24 hours (or earlier if necessary to comply with the scheduling deadlines provided in section 14.6) for Non-Firm Point-To-Point Transmission Service other than hourly transactions after notification by the Transmission Provider. Transmission service for Network Customers from resources other than designated Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service. Non-Firm Point-To-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery will have the lowest reservation priority under the Tariff.

14.3 Use of Non-Firm Point-To-Point Transmission Service by the Transmission Provider

The Transmission Provider will be subject to the rates, terms and conditions of Part II of the Tariff when making Third-Party Sales under (i) agreements executed on or after March 17, 2008 or (ii) agreements executed prior to the aforementioned date that the Commission requires to be unbundled, by the date specified by the Commission. The Transmission Provider will maintain separate accounting, pursuant to Section 8, for any use of Non-Firm Point-To-Point Transmission Service to make Third-Party Sales.

14.4 Service Agreements

The Transmission Provider shall offer a standard form Non-Firm Point-To-Point Transmission Service Agreement (Attachment B) to an Eligible Customer when it first submits a Completed Application for Non-Firm Point-To-Point Transmission Service pursuant to the Tariff. Executed Service Agreements that contain the information required under the Tariff shall be filed with the Commission in compliance with applicable Commission regulations.

14.5 Classification of Non-Firm Point-To-Point Transmission Service

Non-Firm Point-To-Point Transmission Service shall be offered under terms and conditions contained in Part II of the Tariff. The Transmission Provider undertakes no obligation under the Tariff to plan its Transmission System in order to have sufficient capacity for Non-Firm Point-To-Point Transmission Service. Parties requesting Non-Firm Point-To-Point Transmission Service for the transmission of firm power do so with the full realization that such service is subject to availability and to Curtailment or Interruption under the terms of the Tariff. The Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in the event that a Transmission Customer (including Third-Party Sales by the Transmission Provider) exceeds its non-firm capacity reservation. Non-Firm Point-To-Point Transmission Service shall include transmission of energy on an hourly basis and transmission of scheduled short-term capacity and energy on a daily, weekly or monthly basis, but not to exceed one month's reservation for any one Application, under Schedule 8.

14.6 Scheduling of Non-Firm Point-To-Point Transmission Service

Schedules for Non-Firm Point-To-Point Transmission Service must be submitted to the Transmission Provider no later than 2 p.m. [or a reasonable time that is generally accepted in the region and is consistently adhered to by the Transmission Provider] of the day prior to commencement of such service. Schedules submitted after 2 p.m. will be accommodated, if practicable. Hour-to-hour schedules of energy that is to be delivered must be stated in increments of 1,000 kW per hour [or a reasonable increment that is generally accepted in the region and is consistently adhered to by the Transmission Provider]. Transmission Customers within the Transmission Provider's service area with multiple requests for Transmission Service at a Point of Receipt, each of which is under 1,000 kW per hour, may consolidate their schedules at a common Point of Receipt into units of 1,000 kW per hour. Scheduling changes will be permitted up to twenty (20) minutes [or a reasonable time that is generally accepted in the region and is consistently adhered to by the Transmission Provider] before the start of the next clock hour provided that the Delivering Party and Receiving Party also agree to the schedule modification. The Transmission Provider will furnish to the Delivering Party's system operator, hour-to-hour schedules equal to those furnished by the Receiving Party (unless reduced for losses) and shall deliver the capacity and energy provided by such schedules. Should the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify the Transmission Provider, and the Transmission Provider shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

14.7 Curtailment or Interruption of Service

The Transmission Provider reserves the right to Curtail, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for reliability reasons when an emergency or other unforeseen condition threatens to impair or degrade the reliability of its Transmission System or the systems

directly and indirectly interconnected with Transmission Provider's Transmission System. Transmission Provider may elect to implement such Curtailments pursuant to the Transmission Loading Relief procedures specified in Attachment J. The Transmission Provider reserves the right to Interrupt, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for economic reasons in order to accommodate (1) a request for Firm Transmission Service, (2) a request for Non-Firm Point-To-Point Transmission Service of greater duration, (3) a request for Non-Firm Point-To-Point Transmission Service of equal duration with a higher price, (4) transmission service for Network Customers from non-designated resources, or (5) transmission service for Firm Point-To-Point Transmission Service during conditional curtailment periods as described in Section 15.4. The Transmission Provider also will discontinue or reduce service to the Transmission Customer to the extent that deliveries for transmission are discontinued or reduced at the Point(s) of Receipt. Where required, Curtailments or Interruptions will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint, however, Non-Firm Point-To-Point Transmission Service shall be subordinate to Firm Transmission Service. If multiple transactions require Curtailment or Interruption, to the extent practicable and consistent with Good Utility Practice, Curtailments or Interruptions will be made to transactions of the shortest term (e.g., hourly non-firm transactions will be Curtailed or Interrupted before daily non-firm transactions and daily non-firm transactions will be Curtailed or Interrupted before weekly non-firm transactions). Transmission service for Network Customers from resources other than designated Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service under the Tariff. Non-Firm Point-To-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery will have a lower priority than any Non-Firm Point-To-Point Transmission Service under the Tariff. The Transmission Provider will provide advance notice of Curtailment or Interruption where such notice can be provided consistent with Good Utility Practice.

15 Service Availability

15.1 General Conditions

The Transmission Provider will provide Firm and Non-Firm Point-To-Point Transmission Service over, on or across its Transmission System to any Transmission Customer that has met the requirements of Section 16.

15.2 Determination of Available Transfer Capability

A description of the Transmission Provider's specific methodology for assessing available transfer capability posted on the Transmission Provider's OASIS (Section 4) is contained in Attachment C of the Tariff. In the event sufficient transfer capability may not exist to accommodate a service request, the Transmission Provider will respond by performing a System Impact Study.

15.3 Initiating Service in the Absence of an Executed Service Agreement

If the Transmission Provider and the Transmission Customer requesting Firm or Non-Firm Point-To-Point Transmission Service cannot agree on all the terms and conditions of the Point-To-Point Service Agreement, the Transmission Provider shall file with the Commission, within thirty (30) days after the date the Transmission Customer provides written notification directing the Transmission Provider to file, an unexecuted Point-To-Point Service Agreement containing terms and conditions deemed appropriate by the Transmission Provider for such requested Transmission Service. The Transmission Provider shall commence providing Transmission Service subject to the Transmission Customer agreeing to (i) compensate the Transmission Provider at whatever rate the Commission ultimately determines to be just and reasonable, and (ii) comply with the terms and conditions of the Tariff including posting appropriate security deposits in accordance with the terms of Section 17.3.

15.4 Obligation To Provide Transmission Service That Requires Expansion or Modification of the Transmission System, Redispatch or Conditional Curtailment

(a) If the Transmission Provider determines that it cannot accommodate a Completed Application for Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will use due diligence to expand or modify its Transmission System to provide the requested Firm Transmission Service, consistent with its planning obligations in Attachment K, provided the Transmission Customer agrees to compensate the Transmission Provider for such costs pursuant to the terms of Section 27. The Transmission Provider will conform to Good Utility Practice and its planning obligations in Attachment K, in determining the need for new facilities and in the design and construction of such facilities. The obligation applies only to those facilities that the Transmission Provider has the right to expand or modify.

(b) If the Transmission Provider determines that it cannot accommodate a Completed Application for Long-Term Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will use due diligence to provide redispatch from its own resources until (i) Network Upgrades are completed for the Transmission Customer, (ii) the Transmission Provider determines through a biennial reassessment that it can no longer reliably provide the redispatch, or (iii) the Transmission Customer terminates the service because of redispatch changes resulting from the reassessment. A Transmission Provider shall not unreasonably deny self-provided redispatch or redispatch arranged by the Transmission Customer from a third party resource.

(c) If the Transmission Provider determines that it cannot accommodate a Completed Application for Long-Term Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will offer the Firm Transmission Service with the condition that the Transmission Provider may curtail the service prior to the curtailment of other Firm Transmission Service for a specified number of hours per year or during System Condition(s). If the Transmission Customer accepts the service, the Transmission Provider will use due diligence to provide the service until (i) Network Upgrades are completed for the Transmission Customer, (ii) the Transmission Provider determines through a biennial reassessment that it can no longer reliably provide such service, or (iii) the Transmission Customer terminates the service because the reassessment increased the number of hours per year of conditional curtailment or changed the System Conditions.

15.5 Deferral of Service

The Transmission Provider may defer providing service until it completes construction of new transmission facilities or upgrades needed to provide Firm Point-To-Point Transmission

Service whenever the Transmission Provider determines that providing the requested service would, without such new facilities or upgrades, impair or degrade reliability to any existing firm services.

15.6 Other Transmission Service Schedules

Eligible Customers receiving transmission service under other agreements on file with the Commission may continue to receive transmission service under those agreements until such time as those agreements may be modified by the Commission.

15.7 Real Power Losses

Real Power Losses are associated with all transmission service. The Transmission Provider is not obligated to provide Real Power Losses. The Transmission Customer is responsible for replacing losses associated with all transmission service as calculated by the Transmission Provider. The applicable Real Power Loss factors are as follows: [To be completed by the Transmission Provider].

16 Transmission Customer Responsibilities

16.1 Conditions Required of Transmission Customers

Point-To-Point Transmission Service shall be provided by the Transmission Provider only if the following conditions are satisfied by the Transmission Customer:

(a) The Transmission Customer has pending a Completed Application for service;

(b) The Transmission Customer meets the creditworthiness criteria set forth in Section 11;

(c) The Transmission Customer will have arrangements in place for any other transmission service necessary to effect the delivery from the generating source to the Transmission Provider prior to the time service under Part II of the Tariff commences;

(d) The Transmission Customer agrees to pay for any facilities constructed and chargeable to such Transmission Customer under Part II of the Tariff, whether or not the Transmission Customer takes service for the full term of its reservation;

(e) The Transmission Customer provides the information required by the Transmission Provider's planning process established in Attachment K; and

(f) The Transmission Customer has executed a Point-To-Point Service Agreement or has agreed to receive service pursuant to Section 15.3.

16.2 Transmission Customer Responsibility for Third-Party Arrangements

Any scheduling arrangements that may be required by other electric systems shall be the responsibility of the Transmission Customer requesting service. The Transmission Customer shall provide, unless waived by the Transmission Provider, notification to the Transmission Provider identifying such systems and authorizing them to schedule the capacity and energy to be transmitted by the Transmission Provider pursuant to Part II of the Tariff on behalf of the Receiving Party at the Point of Delivery or the Delivering Party at the Point of Receipt. However, the Transmission Provider will undertake reasonable efforts to assist the Transmission Customer in making such arrangements, including without limitation, providing any information or data required by such other electric system pursuant to Good Utility Practice.

17 Procedures for Arranging Firm Point-To-Point Transmission Service

17.1 Application

A request for Firm Point-To-Point Transmission Service for periods of one year or longer must contain a written Application to: [Transmission Provider Name and Address], at least sixty (60) days in advance of the calendar month in which service is to commence. The Transmission Provider will consider requests for such firm service on shorter notice when feasible. Requests for firm service for periods of less than one year shall be subject to expedited procedures that shall be negotiated between the Parties within the time constraints provided in Section 17.5. All Firm Point-To-Point Transmission Service requests should be submitted by entering the information listed below on the Transmission Provider's OASIS. Prior to implementation of the Transmission Provider's OASIS, a Completed Application may be submitted by (i) transmitting the required information to the Transmission Provider by telefax, or (ii) providing the information by telephone over the Transmission Provider's time recorded telephone line. Each of these methods will provide a time-stamped record for establishing the priority of the Application.

17.2 Completed Application

A Completed Application shall provide all of the information included in 18 CFR 2.20 including but not limited to the following:

(i) The identity, address, telephone number and facsimile number of the entity requesting service;

(ii) A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;

(iii) The location of the Point(s) of Receipt and Point(s) of Delivery and the identities of the Delivering Parties and the Receiving Parties;

(iv) The location of the generating facility(ies) supplying the capacity and energy and the location of the load ultimately served by the capacity and energy transmitted. The Transmission Provider will treat this information as confidential except to the extent that disclosure of this information is required by this Tariff, by regulatory or judicial order, for reliability purposes pursuant to Good Utility Practice or pursuant to RTG transmission information sharing agreements. The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations;

(v) A description of the supply characteristics of the capacity and energy to be delivered;

(vi) An estimate of the capacity and energy expected to be delivered to the Receiving Party;

(vii) The Service Commencement Date and the term of the requested Transmission Service;

(viii) The transmission capacity requested for each Point of Receipt and each Point of Delivery on the Transmission Provider's Transmission System; customers may combine their requests for service in order to satisfy the minimum transmission capacity requirement;

(ix) A statement indicating that, if the Eligible Customer submits a Pre-Confirmed Application, the Eligible Customer will execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service; and

(x) Any additional information required by the Transmission Provider's planning process established in Attachment K.

The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations.

17.3 Deposit

A Completed Application for Firm Point-To-Point Transmission Service also shall include a deposit of either one month's charge for Reserved Capacity or the full charge for Reserved Capacity for service requests of less than one month.

If the Application is rejected by the Transmission Provider because it does not meet the conditions for service as set forth herein, or in the case of requests for service arising in connection with losing bidders in a Request For Proposals (RFP), said deposit shall be returned with interest less any reasonable costs incurred by the Transmission Provider in connection with the review of the losing bidder's Application. The deposit also will be returned with interest less any reasonable costs incurred by the Transmission Provider if the Transmission Provider is unable to complete new facilities needed to provide the service. If an Application is withdrawn or the Eligible Customer decides not to enter into a Service Agreement for Firm Point-To-Point Transmission Service, the deposit shall be refunded in full, with interest, less reasonable costs incurred by the Transmission Provider to the extent such costs have not already been recovered by the Transmission Provider from the Eligible Customer. The Transmission Provider will provide to the Eligible Customer a complete accounting of all costs deducted from the refunded deposit, which the Eligible Customer may contest if there is a dispute concerning the deducted costs. Deposits associated with construction of new facilities are subject to the provisions of Section 19. If a Service Agreement for Firm Point-To-Point Transmission Service is executed, the deposit, with interest, will be returned to the Transmission Customer upon expiration or termination of the Service Agreement for Firm Point-To-Point Transmission Service. Applicable interest shall be computed in accordance with the Commission's regulations at 18 CFR 35.19a(a)(2)(iii), and shall be calculated from the day the deposit check is credited to the Transmission Provider's account.

17.4 Notice of Deficient Application

If an Application fails to meet the requirements of the Tariff, the Transmission Provider shall notify the entity requesting service within fifteen (15) days of receipt of the reasons for such failure. The Transmission Provider will attempt to remedy minor deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful, the Transmission Provider shall return the Application, along with any deposit, with interest. Upon receipt of a new or revised Application that fully complies with the requirements of Part II of the Tariff, the Eligible Customer shall be assigned a new priority consistent with the date of the new or revised Application.

17.5 Response to a Completed Application

Following receipt of a Completed Application for Firm Point-To-Point Transmission Service, the Transmission Provider shall make a determination of available transfer capability as required in Section 15.2. The Transmission Provider shall notify the Eligible Customer as soon as practicable, but not later than thirty (30) days after the date of receipt of a Completed Application either (i) if it will be able to provide service without performing a System Impact Study or (ii) if such a study is needed to evaluate the impact of the Application pursuant to Section 19.1. Responses by the Transmission Provider must be made as soon as practicable to all completed applications (including applications by its own merchant function) and the timing of such responses must be made on a non-discriminatory basis.

17.6 Execution of Service Agreement

Whenever the Transmission Provider determines that a System Impact Study is not required and that the service can be provided, it shall notify the Eligible Customer as soon as practicable but no later than thirty (30) days after receipt of the Completed Application. Where a System Impact Study is required, the provisions of Section 19 will govern the execution of a Service Agreement. Failure of an Eligible Customer to execute and return the Service Agreement or request the filing of an unexecuted service agreement pursuant to Section 15.3, within fifteen (15) days after it is tendered by the Transmission Provider will be deemed a withdrawal and termination of the Application and any deposit submitted shall be refunded with interest. Nothing herein limits the right of an Eligible Customer to file another Application after such withdrawal and termination.

17.7 Extensions for Commencement of Service

The Transmission Customer can obtain, subject to availability, up to five (5) one-year extensions for the commencement of service. The Transmission Customer may postpone service by paying a non-refundable annual reservation fee equal to one-month's charge for Firm Transmission Service for each year or fraction thereof within 15 days of notifying the Transmission Provider it intends to extend the commencement of service. If during any extension for the commencement of service an Eligible Customer submits a Completed Application for Firm Transmission Service, and such request can be satisfied only by releasing all or part of the Transmission Customer's Reserved Capacity, the original Reserved Capacity will be released unless the following condition is satisfied. Within thirty (30) days, the original Transmission Customer agrees to pay the Firm Point-To-Point transmission rate for its Reserved Capacity concurrent with the new Service Commencement Date. In the event the Transmission Customer elects to release the Reserved Capacity, the reservation fees or portions thereof previously paid will be forfeited.

18 Procedures for Arranging Non-Firm Point-To-Point Transmission Service

18.1 Application

Eligible Customers seeking Non-Firm Point-To-Point Transmission Service must submit a Completed Application to the Transmission Provider. Applications should be submitted by entering the information listed below on the Transmission Provider's OASIS. Prior to implementation of the Transmission Provider's OASIS, a Completed Application may be submitted by (i) transmitting the required information to the Transmission Provider by telefax, or (ii) providing the information by telephone over the Transmission Provider's time recorded telephone line. Each of these methods will provide a time-stamped record for establishing the service priority of the Application.

18.2 Completed Application

A Completed Application shall provide all of the information included in 18 CFR 2.20 including but not limited to the following:

(i) The identity, address, telephone number and facsimile number of the entity requesting service;

(ii) A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;

(iii) The Point(s) of Receipt and the Point(s) of Delivery;

(iv) The maximum amount of capacity requested at each Point of Receipt and Point of Delivery; and

(v) The proposed dates and hours for initiating and terminating transmission service hereunder.

In addition to the information specified above, when required to properly evaluate system conditions, the Transmission Provider also may ask the Transmission Customer to provide the following:

(vi) The electrical location of the initial source of the power to be

transmitted pursuant to the Transmission Customer's request for service; and

(vii) The electrical location of the ultimate load.

The Transmission Provider will treat this information in (vi) and (vii) as confidential at the request of the Transmission Customer except to the extent that disclosure of this information is required by this Tariff, by regulatory or judicial order, for reliability purposes pursuant to Good Utility Practice, or pursuant to RTG transmission information sharing agreements. The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations.

(viii) A statement indicating that, if the Eligible Customer submits a Pre-Confirmed Application, the Eligible Customer will execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service.

18.3 Reservation of Non-Firm Point-To-Point Transmission Service

Requests for monthly service shall be submitted no earlier than sixty (60) days before service is to commence; requests for weekly service shall be submitted no earlier than fourteen (14) days before service is to commence, requests for daily service shall be submitted no earlier than two (2) days before service is to commence, and requests for hourly service shall be submitted no earlier than noon the day before service is to commence. Requests for service received later than 2:00 p.m. prior to the day service is scheduled to commence will be accommodated if practicable [or such reasonable times that are generally accepted in the region and are consistently adhered to by the Transmission Provider].

18.4 Determination of Available Transfer Capability

Following receipt of a tendered schedule the Transmission Provider will make a determination on a non-discriminatory basis of available transfer capability pursuant to Section 15.2. Such determination shall be made as soon as reasonably practicable after receipt, but not later than the following time periods for the following terms of service (i) thirty (30) minutes for hourly service, (ii) thirty (30) minutes for daily service, (iii) four (4) hours for weekly service, and (iv) two (2) days for monthly service. [Or such reasonable times that are generally accepted in the region and are consistently adhered to by the Transmission Provider].

19 Additional Study Procedures for Firm Point-To-Point Transmission Service Requests

19.1 Notice of Need for System Impact Study

After receiving a request for service, the Transmission Provider shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of the Transmission Provider's methodology for completing a System Impact Study is provided in Attachment D. If the Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer, as soon as practicable. Once informed, the Eligible Customer shall timely notify the Transmission Provider if it elects to have the Transmission Provider study redispatch or conditional curtailment as part of the System Impact Study. If notification is provided prior to tender of the System Impact Study Agreement, the Eligible Customer can avoid the costs associated with the study of these options. The Transmission Provider shall within thirty (30) days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required System Impact Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the System Impact Study Agreement, its application shall be deemed withdrawn and its deposit, pursuant to Section 17.3, shall be returned with interest.

19.2 System Impact Study Agreement and Cost Reimbursement

(i) The System Impact Study Agreement will clearly specify the Transmission Provider's estimate of the actual cost, and time for completion of the System Impact Study. The charge shall not exceed the actual cost of the study. In performing the System Impact Study, the Transmission Provider shall rely, to the extent reasonably practicable, on existing transmission planning studies. The Eligible Customer will not be assessed a charge for such existing studies; however, the Eligible Customer will be responsible for charges associated with any modifications to existing planning studies that are reasonably necessary to evaluate the impact of the Eligible Customer's request for service on the Transmission System.

(ii) If in response to multiple Eligible Customers requesting service in relation to the same competitive solicitation, a single System Impact Study is sufficient for the Transmission Provider to accommodate the requests for service, the costs of that study shall be pro-rated among the Eligible Customers.

(iii) For System Impact Studies that the Transmission Provider conducts on its own behalf, the Transmission Provider shall record the cost of the System Impact Studies pursuant to Section 20.

19.3 System Impact Study Procedures

Upon receipt of an executed System Impact Study Agreement, the Transmission Provider will use due diligence to complete the required System Impact Study within a sixty (60) day period. The System Impact Study shall identify (1) any system constraints, identified with specificity by transmission element or flowgate, (2) redispatch options (when requested by an Eligible Customer) including an estimate of the cost of redispatch, (3) conditional curtailment options (when requested by an Eligible Customer) including the number of hours per year and the System Conditions during which conditional curtailment may occur, and (4) additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. For customers requesting the study of redispatch options, the System Impact Study shall (1) identify all resources located within the Transmission Provider's Control Area that can significantly contribute toward relieving the system constraint and (2) provide a measurement of each resource's impact on the system constraint. If the Transmission Provider possesses information indicating that any resource outside its Control Area could relieve the constraint, it shall identify each such resource in the System Impact Study. In the event that the Transmission Provider is unable to complete the required System Impact Study within such time period, it shall so notify the Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be made available to the Eligible Customer as soon as the System Impact Study is complete. The Transmission Provider will use the same due diligence in

completing the System Impact Study for an Eligible Customer as it uses when completing studies for itself. The Transmission Provider shall notify the Eligible Customer immediately upon completion of the System Impact Study if the Transmission System will be adequate to accommodate all or part of a request for service or that no costs are likely to be incurred for new transmission facilities or upgrades. In order for a request to remain a Completed Application, within fifteen (15) days of completion of the System Impact Study the Eligible Customer must execute a Service Agreement or request the filing of an unexecuted Service Agreement pursuant to Section 15.3, or the Application shall be deemed terminated and withdrawn.

19.4 Facilities Study Procedures

If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, the Transmission Provider, within thirty (30) days of the completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required Facilities Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the Facilities Study Agreement, its application shall be deemed withdrawn and its deposit, pursuant to Section 17.3, shall be returned with interest. Upon receipt of an executed Facilities Study Agreement, the Transmission Provider will use due diligence to complete the required Facilities Study within a sixty (60) day period. If the Transmission Provider is unable to complete the Facilities Study in the allotted time period, the Transmission Provider shall notify the Transmission Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study will include a good faith estimate of (i) the cost of Direct Assignment Facilities to be charged to the Transmission Customer, (ii) the Transmission Customer's appropriate share of the cost of any required Network Upgrades as determined pursuant to the provisions of Part II of the Tariff, and (iii) the time required to complete such construction and initiate the requested service. The Transmission Customer shall provide the Transmission Provider with a letter of credit or other reasonable form of security acceptable to the Transmission Provider equivalent to the costs of new facilities or upgrades consistent with commercial practices as established by the Uniform Commercial Code. The Transmission Customer shall have thirty (30) days to execute a Service Agreement or request the filing of an unexecuted Service Agreement and provide the required letter of credit or other form of security or the request will no longer be a Completed Application and shall be deemed terminated and withdrawn.

19.5 Facilities Study Modifications

Any change in design arising from inability to site or construct facilities as proposed will require development of a revised good faith estimate. New good faith estimates also will be required in the event of new statutory or regulatory requirements that are effective before the completion of construction or other circumstances beyond the control of the Transmission Provider that significantly affect the final cost of new facilities or upgrades to be charged to the Transmission Customer pursuant to the provisions of Part II of the Tariff.

19.6 Due Diligence in Completing New Facilities

The Transmission Provider shall use due diligence to add necessary facilities or upgrade its Transmission System within a reasonable time. The Transmission Provider will not upgrade its existing or planned Transmission System in order to provide the requested Firm Point-To-Point Transmission Service if doing so would impair system reliability or otherwise impair or degrade existing firm service.

19.7 Partial Interim Service

If the Transmission Provider determines that it will not have adequate transfer capability to satisfy the full amount of a Completed Application for Firm Point-To-Point Transmission Service, the Transmission Provider nonetheless shall be obligated to offer and provide the portion of the requested Firm Point-To-Point Transmission Service that can be accommodated without addition of any facilities and through redispatch. However, the Transmission Provider shall not be obligated to provide the incremental amount of requested Firm Point-To-Point Transmission Service that requires the addition of facilities or upgrades to the Transmission System until such facilities or upgrades have been placed in service.

19.8 Expedited Procedures for New Facilities

In lieu of the procedures set forth above, the Eligible Customer shall have the option to expedite the process by requesting the Transmission Provider to tender at one time, together with the results of required studies, an ''Expedited Service Agreement'' pursuant to which the Eligible Customer would agree to compensate the Transmission Provider for all costs incurred pursuant to the terms of the Tariff. In order to exercise this option, the Eligible Customer shall request in writing an expedited Service Agreement covering all of the above-specified items within thirty (30) days of receiving the results of the System Impact Study identifying needed facility additions or upgrades or costs incurred in providing the requested service. While the Transmission Provider agrees to provide the Eligible Customer with its best estimate of the new facility costs and other charges that may be incurred, such estimate shall not be binding and the Eligible Customer must agree in writing to compensate the Transmission Provider for all costs incurred pursuant to the provisions of the Tariff. The Eligible Customer shall execute and return such an Expedited Service Agreement within fifteen (15) days of its receipt or the Eligible Customer's request for service will cease to be a Completed Application and will be deemed terminated and withdrawn.

19.9 Penalties for Failure To Meet Study Deadlines

Sections 19.3 and 19.4 require a Transmission Provider to use due diligence to meet 60-day study completion deadlines for System Impact Studies and Facilities Studies.

(i) The Transmission Provider is required to file a notice with the Commission in the event that more than twenty (20) percent of non-Affiliates' System Impact Studies and Facilities Studies completed by the Transmission Provider in any two consecutive calendar quarters are not completed within the 60-day study completion deadlines. Such notice must be filed within thirty (30) days of the end of the calendar quarter triggering the notice requirement.

(ii) For the purposes of calculating the percent of non-Affiliates' System Impact Studies and Facilities Studies processed outside of the 60-day study completion deadlines, the Transmission Provider shall consider all System Impact Studies and Facilities Studies that it completes

for non-Affiliates during the calendar quarter. The percentage should be calculated by dividing the number of those studies which are completed on time by the total number of completed studies. The Transmission Provider may provide an explanation in its notification filing to the Commission if it believes there are extenuating circumstances that prevented it from meeting the 60-day study completion deadlines.

(iii) The Transmission Provider is subject to an operational penalty if it completes ten (10) percent or more of non-Affiliates' System Impact Studies and Facilities Studies outside of the 60-day study completion deadlines for each of the two calendar quarters immediately following the quarter that triggered its notification filing to the Commission. The operational penalty will be assessed for each calendar quarter for which an operational penalty applies, starting with the calendar quarter immediately following the quarter that triggered the Transmission Provider's notification filing to the Commission. The operational penalty will continue to be assessed each quarter until the Transmission Provider completes at least ninety (90) percent of all non-Affiliates' System Impact Studies and Facilities Studies within the 60-day deadline.

(iv) For penalties assessed in accordance with subsection (iii) above, the penalty amount for each System Impact Study or Facilities Study shall be equal to $500 for each day the Transmission Provider takes to complete that study beyond the 60-day deadline.

20 Procedures if the Transmission Provider Is Unable To Complete New Transmission Facilities for Firm Point-To-Point Transmission Service

20.1 Delays in Construction of New Facilities

If any event occurs that will materially affect the time for completion of new facilities, or the ability to complete them, the Transmission Provider shall promptly notify the Transmission Customer. In such circumstances, the Transmission Provider shall within thirty (30) days of notifying the Transmission Customer of such delays, convene a technical meeting with the Transmission Customer to evaluate the alternatives available to the Transmission Customer. The Transmission Provider also shall make available to the Transmission Customer studies and work papers related to the delay, including all information that is in the possession of the Transmission Provider that is reasonably needed by the Transmission Customer to evaluate any alternatives.

20.2 Alternatives to the Original Facility Additions

When the review process of Section 20.1 determines that one or more alternatives exist to the originally planned construction project, the Transmission Provider shall present such alternatives for consideration by the Transmission Customer. If, upon review of any alternatives, the Transmission Customer desires to maintain its Completed Application subject to construction of the alternative facilities, it may request the Transmission Provider to submit a revised Service Agreement for Firm Point-To-Point Transmission Service. If the alternative approach solely involves Non-Firm Point-To-Point Transmission Service, the Transmission Provider shall promptly tender a Service Agreement for Non-Firm Point-To-Point Transmission Service providing for the service. In the event the Transmission Provider concludes that no reasonable alternative exists and the Transmission Customer disagrees, the Transmission Customer may seek relief under the dispute resolution procedures pursuant to Section 12 or it may refer the dispute to the Commission for resolution.

20.3 Refund Obligation for Unfinished Facility Additions

If the Transmission Provider and the Transmission Customer mutually agree that no other reasonable alternatives exist and the requested service cannot be provided out of existing capability under the conditions of Part II of the Tariff, the obligation to provide the requested Firm Point-To-Point Transmission Service shall terminate and any deposit made by the Transmission Customer shall be returned with interest pursuant to Commission regulations 35.19a(a)(2)(iii). However, the Transmission Customer shall be responsible for all prudently incurred costs by the Transmission Provider through the time construction was suspended.

21 Provisions Relating to Transmission Construction and Services on the Systems of Other Utilities

21.1 Responsibility for Third-Party System Additions

The Transmission Provider shall not be responsible for making arrangements for any necessary engineering, permitting, and construction of transmission or distribution facilities on the system(s) of any other entity or for obtaining any regulatory approval for such facilities. The Transmission Provider will undertake reasonable efforts to assist the Transmission Customer in obtaining such arrangements, including without limitation, providing any information or data required by such other electric system pursuant to Good Utility Practice.

21.2 Coordination of Third-Party System Additions

In circumstances where the need for transmission facilities or upgrades is identified pursuant to the provisions of Part II of the Tariff, and if such upgrades further require the addition of transmission facilities on other systems, the Transmission Provider shall have the right to coordinate construction on its own system with the construction required by others. The Transmission Provider, after consultation with the Transmission Customer and representatives of such other systems, may defer construction of its new transmission facilities, if the new transmission facilities on another system cannot be completed in a timely manner. The Transmission Provider shall notify the Transmission Customer in writing of the basis for any decision to defer construction and the specific problems which must be resolved before it will initiate or resume construction of new facilities. Within sixty (60) days of receiving written notification by the Transmission Provider of its intent to defer construction pursuant to this section, the Transmission Customer may challenge the decision in accordance with the dispute resolution procedures pursuant to Section 12 or it may refer the dispute to the Commission for resolution.

22 Changes in Service Specifications

22.1 Modifications on a Non-Firm Basis

The Transmission Customer taking Firm Point-To-Point Transmission Service may request the Transmission Provider to provide transmission service on a non-firm basis over Receipt and Delivery Points other than those specified in the Service Agreement (''Secondary Receipt and Delivery Points''), in amounts not to exceed its firm capacity reservation, without incurring an additional Non-Firm Point-To-Point Transmission Service charge or executing a new Service Agreement, subject to the following conditions.

(a) Service provided over Secondary Receipt and Delivery Points will be non-firm only, on an as-available basis and

will not displace any firm or non-firm service reserved or scheduled by third-parties under the Tariff or by the Transmission Provider on behalf of its Native Load Customers.

(b) The sum of all Firm and non-firm Point-To-Point Transmission Service provided to the Transmission Customer at any time pursuant to this section shall not exceed the Reserved Capacity in the relevant Service Agreement under which such services are provided.

(c) The Transmission Customer shall retain its right to schedule Firm Point-To-Point Transmission Service at the Receipt and Delivery Points specified in the relevant Service Agreement in the amount of its original capacity reservation.

(d) Service over Secondary Receipt and Delivery Points on a non-firm basis shall not require the filing of an Application for Non-Firm Point-To-Point Transmission Service under the Tariff. However, all other requirements of Part II of the Tariff (except as to transmission rates) shall apply to transmission service on a non-firm basis over Secondary Receipt and Delivery Points.

22.2 Modification on a Firm Basis

Any request by a Transmission Customer to modify Receipt and Delivery Points on a firm basis shall be treated as a new request for service in accordance with Section 17 hereof, except that such Transmission Customer shall not be obligated to pay any additional deposit if the capacity reservation does not exceed the amount reserved in the existing Service Agreement. While such new request is pending, the Transmission Customer shall retain its priority for service at the existing firm Receipt and Delivery Points specified in its Service Agreement.

23 Sale or Assignment of Transmission Service

23.1 Procedures for Assignment or Transfer of Service

Subject to Commission approval of any necessary filings, a Transmission Customer may sell, assign, or transfer all or a portion of its rights under its Service Agreement, but only to another Eligible Customer (the Assignee). The Transmission Customer that sells, assigns or transfers its rights under its Service Agreement is hereafter referred to as the Reseller. Compensation to Resellers shall not exceed the higher of (i) the original rate paid by the Reseller, (ii) the Transmission Provider's maximum rate on file at the time of the assignment, or (iii) the Reseller's opportunity cost capped at the Transmission Provider's cost of expansion; provided that, for service prior to October 1, 2010, compensation to Resellers shall be at rates established by agreement between the Reseller and the Assignee.

The Assignee must execute a service agreement with the Transmission Provider governing reassignments of transmission service prior to the date on which the reassigned service commences. The Transmission Provider shall charge the Reseller, as appropriate, at the rate stated in the Reseller's Service Agreement with the Transmission Provider or the associated OASIS schedule and credit the Reseller with the price reflected in the Assignee's Service Agreement with the Transmission Provider or the associated OASIS schedule; provided that, such credit shall be reversed in the event of non-payment by the Assignee. If the Assignee does not request any change in the Point(s) of Receipt or the Point(s) of Delivery, or a change in any other term or condition set forth in the original Service Agreement, the Assignee will receive the same services as did the Reseller and the priority of service for the Assignee will be the same as that of the Reseller. The Assignee will be subject to all terms and conditions of this Tariff. If the Assignee requests a change in service, the reservation priority of service will be determined by the Transmission Provider pursuant to Section 13.2.

23.2 Limitations on Assignment or Transfer of Service

If the Assignee requests a change in the Point(s) of Receipt or Point(s) of Delivery, or a change in any other specifications set forth in the original Service Agreement, the Transmission Provider will consent to such change subject to the provisions of the Tariff, provided that the change will not impair the operation and reliability of the Transmission Provider's generation, transmission, or distribution systems. The Assignee shall compensate the Transmission Provider for performing any System Impact Study needed to evaluate the capability of the Transmission System to accommodate the proposed change and any additional costs resulting from such change. The Reseller shall remain liable for the performance of all obligations under the Service Agreement, except as specifically agreed to by the Transmission Provider and the Reseller through an amendment to the Service Agreement.

23.3 Information on Assignment or Transfer of Service

In accordance with Section 4, all sales or assignments of capacity must be conducted through or otherwise posted on the Transmission Provider's OASIS on or before the date the reassigned service commences and are subject to Section 23.1. Resellers may also use the Transmission Provider's OASIS to post transmission capacity available for resale.

24 Metering and Power Factor Correction at Receipt and Delivery Points(s)

24.1 Transmission Customer Obligations

Unless otherwise agreed, the Transmission Customer shall be responsible for installing and maintaining compatible metering and communications equipment to accurately account for the capacity and energy being transmitted under Part II of the Tariff and to communicate the information to the Transmission Provider. Such equipment shall remain the property of the Transmission Customer.

24.2 Transmission Provider Access to Metering Data

The Transmission Provider shall have access to metering data, which may reasonably be required to facilitate measurements and billing under the Service Agreement.

24.3 Power Factor

Unless otherwise agreed, the Transmission Customer is required to maintain a power factor within the same range as the Transmission Provider pursuant to Good Utility Practices. The power factor requirements are specified in the Service Agreement where applicable.

25 Compensation for Transmission Service

Rates for Firm and Non-Firm Point-To-Point Transmission Service are provided in the Schedules appended to the Tariff: Firm Point-To-Point Transmission Service (Schedule 7); and Non-Firm Point-To-Point Transmission Service (Schedule 8). The Transmission Provider shall use Part II of the Tariff to make its Third-Party Sales. The Transmission Provider shall account for such use at the applicable Tariff rates, pursuant to Section 8.

26 Stranded Cost Recovery

The Transmission Provider may seek to recover stranded costs from the Transmission Customer pursuant to this

Tariff in accordance with the terms, conditions and procedures set forth in FERC Order No. 888. However, the Transmission Provider must separately file any specific proposed stranded cost charge under Section 205 of the Federal Power Act.

27 Compensation for New Facilities and Redispatch Costs

Whenever a System Impact Study performed by the Transmission Provider in connection with the provision of Firm Point-To-Point Transmission Service identifies the need for new facilities, the Transmission Customer shall be responsible for such costs to the extent consistent with Commission policy. Whenever a System Impact Study performed by the Transmission Provider identifies capacity constraints that may be relieved by redispatching the Transmission Provider's resources to eliminate such constraints, the Transmission Customer shall be responsible for the redispatch costs to the extent consistent with Commission policy.

III. Network Integration Transmission Service

Preamble

The Transmission Provider will provide Network Integration Transmission Service pursuant to the applicable terms and conditions contained in the Tariff and Service Agreement. Network Integration Transmission Service allows the Network Customer to integrate, economically dispatch and regulate its current and planned Network Resources to serve its Network Load in a manner comparable to that in which the Transmission Provider utilizes its Transmission System to serve its Native Load Customers. Network Integration Transmission Service also may be used by the Network Customer to deliver economy energy purchases to its Network Load from non-designated resources on an as-available basis without additional charge. Transmission service for sales to non-designated loads will be provided pursuant to the applicable terms and conditions of Part II of the Tariff.

28 Nature of Network Integration Transmission Service

28.1 Scope of Service

Network Integration Transmission Service is a transmission service that allows Network Customers to efficiently and economically utilize their Network Resources (as well as other non-designated generation resources) to serve their Network Load located in the Transmission Provider's Control Area and any additional load that may be designated pursuant to Section 31.3 of the Tariff. The Network Customer taking Network Integration Transmission Service must obtain or provide Ancillary Services pursuant to Section 3.

28.2 Transmission Provider Responsibilities

The Transmission Provider will plan, construct, operate and maintain its Transmission System in accordance with Good Utility Practice and its planning obligations in Attachment K in order to provide the Network Customer with Network Integration Transmission Service over the Transmission Provider's Transmission System. The Transmission Provider, on behalf of its Native Load Customers, shall be required to designate resources and loads in the same manner as any Network Customer under Part III of this Tariff. This information must be consistent with the information used by the Transmission Provider to calculate available transfer capability. The Transmission Provider shall include the Network Customer's Network Load in its Transmission System planning and shall, consistent with Good Utility Practice and Attachment K, endeavor to construct and place into service sufficient transfer capability to deliver the Network Customer's Network Resources to serve its Network Load on a basis comparable to the Transmission Provider's delivery of its own generating and purchased resources to its Native Load Customers.

28.3 Network Integration Transmission Service

The Transmission Provider will provide firm transmission service over its Transmission System to the Network Customer for the delivery of capacity and energy from its designated Network Resources to service its Network Loads on a basis that is comparable to the Transmission Provider's use of the Transmission System to reliably serve its Native Load Customers.

28.4 Secondary Service

The Network Customer may use the Transmission Provider's Transmission System to deliver energy to its Network Loads from resources that have not been designated as Network Resources. Such energy shall be transmitted, on an as-available basis, at no additional charge. Secondary service shall not require the filing of an Application for Network Integration Transmission Service under the Tariff. However, all other requirements of Part III of the Tariff (except for transmission rates) shall apply to secondary service. Deliveries from resources other than Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service under Part II of the Tariff.

28.5 Real Power Losses

Real Power Losses are associated with all transmission service. The Transmission Provider is not obligated to provide Real Power Losses. The Network Customer is responsible for replacing losses associated with all transmission service as calculated by the Transmission Provider. The applicable Real Power Loss factors are as follows: [To be completed by the Transmission Provider].

28.6 Restrictions on Use of Service

The Network Customer shall not use Network Integration Transmission Service for (i) sales of capacity and energy to non-designated loads, or (ii) direct or indirect provision of transmission service by the Network Customer to third parties. All Network Customers taking Network Integration Transmission Service shall use Point-to-Point Transmission Service under Part II of the Tariff for any Third-Party Sale which requires use of the Transmission Provider's Transmission System. The Transmission Provider shall specify any appropriate charges and penalties and all related terms and conditions applicable in the event that a Network Customer uses Network Integration Transmission Service or secondary service pursuant to Section 28.4 to facilitate a wholesale sale that does not serve a Network Load.

29 Initiating Service

29.1 Condition Precedent for Receiving Service

Subject to the terms and conditions of Part III of the Tariff, the Transmission Provider will provide Network Integration Transmission Service to any Eligible Customer, provided that (i) the Eligible Customer completes an Application for service as provided under Part III of the Tariff, (ii) the Eligible Customer and the Transmission Provider complete the technical arrangements set forth in Sections 29.3 and 29.4, (iii) the Eligible Customer executes a Service Agreement pursuant to Attachment F for service under Part III of the Tariff or requests in writing that the Transmission Provider file a proposed unexecuted Service Agreement with the Commission, and (iv) the Eligible Customer executes a Network Operating Agreement with the

Transmission Provider pursuant to Attachment G, or requests in writing that the Transmission Provider file a proposed unexecuted Network Operating Agreement.

29.2 Application Procedures

An Eligible Customer requesting service under Part III of the Tariff must submit an Application, with a deposit approximating the charge for one month of service, to the Transmission Provider as far as possible in advance of the month in which service is to commence. Unless subject to the procedures in Section 2, Completed Applications for Network Integration Transmission Service will be assigned a priority according to the date and time the Application is received, with the earliest Application receiving the highest priority. Applications should be submitted by entering the information listed below on the Transmission Provider's OASIS. Prior to implementation of the Transmission Provider's OASIS, a Completed Application may be submitted by (i) transmitting the required information to the Transmission Provider by telefax, or (ii) providing the information by telephone over the Transmission Provider's time recorded telephone line. Each of these methods will provide a time-stamped record for establishing the service priority of the Application. A Completed Application shall provide all of the information included in 18 CFR § 2.20 including but not limited to the following:

(i) The identity, address, telephone number and facsimile number of the party requesting service;

(ii) A statement that the party requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;

(iii) A description of the Network Load at each delivery point. This description should separately identify and provide the Eligible Customer's best estimate of the total loads to be served at each transmission voltage level, and the loads to be served from each Transmission Provider substation at the same transmission voltage level. The description should include a ten (10) year forecast of summer and winter load and resource requirements beginning with the first year after the service is scheduled to commence;

(iv) The amount and location of any interruptible loads included in the Network Load. This shall include the summer and winter capacity requirements for each interruptible load (had such load not been interruptible), that portion of the load subject to interruption, the conditions under which an interruption can be implemented and any limitations on the amount and frequency of interruptions. An Eligible Customer should identify the amount of interruptible customer load (if any) included in the 10 year load forecast provided in response to (iii) above;

(v) A description of Network Resources (current and 10-year projection). For each on-system Network Resource, such description shall include:

- Unit size and amount of capacity from that unit to be designated as Network Resource
- VAR capability (both leading and lagging) of all generators
- Operating restrictions
  - —Any periods of restricted operations throughout the year
  - —Maintenance schedules
  - —Minimum loading level of unit
  - —Normal operating level of unit
  - —Any must-run unit designations required for system reliability or contract reasons
- Approximate variable generating cost ($/MWH) for redispatch computations
- Arrangements governing sale and delivery of power to third parties from generating facilities located in the Transmission Provider Control Area, where only a portion of unit output is designated as a Network Resource;

For each off-system Network Resource, such description shall include:

- Identification of the Network Resource as an off-system resource
- Amount of power to which the customer has rights
- Identification of the control area from which the power will originate
- Delivery point(s) to the Transmission Provider's Transmission System
- Transmission arrangements on the external transmission system(s)
- Operating restrictions, if any
  - —Any periods of restricted operations throughout the year
  - —Maintenance schedules
  - —Minimum loading level of unit
  - —Normal operating level of unit
  - —Any must-run unit designations required for system reliability or contract reasons
- Approximate variable generating cost ($/MWH) for redispatch computations;

(vi) Description of Eligible Customer's transmission system:

- Load flow and stability data, such as real and reactive parts of the load, lines, transformers, reactive devices and load type, including normal and emergency ratings of all transmission equipment in a load flow format compatible with that used by the Transmission Provider
- Operating restrictions needed for reliability
- Operating guides employed by system operators
- Contractual restrictions or committed uses of the Eligible Customer's transmission system, other than the Eligible Customer's Network Loads and Resources
- Location of Network Resources described in subsection (v) above
- 10 year projection of system expansions or upgrades
- Transmission System maps that include any proposed expansions or upgrades
- Thermal ratings of Eligible Customer's Control Area ties with other Control Areas;

(vii) Service Commencement Date and the term of the requested Network Integration Transmission Service. The minimum term for Network Integration Transmission Service is one year;

(viii) A statement signed by an authorized officer from or agent of the Network Customer attesting that all of the network resources listed pursuant to Section 29.2(v) satisfy the following conditions: (1) The Network Customer owns the resource, has committed to purchase generation pursuant to an executed contract, or has committed to purchase generation where execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff; and (2) the Network Resources do not include any resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis; and

(ix) Any additional information required of the Transmission Customer as specified in the Transmission Provider's planning process established in Attachment K.

Unless the Parties agree to a different time frame, the Transmission Provider must acknowledge the request within ten (10) days of receipt. The acknowledgement must include a date by which a response, including a Service Agreement, will be sent to the Eligible Customer. If an Application fails to meet the requirements of this section, the Transmission Provider shall notify the Eligible Customer requesting service within fifteen (15) days of receipt and specify the reasons for such failure. Wherever possible, the Transmission Provider will attempt to remedy deficiencies in the Application

through informal communications with the Eligible Customer. If such efforts are unsuccessful, the Transmission Provider shall return the Application without prejudice to the Eligible Customer filing a new or revised Application that fully complies with the requirements of this section. The Eligible Customer will be assigned a new priority consistent with the date of the new or revised Application. The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations.

29.3 Technical Arrangements To Be Completed Prior to Commencement of Service

Network Integration Transmission Service shall not commence until the Transmission Provider and the Network Customer, or a third party, have completed installation of all equipment specified under the Network Operating Agreement consistent with Good Utility Practice and any additional requirements reasonably and consistently imposed to ensure the reliable operation of the Transmission System. The Transmission Provider shall exercise reasonable efforts, in coordination with the Network Customer, to complete such arrangements as soon as practicable taking into consideration the Service Commencement Date.

29.4 Network Customer Facilities

The provision of Network Integration Transmission Service shall be conditioned upon the Network Customer's constructing, maintaining and operating the facilities on its side of each delivery point or interconnection necessary to reliably deliver capacity and energy from the Transmission Provider's Transmission System to the Network Customer. The Network Customer shall be solely responsible for constructing or installing all facilities on the Network Customer's side of each such delivery point or interconnection.

29.5 Filing of Service Agreement

The Transmission Provider will file Service Agreements with the Commission in compliance with applicable Commission regulations.

30 Network Resources

30.1 Designation of Network Resources

Network Resources shall include all generation owned, purchased or leased by the Network Customer designated to serve Network Load under the Tariff. Network Resources may not include resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis. Any owned or purchased resources that were serving the Network Customer's loads under firm agreements entered into on or before the Service Commencement Date shall initially be designated as Network Resources until the Network Customer terminates the designation of such resources.

30.2 Designation of New Network Resources

The Network Customer may designate a new Network Resource by providing the Transmission Provider with as much advance notice as practicable. A designation of a new Network Resource must be made through the Transmission Provider's OASIS by a request for modification of service pursuant to an Application under Section 29. This request must include a statement that the new network resource satisfies the following conditions: (1) The Network Customer owns the resource, has committed to purchase generation pursuant to an executed contract, or has committed to purchase generation where execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff; and (2) The Network Resources do not include any resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis. The Network Customer's request will be deemed deficient if it does not include this statement and the Transmission Provider will follow the procedures for a deficient application as described in Section 29.2 of the Tariff.

30.3 Termination of Network Resources

The Network Customer may terminate the designation of all or part of a generating resource as a Network Resource by providing notification to the Transmission Provider through OASIS as soon as reasonably practicable, but not later than the firm scheduling deadline for the period of termination. Any request for termination of Network Resource status must be submitted on OASIS, and should indicate whether the request is for indefinite or temporary termination. A request for indefinite termination of Network Resource status must indicate the date and time that the termination is to be effective, and the identification and capacity of the resource(s) or portions thereof to be indefinitely terminated. A request for temporary termination of Network Resource status must include the following:

(i) Effective date and time of temporary termination;

(ii) Effective date and time of redesignation, following period of temporary termination;

(iii) Identification and capacity of resource(s) or portions thereof to be temporarily terminated;

(iv) Resource description and attestation for redesignating the network resource following the temporary termination, in accordance with Section 30.2; and

(v) Identification of any related transmission service requests to be evaluated concomitantly with the request for temporary termination, such that the requests for undesignation and the request for these related transmission service requests must be approved or denied as a single request. The evaluation of these related transmission service requests must take into account the termination of the network resources identified in (iii) above, as well as all competing transmission service requests of higher priority.

As part of a temporary termination, a Network Customer may only redesignate the same resource that was originally designated, or a portion thereof. Requests to redesignate a different resource and/or a resource with increased capacity will be deemed deficient and the Transmission Provider will follow the procedures for a deficient application as described in Section 29.2 of the Tariff.

30.4 Operation of Network Resources

The Network Customer shall not operate its designated Network Resources located in the Network Customer's or Transmission Provider's Control Area such that the output of those facilities exceeds its designated Network Load, plus Non-Firm Sales delivered pursuant to Part II of the Tariff, plus losses, plus power sales under a Commission-approved reserve sharing program. This limitation shall not apply to changes in the operation of a Transmission Customer's Network Resources at the request of the Transmission Provider to respond to an emergency or other unforeseen condition which may impair or degrade the reliability of the Transmission System. For all Network Resources not physically connected with the Transmission Provider's Transmission System, the Network Customer may not schedule delivery of energy in excess of the Network Resource's capacity, as specified in the Network Customer's

Application pursuant to Section 29, unless the Network Customer supports such delivery within the Transmission Provider's Transmission System by either obtaining Point-to-Point Transmission Service or utilizing secondary service pursuant to Section 28.4. The Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in the event that a Network Customer's schedule at the delivery point for a Network Resource not physically interconnected with the Transmission Provider's Transmission System exceeds the Network Resource's designated capacity, excluding energy delivered using secondary service or Point-to-Point Transmission Service.

30.5 Network Customer Redispatch Obligation

As a condition to receiving Network Integration Transmission Service, the Network Customer agrees to redispatch its Network Resources as requested by the Transmission Provider pursuant to Section 33.2. To the extent practical, the redispatch of resources pursuant to this section shall be on a least cost, non-discriminatory basis between all Network Customers, and the Transmission Provider.

30.6 Transmission Arrangements for Network Resources Not Physically Interconnected With the Transmission Provider

The Network Customer shall be responsible for any arrangements necessary to deliver capacity and energy from a Network Resource not physically interconnected with the Transmission Provider's Transmission System. The Transmission Provider will undertake reasonable efforts to assist the Network Customer in obtaining such arrangements, including without limitation, providing any information or data required by such other entity pursuant to Good Utility Practice.

30.7 Limitation on Designation of Network Resources

The Network Customer must demonstrate that it owns or has committed to purchase generation pursuant to an executed contract in order to designate a generating resource as a Network Resource. Alternatively, the Network Customer may establish that execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff.

30.8 Use of Interface Capacity by the Network Customer

There is no limitation upon a Network Customer's use of the Transmission Provider's Transmission System at any particular interface to integrate the Network Customer's Network Resources (or substitute economy purchases) with its Network Loads. However, a Network Customer's use of the Transmission Provider's total interface capacity with other transmission systems may not exceed the Network Customer's Load.

30.9 Network Customer Owned Transmission Facilities

The Network Customer that owns existing transmission facilities that are integrated with the Transmission Provider's Transmission System may be eligible to receive consideration either through a billing credit or some other mechanism. In order to receive such consideration the Network Customer must demonstrate that its transmission facilities are integrated into the plans or operations of the Transmission Provider, to serve its power and transmission customers. For facilities added by the Network Customer subsequent to the [the effective date of a Final Rule in RM05–25–000], the Network Customer shall receive credit for such transmission facilities added if such facilities are integrated into the operations of the Transmission Provider's facilities; provided however, the Network Customer's transmission facilities shall be presumed to be integrated if such transmission facilities, if owned by the Transmission Provider, would be eligible for inclusion in the Transmission Provider's annual transmission revenue requirement as specified in Attachment H. Calculation of any credit under this subsection shall be addressed in either the Network Customer's Service Agreement or any other agreement between the Parties.

31 Designation of Network Load

31.1 Network Load

The Network Customer must designate the individual Network Loads on whose behalf the Transmission Provider will provide Network Integration Transmission Service. The Network Loads shall be specified in the Service Agreement.

31.2 New Network Loads Connected With the Transmission Provider

The Network Customer shall provide the Transmission Provider with as much advance notice as reasonably practicable of the designation of new Network Load that will be added to its Transmission System. A designation of new Network Load must be made through a modification of service pursuant to a new Application. The Transmission Provider will use due diligence to install any transmission facilities required to interconnect a new Network Load designated by the Network Customer. The costs of new facilities required to interconnect a new Network Load shall be determined in accordance with the procedures provided in Section 32.4 and shall be charged to the Network Customer in accordance with Commission policies.

31.3 Network Load Not Physically Interconnected With the Transmission Provider

This section applies to both initial designation pursuant to Section 31.1 and the subsequent addition of new Network Load not physically interconnected with the Transmission Provider. To the extent that the Network Customer desires to obtain transmission service for a load outside the Transmission Provider's Transmission System, the Network Customer shall have the option of (1) electing to include the entire load as Network Load for all purposes under Part III of the Tariff and designating Network Resources in connection with such additional Network Load, or (2) excluding that entire load from its Network Load and purchasing Point-To-Point Transmission Service under Part II of the Tariff. To the extent that the Network Customer gives notice of its intent to add a new Network Load as part of its Network Load pursuant to this section the request must be made through a modification of service pursuant to a new Application.

31.4 New Interconnection Points

To the extent the Network Customer desires to add a new Delivery Point or interconnection point between the Transmission Provider's Transmission System and a Network Load, the Network Customer shall provide the Transmission Provider with as much advance notice as reasonably practicable.

31.5 Changes in Service Requests

Under no circumstances shall the Network Customer's decision to cancel or delay a requested change in Network Integration Transmission Service (*e.g.* the addition of a new Network Resource or designation of a new Network Load) in any way relieve the Network Customer of its obligation to pay the costs of transmission facilities constructed by the Transmission Provider and charged to the Network Customer as reflected in the Service

Agreement. However, the Transmission Provider must treat any requested change in Network Integration Transmission Service in a non-discriminatory manner.

31.6 Annual Load and Resource Information Updates

The Network Customer shall provide the Transmission Provider with annual updates of Network Load and Network Resource forecasts consistent with those included in its Application for Network Integration Transmission Service under Part III of the Tariff including, but not limited to, any information provided under section 29.2(ix) pursuant to the Transmission Provider's planning process in Attachment K. The Network Customer also shall provide the Transmission Provider with timely written notice of material changes in any other information provided in its Application relating to the Network Customer's Network Load, Network Resources, its transmission system or other aspects of its facilities or operations affecting the Transmission Provider's ability to provide reliable service.

32 Additional Study Procedures for Network Integration Transmission Service Requests

32.1 Notice of Need for System Impact Study

After receiving a request for service, the Transmission Provider shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of the Transmission Provider's methodology for completing a System Impact Study is provided in Attachment D. If the Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer, as soon as practicable. In such cases, the Transmission Provider shall within thirty (30) days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required System Impact Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the System Impact Study Agreement, its Application shall be deemed withdrawn and its deposit shall be returned with interest.

32.2 System Impact Study Agreement and Cost Reimbursement

(i) The System Impact Study Agreement will clearly specify the Transmission Provider's estimate of the actual cost, and time for completion of the System Impact Study. The charge shall not exceed the actual cost of the study. In performing the System Impact Study, the Transmission Provider shall rely, to the extent reasonably practicable, on existing transmission planning studies. The Eligible Customer will not be assessed a charge for such existing studies; however, the Eligible Customer will be responsible for charges associated with any modifications to existing planning studies that are reasonably necessary to evaluate the impact of the Eligible Customer's request for service on the Transmission System.

(ii) If in response to multiple Eligible Customers requesting service in relation to the same competitive solicitation, a single System Impact Study is sufficient for the Transmission Provider to accommodate the service requests, the costs of that study shall be pro-rated among the Eligible Customers.

(iii) For System Impact Studies that the Transmission Provider conducts on its own behalf, the Transmission Provider shall record the cost of the System Impact Studies pursuant to Section 8.

32.3 System Impact Study Procedures

Upon receipt of an executed System Impact Study Agreement, the Transmission Provider will use due diligence to complete the required System Impact Study within a sixty (60) day period. The System Impact Study shall identify (1) any system constraints, identified with specificity by transmission element or flowgate, (2) redispatch options (when requested by an Eligible Customer) including, to the extent possible, an estimate of the cost of redispatch, (3) available options for installation of automatic devices to curtail service (when requested by an Eligible Customer), and (4) additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. For customers requesting the study of redispatch options, the System Impact Study shall (1) identify all resources located within the Transmission Provider's Control Area that can significantly contribute toward relieving the system constraint and (2) provide a measurement of each resource's impact on the system constraint. If the Transmission Provider possesses information indicating that any resource outside its Control Area could relieve the constraint, it shall identify each such resource in the System Impact Study. In the event that the Transmission Provider is unable to complete the required System Impact Study within such time period, it shall so notify the Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be made available to the Eligible Customer as soon as the System Impact Study is complete. The Transmission Provider will use the same due diligence in completing the System Impact Study for an Eligible Customer as it uses when completing studies for itself. The Transmission Provider shall notify the Eligible Customer immediately upon completion of the System Impact Study if the Transmission System will be adequate to accommodate all or part of a request for service or that no costs are likely to be incurred for new transmission facilities or upgrades. In order for a request to remain a Completed Application, within fifteen (15) days of completion of the System Impact Study the Eligible Customer must execute a Service Agreement or request the filing of an unexecuted Service Agreement, or the Application shall be deemed terminated and withdrawn.

32.4 Facilities Study Procedures

If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, the Transmission Provider, within thirty (30) days of the completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required Facilities Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the Facilities Study Agreement, its Application shall be deemed withdrawn and its deposit shall be returned with interest. Upon receipt of an executed Facilities Study Agreement, the Transmission Provider will use due diligence to complete the required Facilities Study within a sixty (60) day period. If the Transmission Provider is unable to complete the Facilities Study in the allotted time period, the Transmission Provider shall

notify the Eligible Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study will include a good faith estimate of (i) the cost of Direct Assignment Facilities to be charged to the Eligible Customer, (ii) the Eligible Customer's appropriate share of the cost of any required Network Upgrades, and (iii) the time required to complete such construction and initiate the requested service. The Eligible Customer shall provide the Transmission Provider with a letter of credit or other reasonable form of security acceptable to the Transmission Provider equivalent to the costs of new facilities or upgrades consistent with commercial practices as established by the Uniform Commercial Code. The Eligible Customer shall have thirty (30) days to execute a Service Agreement or request the filing of an unexecuted Service Agreement and provide the required letter of credit or other form of security or the request no longer will be a Completed Application and shall be deemed terminated and withdrawn.

32.5 Penalties for Failure To Meet Study Deadlines

Section 19.9 defines penalties that apply for failure to meet the 60-day study completion due diligence deadlines for System Impact Studies and Facilities Studies under Part II of the Tariff. These same requirements and penalties apply to service under Part III of the Tariff.

33 Load Shedding and Curtailments

33.1 Procedures

Prior to the Service Commencement Date, the Transmission Provider and the Network Customer shall establish Load Shedding and Curtailment procedures pursuant to the Network Operating Agreement with the objective of responding to contingencies on the Transmission System and on systems directly and indirectly interconnected with Transmission Provider's Transmission System. The Parties will implement such programs during any period when the Transmission Provider determines that a system contingency exists and such procedures are necessary to alleviate such contingency. The Transmission Provider will notify all affected Network Customers in a timely manner of any scheduled Curtailment.

33.2 Transmission Constraints

During any period when the Transmission Provider determines that a transmission constraint exists on the Transmission System, and such constraint may impair the reliability of the Transmission Provider's system, the Transmission Provider will take whatever actions, consistent with Good Utility Practice, that are reasonably necessary to maintain the reliability of the Transmission Provider's system. To the extent the Transmission Provider determines that the reliability of the Transmission System can be maintained by redispatching resources, the Transmission Provider will initiate procedures pursuant to the Network Operating Agreement to redispatch all Network Resources and the Transmission Provider's own resources on a least-cost basis without regard to the ownership of such resources. Any redispatch under this section may not unduly discriminate between the Transmission Provider's use of the Transmission System on behalf of its Native Load Customers and any Network Customer's use of the Transmission System to serve its designated Network Load.

33.3 Cost Responsibility for Relieving Transmission Constraints

Whenever the Transmission Provider implements least-cost redispatch procedures in response to a transmission constraint, the Transmission Provider and Network Customers will each bear a proportionate share of the total redispatch cost based on their respective Load Ratio Shares.

33.4 Curtailments of Scheduled Deliveries

If a transmission constraint on the Transmission Provider's Transmission System cannot be relieved through the implementation of least-cost redispatch procedures and the Transmission Provider determines that it is necessary to Curtail scheduled deliveries, the Parties shall Curtail such schedules in accordance with the Network Operating Agreement or pursuant to the Transmission Loading Relief procedures specified in Attachment J.

33.5 Allocation of Curtailments

The Transmission Provider shall, on a non-discriminatory basis, Curtail the transaction(s) that effectively relieve the constraint. However, to the extent practicable and consistent with Good Utility Practice, any Curtailment will be shared by the Transmission Provider and Network Customer in proportion to their respective Load Ratio Shares. The Transmission Provider shall not direct the Network Customer to Curtail schedules to an extent greater than the Transmission Provider would Curtail the Transmission Provider's schedules under similar circumstances.

33.6 Load Shedding

To the extent that a system contingency exists on the Transmission Provider's Transmission System and the Transmission Provider determines that it is necessary for the Transmission Provider and the Network Customer to shed load, the Parties shall shed load in accordance with previously established procedures under the Network Operating Agreement.

33.7 System Reliability

Notwithstanding any other provisions of this Tariff, the Transmission Provider reserves the right, consistent with Good Utility Practice and on a not unduly discriminatory basis, to Curtail Network Integration Transmission Service without liability on the Transmission Provider's part for the purpose of making necessary adjustments to, changes in, or repairs on its lines, substations and facilities, and in cases where the continuance of Network Integration Transmission Service would endanger persons or property. In the event of any adverse condition(s) or disturbance(s) on the Transmission Provider's Transmission System or on any other system(s) directly or indirectly interconnected with the Transmission Provider's Transmission System, the Transmission Provider, consistent with Good Utility Practice, also may Curtail Network Integration Transmission Service in order to (i) limit the extent or damage of the adverse condition(s) or disturbance(s), (ii) prevent damage to generating or transmission facilities, or (iii) expedite restoration of service. The Transmission Provider will give the Network Customer as much advance notice as is practicable in the event of such Curtailment. Any Curtailment of Network Integration Transmission Service will be not unduly discriminatory relative to the Transmission Provider's use of the Transmission System on behalf of its Native Load Customers. The Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in the event that the Network Customer fails to respond to established Load Shedding and Curtailment procedures.

34 Rates and Charges

The Network Customer shall pay the Transmission Provider for any Direct

Assignment Facilities, Ancillary Services, and applicable study costs, consistent with Commission policy, along with the following:

34.1 Monthly Demand Charge

The Network Customer shall pay a monthly Demand Charge, which shall be determined by multiplying its Load Ratio Share times one twelfth (1/12) of the Transmission Provider's Annual Transmission Revenue Requirement specified in Schedule H.

34.2 Determination of Network Customer's Monthly Network Load

The Network Customer's monthly Network Load is its hourly load (including its designated Network Load not physically interconnected with the Transmission Provider under Section 31.3) coincident with the Transmission Provider's Monthly Transmission System Peak.

34.3 Determination of Transmission Provider's Monthly Transmission System Load

The Transmission Provider's monthly Transmission System load is the Transmission Provider's Monthly Transmission System Peak minus the coincident peak usage of all Firm Point-To-Point Transmission Service customers pursuant to Part II of this Tariff plus the Reserved Capacity of all Firm Point-To-Point Transmission Service customers.

34.4 Redispatch Charge

The Network Customer shall pay a Load Ratio Share of any redispatch costs allocated between the Network Customer and the Transmission Provider pursuant to Section 33. To the extent that the Transmission Provider incurs an obligation to the Network Customer for redispatch costs in accordance with Section 33, such amounts shall be credited against the Network Customer's bill for the applicable month.

34.5 Stranded Cost Recovery

The Transmission Provider may seek to recover stranded costs from the Network Customer pursuant to this Tariff in accordance with the terms, conditions and procedures set forth in FERC Order No. 888. However, the Transmission Provider must separately file any proposal to recover stranded costs under Section 205 of the Federal Power Act.

35 Operating Arrangements

35.1 Operation Under the Network Operating Agreement

The Network Customer shall plan, construct, operate and maintain its facilities in accordance with Good Utility Practice and in conformance with the Network Operating Agreement.

35.2 Network Operating Agreement

The terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Part III of the Tariff shall be specified in the Network Operating Agreement. The Network Operating Agreement shall provide for the Parties to (i) operate and maintain equipment necessary for integrating the Network Customer within the Transmission Provider's Transmission System (including, but not limited to, remote terminal units, metering, communications equipment and relaying equipment), (ii) transfer data between the Transmission Provider and the Network Customer (including, but not limited to, heat rates and operational characteristics of Network Resources, generation schedules for units outside the Transmission Provider's Transmission System, interchange schedules, unit outputs for redispatch required under Section 33, voltage schedules, loss factors and other real time data), (iii) use software programs required for data links and constraint dispatching, (iv) exchange data on forecasted loads and resources necessary for long-term planning, and (v) address any other technical and operational considerations required for implementation of Part III of the Tariff, including scheduling protocols. The Network Operating Agreement will recognize that the Network Customer shall either (i) operate as a Control Area under applicable guidelines of the Electric Reliability Organization (ERO) as defined in 18 CFR 39.1, (ii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with the Transmission Provider, or (iii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with another entity, consistent with Good Utility Practice, which satisfies the applicable reliability guidelines of the ERO. The Transmission Provider shall not unreasonably refuse to accept contractual arrangements with another entity for Ancillary Services. The Network Operating Agreement is included in Attachment G.

35.3 Network Operating Committee

A Network Operating Committee (Committee) shall be established to coordinate operating criteria for the Parties' respective responsibilities under the Network Operating Agreement. Each Network Customer shall be entitled to have at least one representative on the Committee. The Committee shall meet from time to time as need requires, but no less than once each calendar year.

Schedule 1—Scheduling, System Control and Dispatch Service

This service is required to schedule the movement of power through, out of, within, or into a Control Area. This service can be provided only by the operator of the Control Area in which the transmission facilities used for transmission service are located. Scheduling, System Control and Dispatch Service is to be provided directly by the Transmission Provider (if the Transmission Provider is the Control Area operator) or indirectly by the Transmission Provider making arrangements with the Control Area operator that performs this service for the Transmission Provider's Transmission System. The Transmission Customer must purchase this service from the Transmission Provider or the Control Area operator. The charges for Scheduling, System Control and Dispatch Service are to be based on the rates set forth below. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

Schedule 2—Reactive Supply and Voltage Control From Generation or Other Sources Service

In order to maintain transmission voltages on the Transmission Provider's transmission facilities within acceptable limits, generation facilities and non-generation resources capable of providing this service that are under the control of the control area operator are operated to produce (or absorb) reactive power. Thus, Reactive Supply and Voltage Control from Generation or Other Sources Service must be provided for each transaction on the Transmission Provider's transmission facilities. The amount of Reactive Supply and Voltage Control from Generation or Other Sources Service that must be supplied with respect to the Transmission Customer's transaction will be determined based on the reactive power support necessary to maintain transmission voltages within

limits that are generally accepted in the region and consistently adhered to by the Transmission Provider.

Reactive Supply and Voltage Control from Generation or Other Sources Service is to be provided directly by the Transmission Provider (if the Transmission Provider is the Control Area operator) or indirectly by the Transmission Provider making arrangements with the Control Area operator that performs this service for the Transmission Provider's Transmission System. The Transmission Customer must purchase this service from the Transmission Provider or the Control Area operator. The charges for such service will be based on the rates set forth below. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by the Control Area operator.

Schedule 3—Regulation and Frequency Response Service

Regulation and Frequency Response Service is necessary to provide for the continuous balancing of resources (generation and interchange) with load and for maintaining scheduled Interconnection frequency at sixty cycles per second (60 Hz). Regulation and Frequency Response Service is accomplished by committing on-line generation whose output is raised or lowered (predominantly through the use of automatic generating control equipment) and by other non-generation resources capable of providing this service as necessary to follow the moment-by-moment changes in load. The obligation to maintain this balance between resources and load lies with the Transmission Provider (or the Control Area operator that performs this function for the Transmission Provider). The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Regulation and Frequency Response Service obligation. The amount of and charges for Regulation and Frequency Response Service are set forth below. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

Schedule 4—Energy Imbalance Service

Energy Imbalance Service is provided when a difference occurs between the scheduled and the actual delivery of energy to a load located within a Control Area over a single hour. The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements, which may include use of non-generation resources capable of providing this service, to satisfy its Energy Imbalance Service obligation. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator. The Transmission Provider may charge a Transmission Customer a penalty for either hourly energy imbalances under this Schedule or a penalty for hourly generator imbalances under Schedule 9 for imbalances occurring during the same hour, but not both unless the imbalances aggravate rather than offset each other.

The Transmission Provider shall establish charges for energy imbalance based on the deviation bands as follows: (i) Deviations within +/−1.5 percent (with a minimum of 2 MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be netted on a monthly basis and settled financially, at the end of the month, at 100 percent of incremental or decremental cost; (ii) deviations greater than +/−1.5 percent up to 7.5 percent (or greater than 2 MW up to 10 MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month, at 110 percent of incremental cost or 90 percent of decremental cost, and (iii) deviations greater than +/−7.5 percent (or 10 MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month, at 125 percent of incremental cost or 75 percent of decremental cost.

For purposes of this Schedule, incremental cost and decremental cost represent the Transmission Provider's actual average hourly cost of the last 10 MW dispatched for any purpose, *i.e.*, to supply the Transmission Provider's Native Load Customers, correct imbalances, or make off-system sales, based on the replacement cost of fuel, unit heat rates, start-up costs (including any commitment and redispatch costs), incremental operation and maintenance costs, and purchased and interchange power costs and taxes, as applicable.

Schedule 5—Operating Reserve—Spinning Reserve Service

Spinning Reserve Service is needed to serve load immediately in the event of a system contingency. Spinning Reserve Service may be provided by generating units that are on-line and loaded at less than maximum output and by non-generation resources capable of providing this service. The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Spinning Reserve Service obligation. The amount of and charges for Spinning Reserve Service are set forth below. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

Schedule 6—Operating Reserve—Supplemental Reserve Service

Supplemental Reserve Service is needed to serve load in the event of a system contingency; however, it is not available immediately to serve load but rather within a short period of time. Supplemental Reserve Service may be provided by generating units that are on-line but unloaded, by quick-start generation or by interruptible load or other non-generation resources capable of providing this service. The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Supplemental Reserve Service obligation. The amount of and charges for Supplemental Reserve Service are set forth below. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the

costs charged to the Transmission Provider by that Control Area operator.

Schedule 7—Long-Term Firm and Short-Term Firm Point-To-Point Transmission Service

The Transmission Customer shall compensate the Transmission Provider each month for Reserved Capacity at the sum of the applicable charges set forth below:

(1) Yearly delivery: one-twelfth of the demand charge of $____/KW of Reserved Capacity per year.

(2) Monthly delivery: $____/KW of Reserved Capacity per month.

(3) Weekly delivery: $____/KW of Reserved Capacity per week.

(4) Daily delivery: $____/KW of Reserved Capacity per day.

The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.

(5) Discounts: Three principal requirements apply to discounts for transmission service as follows (1) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, the Transmission Provider must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.

(6) Resales: The rates and rules governing charges and discounts stated above shall not apply to resales of transmission service, compensation for which shall be governed by section 23.1 of the Tariff.

Schedule 8—Non-Firm Point-To-Point Transmission Service

The Transmission Customer shall compensate the Transmission Provider for Non-Firm Point-To-Point Transmission Service up to the sum of the applicable charges set forth below:

(1) Monthly delivery: $____/KW of Reserved Capacity per month.

(2) Weekly delivery: $____/KW of Reserved Capacity per week.

(3) Daily delivery: $____/KW of Reserved Capacity per day.

The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.

(4) Hourly delivery: The basic charge shall be that agreed upon by the Parties at the time this service is reserved and in no event shall exceed $____/MWH. The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any hour during such day. In addition, the total demand charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity in any hour during such week.

(5) Discounts: Three principal requirements apply to discounts for transmission service as follows (1) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, the Transmission Provider must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.

(6) Resales: The rates and rules governing charges and discounts stated above shall not apply to resales of transmission service, compensation for which shall be governed by section 23.1 of the Tariff.

Schedule 9—Generator Imbalance Service

Generator Imbalance Service is provided when a difference occurs between the output of a generator located in the Transmission Provider's Control Area and a delivery schedule from that generator to (1) another Control Area or (2) a load within the Transmission Provider's Control Area over a single hour. The Transmission Provider must offer this service, to the extent it is physically feasible to do so from its resources or from resources available to it, when Transmission Service is used to deliver energy from a generator located within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements, which may include use of non-generation resources capable of providing this service, to satisfy its Generator Imbalance Service obligation. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area Operator. The Transmission Provider may charge a Transmission Customer a penalty for either hourly generator imbalances under this Schedule or a penalty for hourly energy imbalances under Schedule 4 for imbalances occurring during the same hour, but not both unless the imbalances aggravate rather than offset each other.

The Transmission Provider shall establish charges for generator imbalance based on the deviation bands as follows: (i) deviations within +/−1.5 percent (with a minimum of 2 MW) of the scheduled transaction to be applied hourly to any generator imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be netted on a monthly basis and settled financially, at the end of each month, at 100 percent of incremental or decremental cost, (ii) deviations greater than +/−1.5 percent up to 7.5 percent (or greater than 2 MW up to 10 MW) of the scheduled transaction to be applied hourly to any generator imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month, at 110 percent of incremental cost or 90 percent of decremental cost, and (iii) deviations greater than +/−7.5 percent (or 10 MW) of the scheduled transaction to be applied hourly to any generator imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled at 125 percent of incremental cost or 75 percent of decremental cost, except that an intermittent resource will be exempt from this deviation band and will pay the deviation band charges for all deviations greater than the larger of 1.5 percent or 2 MW. An intermittent resource, for the limited purpose of this Schedule is an electric generator that is not dispatchable and cannot store its fuel source and therefore cannot respond to changes in system demand or respond to transmission security constraints.

1. Notwithstanding the foregoing, deviations from scheduled transactions in order to respond to directives by the Transmission Provider, a balancing authority, or a reliability coordinator shall not be subject to the deviation bands identified above and, instead, shall be settled financially, at the end of the month, at 100 percent of incremental and decremental cost. Such directives may include instructions to correct frequency decay, respond to a reserve sharing event, or change output to relieve congestion.

2. For purposes of this Schedule, incremental cost and decremental cost represent the Transmission Provider's actual average hourly cost of the last 10 MW dispatched for any purpose, *i.e.*, to supply the Transmission Provider's Native Load Customers, correct imbalances, or make off-system sales, based on the replacement cost of fuel, unit heat rates, start-up costs (including any commitment and redispatch costs), incremental operation and maintenance costs, and purchased and interchange power costs and taxes, as applicable.

Attachment A—Form of Service Agreement For Firm Point-To-Point Transmission Service

1.0 This Service Agreement, dated as of _____, is entered into, by and between _____ (the Transmission Provider), and _____ (''Transmission Customer'').

2.0 The Transmission Customer has been determined by the Transmission Provider to have a Completed Application for Firm Point-To-Point Transmission Service under the Tariff.

3.0 The Transmission Customer has provided to the Transmission Provider an Application deposit in accordance with the provisions of Section 17.3 of the Tariff.

4.0 Service under this agreement shall commence on the later of (1) the requested service commencement date, or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed, or (3) such other date as it is permitted to become effective by the Commission. Service under this agreement shall terminate on such date as mutually agreed upon by the parties.

5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.

6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

_____

_____

_____

Transmission Customer:

_____

_____

_____

7.0 The Tariff is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Transmission Provider:

By:

_____

Name

_____

Title

_____

Date

Transmission Customer:

By:

_____

Name

_____

Title

_____

Date

Specifications for Long-Term Firm Point-To-Point Transmission Service

1.0 Term of Transaction: _____

Start Date: _____

Termination Date: _____

2.0 Description of capacity and energy to be transmitted by Transmission Provider including the electric Control Area in which the transaction originates. ____

_____

3.0 Point(s) of Receipt: _____

Delivering Party: _____

4.0 Point(s) of Delivery: _____

Receiving Party: _____

5.0 Maximum amount of capacity and energy to be transmitted (Reserved Capacity): _____

6.0 Designation of party(ies) subject to reciprocal service obligation: _____

_____

_____

_____

7.0 Name(s) of any Intervening Systems providing transmission service: __

_____

8.0 Service under this Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff.)

8.1 Transmission Charge: _____

_____

8.2 System Impact and/or Facilities Study Charge(s): _____

_____

_____

8.3 Direct Assignment Facilities Charge: _____

_____

8.4 Ancillary Services Charges: _____

_____

_____

_____

_____

_____

_____

Attachment A–1—Form of Service Agreement for the Resale, Reassignment, or Transfer of Point-To-Point Transmission Service

1.0 This Service Agreement, dated as of _____, is entered into, by and between _____ (the Transmission Provider), and _____ (the Assignee).

2.0 The Assignee has been determined by the Transmission Provider to be an Eligible Customer under the Tariff pursuant to which the transmission service rights to be transferred were originally obtained.

3.0 The terms and conditions for the transaction entered into under this Service Agreement shall be subject to the terms and conditions of Part II of the Transmission Provider's Tariff, except for those terms and conditions negotiated by the Reseller of the reassigned transmission capacity (pursuant to Section 23.1 of this Tariff) and the Assignee, to include: contract effective and termination dates, the amount of reassigned capacity or energy, point(s) of receipt and delivery. Changes by the Assignee to the Reseller's Points of Receipt and Points of Delivery will be subject to the provisions of Section 23.2 of this Tariff.

4.0 The Transmission Provider shall credit the Reseller for the price reflected in the Assignee's Service Agreement or the associated OASIS schedule.

5.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

_____

_____

_____

Assignee:

6.0 The Tariff is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Transmission Provider:

By:

Name

Title

Date

Assignee:

By:

Name

Title

Date

Specifications for the Resale, Reassignment, or Transfer of Long-Term Firm Point-To-Point Transmission Service

1.0 Term of Transaction:

Start Date:

Termination Date:

2.0 Description of capacity and energy to be transmitted by Transmission Provider including the electric Control Area in which the transaction originates.

3.0 Point(s) of Receipt:

Delivering Party:

4.0 Point(s) of Delivery:

Receiving Party:

5.0 Maximum amount of reassigned capacity:

6.0 Designation of party(ies) subject to reciprocal service obligation:

7.0 Name(s) of any Intervening Systems providing transmission service:

8.0 Service under this Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff.)

8.1 Transmission Charge:

8.2 System Impact and/or Facilities Study Charge(s):

8.3 Direct Assignment Facilities Charge:

8.4 Ancillary Services Charges:

9.0 Name of Reseller of the reassigned transmission capacity:

Attachment B—Form of Service Agreement for Non-Firm Point-To-Point Transmission Service

1.0 This Service Agreement, dated as of _____, is entered into, by and between _____ (the Transmission Provider), and _____ (Transmission Customer).

2.0 The Transmission Customer has been determined by the Transmission Provider to be a Transmission Customer under Part II of the Tariff and has filed a Completed Application for Non-Firm Point-To-Point Transmission Service in accordance with Section 18.2 of the Tariff.

3.0 Service under this Agreement shall be provided by the Transmission Provider upon request by an authorized representative of the Transmission Customer.

4.0 The Transmission Customer agrees to supply information the Transmission Provider deems reasonably necessary in accordance with Good Utility Practice in order for it to provide the requested service.

5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Non-Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.

6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

Transmission Customer:

7.0 The Tariff is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Transmission Provider:

By:

Name

Title

Date

Transmission Customer:

By:

Name

Title

Date

Attachment C—Methodology To Assess Available Transfer Capability

The Transmission Provider must include, at a minimum, the following information concerning its ATC calculation methodology:

(1) A detailed description of the specific mathematical algorithm used to calculate firm and non-firm ATC (and AFC, if applicable) for its scheduling horizon (same day and real-time), operating horizon (day ahead and pre-schedule) and planning horizon (beyond the operating horizon);

(2) A process flow diagram that illustrates the various steps through which ATC/AFC is calculated; and

(3) A detailed explanation of how each of the ATC components is calculated for both the operating and planning horizons.

(a) For TTC, a Transmission Provider shall: (i) Explain its definition of TTC; (ii) explain its TTC calculation methodology; (iii) list the databases used in its TTC assessments; and (iv) explain the assumptions used in its TTC assessments regarding load levels, generation dispatch, and modeling of planned and contingency outages.

(b) For ETC, a transmission provider shall explain: (i) Its definition of ETC; (ii) the calculation methodology used to determine the transmission capacity to be set aside for native load (including network load), and non-OATT customers (including, if applicable, an explanation of assumptions on the selection of generators that are modeled in service); (iii) how point-to-point transmission service requests are incorporated; (iv) how rollover rights are accounted for; (v) its processes for ensuring that non-firm capacity is released properly (*e.g.*, when real-time schedules replace the associated transmission service requests in its real-

time calculations); and (vi) describe the step-by-step modeling study methodology and criteria for adding or eliminating flowgates (permanent and temporary).

(c) If a Transmission Provider uses an AFC methodology to calculate ATC, it shall: (i) Explain its definition of AFC; (ii) explain its AFC calculation methodology; (iii) explain its process for converting AFC into ATC for OASIS posting; (iv) list the databases used in its AFC assessments; and (v) explain the assumptions used in its AFC assessments regarding load levels, generation dispatch, and modeling of planned and contingency outages.

(d) For TRM, a Transmission Provider shall explain: (i) Its definition of TRM; (ii) its TRM calculation methodology (*e.g.*, its assumptions on load forecast errors, forecast errors in system topology or distribution factors and loop flow sources); (iii) the databases used in its TRM assessments; (iv) the conditions under which the transmission provider uses TRM. A Transmission Provider that does not set aside transfer capability for TRM must so state.

(e) For CBM, the Transmission Provider shall include a specific and self-contained narrative explanation of its CBM practice, including: (i) An identification of the entity who performs the resource adequacy analysis for CBM determination; (ii) the methodology used to perform generation reliability assessments (*e.g.*, probabilistic or deterministic); (iii) an explanation of whether the assessment method reflects a specific regional practice; (iv) the assumptions used in this assessment; and (v) the basis for the selection of paths on which CBM is set aside.

(f) In addition, for CBM, a Transmission Provider shall: (i) Explain its definition of CBM; (ii) list the databases used in its CBM calculations; and (iii) demonstrate that there is no double-counting of contingency outages when performing CBM, TTC, and TRM calculations.

(g) The Transmission Provider shall explain its procedures for allowing the use of CBM during emergencies (with an explanation of what constitutes an emergency, the entities that are permitted to use CBM during emergencies and the procedures which must be followed by the transmission providers' merchant function and other load-serving entities when they need to access CBM). If the Transmission Provider's practice is not to set aside transfer capability for CBM, it shall so state.

Attachment D—Methodology for Completing a System Impact Study

To be filed by the Transmission Provider.

Attachment E—Index of Point-To-Point Transmission Service Customers

Customer Date of Service Agreement

Attachment F—Service Agreement for Network Integration Transmission Service

To be filed by the Transmission Provider.

Attachment G—Network Operating Agreement

To be filed by the Transmission Provider.

Attachment H—Annual Transmission Revenue Requirement for Network Integration Transmission Service

1. The Annual Transmission Revenue Requirement for purposes of the Network Integration Transmission Service shall be _____.

2. The amount in (1) shall be effective until amended by the Transmission Provider or modified by the Commission.

Attachment I—Index of Network Integration Transmission Service Customers

Customer Date of Service Agreement

Attachment J—Procedures for Addressing Parallel Flows

To be filed by the Transmission Provider.

Attachment K—Transmission Planning Process

The Transmission Provider shall establish a coordinated, open and transparent planning process with its Network and Firm Point-to-Point Transmission Customers and other interested parties, including the coordination of such planning with interconnected systems within its region, to ensure that the Transmission System is planned to meet the needs of both the Transmission Provider and its Network and Firm Point-to-Point Transmission Customers on a comparable and nondiscriminatory basis. The Transmission Provider's coordinated, open and transparent planning process shall be provided as an attachment to the Transmission Provider's Tariff.

The Transmission Provider's planning process shall satisfy the following nine principles, as defined in the Final Rule in Docket No. RM05–25–000: coordination, openness, transparency, information exchange, comparability, dispute resolution, regional participation, economic planning studies, and cost allocation for new projects. The planning process shall also provide a mechanism for the recovery and allocation of planning costs consistent with the Final Rule in Docket No. RM05–25–000.

The Transmission Provider's planning process must include sufficient detail to enable Transmission Customers to understand:

(i) The process for consulting with customers and neighboring transmission providers;

(ii) The notice procedures and anticipated frequency of meetings;

(iii) The methodology, criteria, and processes used to develop transmission plans;

(iv) The method of disclosure of criteria, assumptions and data underlying transmission system plans;

(v) The obligations of and methods for customers to submit data to the transmission provider;

(vi) The dispute resolution process;

(vii) The transmission provider's study procedures for economic upgrades to address congestion or the integration of new resources; and

(viii) The relevant cost allocation procedures or principles.

Attachment L—Creditworthiness Procedures

For the purpose of determining the ability of the Transmission Customer to meet its obligations related to service hereunder, the Transmission Provider may require reasonable credit review procedures. This review shall be made in accordance with standard commercial practices and must specify quantitative and qualitative criteria to determine the level of secured and unsecured credit.

The Transmission Provider may require the Transmission Customer to provide and maintain in effect during the term of the Service Agreement, an unconditional and irrevocable letter of credit as security to meet its responsibilities and obligations under the Tariff, or an alternative form of security proposed by the Transmission Customer and acceptable to the Transmission Provider and consistent with commercial practices established by the Uniform Commercial Code that protects the Transmission Provider against the risk of non-payment.

Additionally, the Transmission Provider must include, at a minimum, the following information concerning its creditworthiness procedures:

(1) A summary of the procedure for determining the level of secured and unsecured credit;

(2) A list of the acceptable types of collateral/security;

(3) A procedure for providing customers with reasonable notice of changes in credit levels and collateral requirements;

(4) A procedure for providing customers, upon request, a written explanation for any change in credit levels or collateral requirements;

(5) A reasonable opportunity to contest determinations of credit levels or collateral requirements; and

(6) A reasonable opportunity to post additional collateral, including curing any non-creditworthy determination.

[FR Doc. E8–144 Filed 1–15–08; 8:45 am]

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Federal Register

Wednesday,
January 16, 2008

Part III

Department of the Interior

Fish and Wildlife Service

50 CFR Part 17

Endangered and Threatened Wildlife and Plants; Final Rule To List Six Foreign Birds as Endangered; Final Rule

DEPARTMENT OF THE INTERIOR

Fish and Wildlife Service

50 CFR Part 17

[FWS–R1–JA–2008–007; 96100–1671–000; 1018–AT62]

Endangered and Threatened Wildlife and Plants; Final Rule To List Six Foreign Birds as Endangered

AGENCY: Fish and Wildlife Service, Interior.

ACTION: Final rule.

SUMMARY: We, the U.S. Fish and Wildlife Service (Service), determine endangered status for six avian species—black stilt (*Himantopus novaezelandiae*), caerulean paradise-flycatcher (*Eutrichomyias rowleyi*), giant ibis (*Pseudibis gigantea*), Gurney's pitta (*Pitta gurneyi*), long-legged thicketbird (*Trichocichla rufa*), and Socorro mockingbird (*Mimus graysoni*)—under the Endangered Species Act of 1973, as amended (Act). This rule implements the protection of the Act for these six species.

EFFECTIVE DATE: This final rule is effective February 15, 2008.

ADDRESSES: The supporting file for this rule is available for public inspection, by appointment, during normal business hours, Monday through Friday, in Suite 110, 4401 N. Fairfax Drive, Arlington, Virginia 22203.

FOR FURTHER INFORMATION CONTACT: Dr. Patricia De Angelis, at the above address; by fax to 703–358–2276; by e-mail to *ScientificAuthority@fws.gov*; or by telephone, 703–358–1708.

SUPPLEMENTARY INFORMATION:

Background

In this final rule, we determine endangered status for six foreign bird species under the Act (16 U.S.C. 1531 *et seq.*): Black stilt (*Himantopus novaezelandiae*), caerulean paradise-flycatcher (*Eutrichomyias rowleyi*), giant ibis (*Pseudibis gigantea*), Gurney's pitta (*Pitta gurneyi*), long-legged thicketbird (*Trichocichla rufa*), and Socorro mockingbird (*Mimus graysoni*).

Previous Federal Action

Section 4(b)(3)(A) of the Act requires us to make a finding (known as a ''90-day finding'') on whether a petition to add, remove, or reclassify a species from the list of endangered or threatened species has presented substantial information indicating that the requested action may be warranted. To the maximum extent practicable, the finding shall be made within 90 days following receipt of the petition and published promptly in the **Federal Register**. If we find that the petition has presented substantial information indicating that the requested action may be warranted (a positive finding), section 4(b)(3)(A) of the Act requires us to commence a status review of the species if one has not already been initiated under our internal candidate assessment process. In addition, section 4(b)(3)(B) of the Act requires us to make a finding within 12 months following receipt of the petition on whether the requested action is warranted, not warranted, or warranted but precluded by higher-priority listing actions (this finding is referred to as the ''12-month finding''). Section 4(b)(3)(C) of the Act requires that a finding of warranted but precluded for petitioned species should be treated as having been resubmitted on the date of the warranted but precluded finding, and is therefore subject to a new finding within 1 year and subsequently thereafter until we take action on a proposal to list or withdraw our original finding. The Service publishes an annual notice of resubmitted petition findings (annual notice) for all foreign species for which listings were previously found to be warranted but precluded.

On November 24, 1980, we received a petition (1980 petition) from Dr. Warren B. King, Chairman, United States Section of the International Council for Bird Preservation (ICBP), to add 79 bird species (19 native and 60 foreign) to the List of Endangered and Threatened Wildlife (50 CFR 17.11(h)), including the black stilt and the long-legged thicket bird (or, long-legged warbler, which was the common name used in the petition). In response to the 1980 petition, we published a positive 90-day finding on May 12, 1981 (46 FR 26464), for 77 of the species (19 domestic and 58 foreign), noting that 2 of the foreign species identified in the petition were already listed under the Act, and initiated a status review. On January 20, 1984, we published an annual review on pending petitions and description of progress on all petition findings addressed therein (49 FR 2485). In that notice, we found that listing all 58 foreign bird species from the 1980 petition, including the black stilt and the long-legged thicketbird, was warranted but precluded by higher-priority listing actions. On May 10, 1985, we published the first annual notice (50 FR 19761) in which we continued to find that listing all 58 foreign bird species from the 1980 petition was warranted but precluded. In our next annual notice, published on January 9, 1986 (51 FR 996), we found that listing 54 species from the 1980 petition, including the black stilt and the long-legged thicketbird, continued to be warranted but precluded, whereas new information caused us to find that listing four other species in the 1980 petition was no longer warranted. We published additional annual notices on the species included in the 1980 petition on July 7, 1988 (53 FR 25511); December 29, 1988 (53 FR 52746); April 25, 1990 (55 FR 17475); and November 21, 1991 (56 FR 58664), in which we indicated that the black stilt and the long-legged thicketbird continued to be warranted but precluded.

On May 6, 1991 (1991 petition), we received a petition from Alison Stattersfield, of ICBP, to list 53 additional foreign birds under the Act. The caerulean paradise-flycatcher, giant ibis, Gurney's pitta, and Socorro mockingbird were included in the 1991 petition. On December 16, 1991, we published a positive 90-day finding and announced the initiation of a status review of the 53 foreign birds listed in the 1991 petition (56 FR 65207). The 1991 petition included the giant ibis, Gurney's pitta, Socorro mockingbird, and caerulean paradise-flycatcher among the 53 foreign birds that the petitioner requested be listed under the Act. On March 28, 1994 (59 FR 14496), we published a proposed rule to list 30 African bird species from both the 1980 and 1991 petitions. In the same **Federal Register** document, we included a notice of findings in which we announced our determination that listing the 38 remaining species from the 1991 petition was warranted but precluded; this group included the giant ibis, Gurney's pitta, Socorro mockingbird, and caerulean paradise-flycatcher. On May 21, 2004 (69 FR 29354), we published an annual notice of findings on resubmitted petitions for foreign species and annual description of progress on listing actions (2004 annual notice) within which we ranked species for listing by assigning them a Listing Priority Number per the Service's listing priority guidelines, published on September 21, 1983 (48 FR 43098). Based on this ranking and priorities, we determined that listing five of the previously petitioned species—the black stilt, caerulean paradise-flycatcher, giant ibis, Gurney's pitta, and Socorro mockingbird—was warranted. In the same 2004 annual notice, we determined that the long-legged thicketbird and 16 other species no longer warranted listing on the basis that those species were likely extinct. In response to the 2004 annual notice, we

received information indicating that the long-legged thicketbird had been rediscovered, in small numbers, in 2002. The magnitude of the threat to the species was perceived as high and the immediacy of threat imminent. Therefore, we assigned this species a listing priority ranking of 1, which ranking is reserved specifically for a monospecific genus, and determined that listing the species was warranted at that time.

On November 22, 2006 (71 FR 67530), we published a **Federal Register** notice to list black stilt, caerulean paradise-flycatcher, giant ibis, Gurney's pitta, long-legged thicketbird, and Socorro mockingbird as endangered. We implemented the Service's peer review process and opened a 60-day comment period to solicit scientific and commercial information on the species from all interested parties following publication of the proposed rule.

Summary of Comments and Recommendations

In the proposed rule of November 22, 2006 (71 FR 67530), we requested that all interested parties submit information that might contribute to development of a final rule. We received five comments: two from members of the public and one each from the governments of Cambodia, Fiji, and Mexico. In accordance with our policy, ''Notice of Interagency Cooperative Policy for Peer Review in Endangered Species Act Activities,'' published on July 1, 1994 (59 FR 34270), we also sought the expert opinion of at least three appropriate independent specialists regarding the proposed rule.

Comment 1: Four commenters supported the proposed listings, including the governments of Cambodia, Fiji, and Mexico. The government of Cambodia ''strongly endorsed[d] the proposal of giant ibis to be listed in [the] U.S. Endangered Species Act. The Fijian government noted that the benefits of listing the long-legged thicketbird under the Act are ''perhaps marginal'' but that a listing could help where species, such as the thicketbird, are not listed in the Appendices of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) because trade in the wild bird is not a concern at this time. The potential funding and technical support (see Available Conservation Measures) for the development of management programs for the conservation of species in foreign countries could be beneficial to the thicketbird in Fiji. Similarly, the government of Mexico commented that listing the Socorro mockingbird under the Act would support its ongoing efforts and additional actions to be undertaken by the Mexican government, including scientific investigations, in order to protect the species.

Our Response: While general support of a listing is not, in itself, a substantive comment that we take into consideration as part of our five-factor analysis, we appreciate the support of these range countries. Cooperation is important to the conservation of foreign species.

Comment 2: One researcher opposed the listing of the long-legged thicketbird on the basis that the species is not endangered, but merely elusive to the inexperienced or to those with an uneducated eye.

Our Response: We have taken into account in our review of the long-legged thicketbird the bird's elusive behavior. However, we believe that we have used the best available scientific information in our status review and have accurately determined the appropriate threat status for this species.

Comment 3: One commenter recommended that the term *kaki* be used to refer to the black stilt throughout the rule, as it is the preferred name in New Zealand.

Our Response: We have added this common name in the species description for the black stilt, but have chosen to use the common name ''black stilt'' throughout the rule and in the list because the federal listing will be categorized under the species grouping ''stilt.''

Several commenters provided additional information on the species. This information has been considered and incorporated into the rulemaking as appropriate (as indicated in the citations by ''in litt.'').

Species Information and Factors Affecting the Species

Under section 4(a) of the Act (16 U.S.C. 1533(a)(1)) and regulations promulgated to implement the listing provisions of the Act (50 CFR part 424.11), we may list a species as threatened and endangered on the basis of five threat factors: (A) Present or threatened destruction, modification, or curtailment of its habitat or range; (B) overutilization for commercial, recreational, scientific, or educational purposes; (C) disease or predation; (D) inadequacy of existing regulatory mechanisms; or (E) other natural or manmade factors affecting its continued existence. Listing may be warranted based on any of the above threat factors, either singly or in combination.

Under the Act, we may determine a species to be endangered or threatened. An endangered species is defined as a species which is in danger of extinction throughout all or a significant portion of its range. A threatened species is defined as a species which is likely to become an endangered species within the foreseeable future throughout all or a significant portion of its range. Therefore, we evaluated the best available scientific and commercial information on each species under the five listing factors to determine whether they met the definition of endangered or threatened.

Following is a species-by-species analysis of these five factors. The species are considered in alphabetical order: Black stilt, caerulean paradise-flycatcher, giant ibis, Gurney's pitta, long-legged thicketbird, and Socorro mockingbird.

I. Black stilt (*Himantopus novaezelandiae*)

Species Description

The black stilt is a wading bird in the family Recurvirostridae. It is native to New Zealand and is locally known there by its Maori name ''*kaki*.'' Adults are characterized by long red legs, a slender bill and black plumage (BirdLife International (BLI) 2007a; New Zealand Conservation Management Group (NZ CMaG 2007). Adult males and females are generally regarded as having identical plumage (BLI 2007e); however, Elkington and Maloney (2000) determined that white flecking around their eyes and crown is generally indicative of older males. Juveniles have a white-plumed breast, neck, and head (BLI 2007e). Black and pied stilt (*Himantopus himantopus*) hybridize (see Taxonomy, below), and hybrids are more varied in color, with varying gradations of white and black plumage, and varying body characteristics, such as shorter legs and longer bills (BLI 2007e; Department of Conservation (DOC) 2007a; Maloney & Murray 2002; Reed *et al.* 2007).

The species can reach 16 inches (in) (40 centimeters (cm)) (BLI 2007e) in height, with a wingspan of 23 in (58 cm). The average age of birds in the current population is 6 years (BLI 2007e; Maloney & Murray 2002). The potential lifespan of the species is unknown, but the oldest recorded specimen, a banded female relocated in 1983, was estimated to be at least 12 years old (Pierce 1986b).

Taxonomy

The black stilt was first taxonomically described by Gould in 1841 and placed in the family Recurvirostridae. It is one of two stilt species in New Zealand, the other being the pied stilt (Pierce 1984a;

Reed *et al.* 1993a). Where their ranges overlap, the black stilt may interbreed with its close relative, the pied stilt (Reed *et al.* 1993a). It is generally accepted that hybridization between these two species has been occurring only in the last two centuries, as the pied stilt expanded its range from Australia to New Zealand in the early 19th century (Greene 1999; Pierce 1984a; Reed *et al.* 1993a). During the late 19th century, the frequency of hybrid sightings increased (Pierce 1984b) but observers of the time did not realize that the two species were hybridizing, and the taxonomy of *Himantopus* species of New Zealand was the subject of much debate (Buller 1874; Potts 1872; Travers 1871). In 1984, Pierce (1984b) concluded on the basis of morphological, ecological, and behavioral differences that the two species remained distinct. Genetic analysis in the 20th century confirmed that the two species were undergoing introgressive hybridization, wherein viable offspring produced from the successful mating of two distinct species were subsequently capable of mating with parental species (Greene 1999). From these studies, despite the genetic similarity between the two species, Greene (1999) concluded that the species remain distinct.

Habitat and Life History

Black stilt habitat includes riverbanks, lakeshores, swamps, and shallow ponds (Maloney & Murray 2002; Pierce 1982; Potts 1872; Reed *et al.* 1993a). The species' habitat preferences shift slightly depending on the seasons, which are: Breeding (braided rivers, side streams, and swamps), post-breeding (riverbeds and shallow tarns), and wintering (inland waters or river deltas) (Maloney & Murray 2002). However, these habitats are often located within the same watershed, and the species is considered a primarily sedentary, nonmigrating species (Maloney & Murray 2002; Pierce 1986b). About 90 percent of the black stilt population overwinters in the Upper Waitaki Basin (UWB; in the central region of the South Island) by moving to inland areas to continue feeding on aquatic insects, including larvae of mayfly (*Deleatidium* sp.) and caddisfly (*Olinga* sp.), and, to a lesser extent, on mollusks and fish (DOC 2007a; Reed *et al.* 1993a). Researchers believe that the black stilt's long legs allow them to wade out into the deeper, unfrozen sections of rivers where they can continue foraging throughout the winter (DOC 2007a; Reed *et al.* 1993a).

A small percentage (about 10 percent) of the population migrates to coastal Canterbury on South Island or Northern Island coastal areas in the winter, from February to June, before returning to the UWB to breed in July and August (BLI 2007e; Maloney & Murray 2002: NZ CMaG 2007; Pierce 1984a; Pierce 1996; Reed *et al.* 1993a). Reed *et al.* (1993a) believe that this migratory behavior has resulted from hybridization with the pied stilt (which migrates to coastal waters in the winter) (Dowding & Moore 2006). In the absence of a suitable mate of the same species, black stilts will mate and produce hybrid offspring with the pied stilt (BLI 2007e; DOC 2007a; Maloney & Murray 2002; Reed *et al.* 1993a). Mixed pairs (a black stilt paired with a pied stilt) and their offspring are more likely to participate in migratory behavior (Dowding & Moore 2006; Reed *et al.* 1993a). Hybridization is discussed further under Factor E.

Black stilts reach adulthood around 18 months of age, attaining sexual maturity between 2 and 3 years of age. They mate for life, nest in solitary pairs (often miles (kilometers) from another pair), and exhibit high nesting fidelity (returning to the same location to nest each year) (BLI 2007e; DOC 2007a; Maloney & Murray 2002; Pierce 1984a; Reed *et al.* 1993a). The breeding season begins in July or August and egg-laying occurs from September to December (BLI 2007e; Maloney & Murray 2002; NZ CMaG 2007). Ground-nesting birds, black stilts prefer open nesting sites, such as dry, stable riverbanks (Maloney & Murray 2002; Pierce 1982; Pierce 1986b; Reed *et al.* 1993a). They lay a typical clutch size of four eggs and have a lengthy fledging period of 40 to 55 days (the amount of time it takes birds to hatch and leave the nest) (Maloney & Murray 2002). Both sexes share the nesting responsibility (Maloney & Murray 2002; Pierce 1986b; Pierce 1996; Sanders & Maloney 2002). Eggs are incubated by both sexes for 25 days, and pairs will often re-nest if the first clutch is lost early in the season (BLI 2007e; Reed *et al.* 1993a; Maloney & Murray 2002; NZ CMaG 2007). Chicks are precocial (the young are relatively mature and mobile from the moment of hatching) and capable of feeding themselves within hours of hatching (DOC 2007a; Reed *et al.* 1993a). After fledging, chicks stay with parents until the beginning of the following breeding season (Maloney & Murray 2002).

The black stilt's breeding success in the wild is very low. For example, according to Maloney and Murray (2002), from 1977 to 1979, of 33 chicks that hatched in unmanaged nests, only 2 individuals (or 6.1 percent) survived to fledge (i.e., lived long enough to leave the nest). Overall breeding success (nesting success plus fledging success) for the same period was 0.9 percent. Recruitment, defined by Maloney and Murray (2002) as the number of chicks attaining 2 years of age, is only about 4 percent.

Reproductive potential does not appear to be the primary limiting factor to the black stilt's breeding success and recruitment rates. The black stilt has high reproductive capability, first reproducing at age 2 and continuing to produce multiple clutches in captivity to at least age 13 plus (Maloney & Murray 2002; Reed 1998). The species has high fecundity, producing clutches of one to four eggs every breeding season, and will re-nest if clutches are lost early in the season (BLI 2007e; Reed *et al.* 1993a; Maloney & Murray 2002). Moreover, a review of captive breeding records from two breeding seasons (1981 to 1982 and 2001 to 2002) found that the survival rate of captive-bred stilts reintroduced to the wild at 2 months and 10 months increased to 88 percent and 82 percent, respectively (Van Heezik *et al.* 2005).

Historical Range and Distribution

When it was described in 1841, the species' range included both the North and South Islands of New Zealand (Pierce 1984a). Its range has contracted twice in the 20th century: Once in the 1940s, when the breeding range became restricted to the South Island, and again in the 1960s, when the UWB became their only breeding area (Maloney & Murray 2002; Pierce 1984a; Reed *et al.* 1993a).

As the black stilt's range contracted, researchers noticed that the pied stilt's range had increased (Pierce 1984a). In the last quarter of the 19th century, both black and pied stilts were considered common across South Island (Buller 1874, 1878; Travers 1871). By the 1980–1981 breeding season, the estimated number of pied stilts in the UWB was between 1,500 and 2,000 (Pierce 1984a). At the same time, only 23 black stilt adults were known in the wild (Maloney & Murray 2002; Van Heezik *et al.* 2005). Experts considered whether the black stilts were being competitively excluded by the pied stilt and found that this was not the case. Black stilts and pied stilts prefer slightly different feeding areas (black stilts forage in riffles and pied stilts at pools) (Pierce 1986a); black stilts are better foragers than pied stilts (employing a greater variety of foraging techniques that allow them to obtain more food) (DOC 2007a; Pierce 1986a; Reed *et al.* 1993a); also, black stilts are territorially dominant over pied stilts when breeding areas overlap (Maloney & Murray 2002). From

this work, researchers concluded that the decreasing range and numbers of black stilts in the face of the increasing pied stilt population reflected the black stilt's inability to adapt as readily to man-induced changes, namely, the introduction of predators and habitat modification (Pierce 1986a, 1986b; Maloney & Murray 2002: Reed *et al.* 1993a). Historical declines were attributed primarily to predation by mammals introduced in the 19th century and secondarily to habitat loss and hybridization with the pied stilt (Pierce 1984b; Reed *et al.* 1993a, 1993b).

For a primarily sedentary species, the black stilt requires a fairly large area for feeding and nesting. In counts conducted between 1991 and 1994, Maloney (1999) found less than one black stilt for every 3 mi (5 km) of river surveyed. The species' tendency to overwinter inland requires sufficiently large areas of river habitat to allow for continuous year-round feeding (DOC 2007a; Reed *et al.* 1993a). Life history traits, such as lifelong pair-bonding combined with high nesting fidelity (returning to the same location to nest each year) and solitary nesting combined with their preference for open nesting sites (often miles from another pair), contribute to the highly dispersed nature of the population and their resultant large habitat requirement (Maloney & Murray 2002; Pierce 1982, 1986b; Reed *et al.* 1993a).

Current Range and Distribution

The current range of the black stilt is estimated to be an 821 square mile (mi^2) (2,830 square kilometer (km^2)) area in the ''braided-river'' habitat of the UWB (BLI 2007e). Located on the eastern side of the Southern Alps, in central South Island, New Zealand, the following rivers and lakes comprise the braided river habitat: Tasman, Godley, Hopkins, Ahuriri, Tekapo, Cass, Dobson, Macaulay, Lower Ohau, Pukaki and Upper Ohau, as well as Lakes Ohau and Pukaki (Maloney *et al.* 1997). The UWB population is sometimes referred to in the literature as the Mackenzie Basin population (for example, in Reed *et al.* 1993a). According to Dr. Richard Maloney of the Department of Conservation, Twizel, New Zealand (in litt. November 2007), although the two areas represent slightly different geographical boundaries, the black stilt population being referred to is the same in either instance. Because habitat quality in the species' present range is considered to be higher than in other former localities, the species is managed in situ (Maloney & Murray 2002).

The black stilt is considered locally extinct in 9 of the 13 Department of Conservation Conservancy Districts, occurring only in 2 districts (Canterbury and Otaga) on the South Island and 2 (Waikata and Bay of Plenty) on the North Island (Hitchmough 2002). The majority of the population remains in the UWB, on the South Island, year round (BLI 2007e; Maloney & Murray 2002: Pierce 1984a; Reed *et al.* 1993a; NZ CMaG 2007), and their breeding range is now entirely confined to the wetlands and rivers of the UWB (Maloney & Murray 2002; Pierce 1984a).

Population Estimates

The wild black stilt population has undergone severe reductions in numbers concomitant with the reduction in range area. In the 1950s, the total population was estimated at 500 to 1,000 birds; however, within one decade the population decreased to between 50 to 100 birds (Pierce 1996).

Since 1981, the New Zealand Department of Conservation has intensively managed the wild black stilt population, including the establishment of a captive population (Maloney & Murray 2002; Reed 1998; Reed *et al.* 1993a, 1993b). The captive breeding program entails the transfer of ''eggs, chicks, juveniles and sub-adults from one part of the range to any other part of the range'' (R. Maloney in litt. October 2007). For further discussion on the captive breeding program, see ''Management Plans,'' under Factor D.

Since the establishment of the captive breeding program, the Department of Conservation has managed the global population of black stilts, including captive-held and wild birds, as a single breeding population (R. Maloney in litt. November 2007). Wild and reintroduced birds are free to move across the full geographical range of the species. Thus, the number of adults in the wild should be considered in conjunction with the number of breeding pairs held in captivity. According to Dr. Maloney (in litt. October 2007), a total wild population number, including immature individuals, ''is not informative'' because the total wild population is dependent on how many young the breeding program produces and releases each year. The number of breeding pairs is more informative as an indicator of the status of the population (R. Maloney in litt. November 2007). The number of available females is particularly important because of the species' tendency to hybridize with pied stilt when male black stilts are unable to find suitable mates (see Factor E) (Maloney & Murray 2002).

Wild population estimates: From 1975 to 1979, there were an estimated 50 to 60 adults in the wild (Pierce 1984a); by 1981, only 23 adults remained in the wild (Maloney & Murray 2002; Van Heezik *et al.* 2005). In August 2000, there were 48 adults in the wild, of which 15 to 18 were females. As of February 2007, the wild adult population consisted of 87 adults, including 17 productive pairs and a total of 41 females (DOC 2007b).

Captive-held population numbers: Throughout the 1980s, an average of 15 birds was managed in captivity (Reed *et al.* 1993a). In 1998, the number of managed birds reached 48 individuals. At that time, it was decided that the captive-held population should be maintained at approximately 6 breeding pairs. It was further determined that, in order to maintain a genetic diversity among the breeding stock, a base population of at least 18 breeding adults and juveniles would be maintained as replacement stock and, barring a catastrophic loss of the wild population, only first-generation captive stock would be used for breeding (Reed 1998). As of 2007, the captive breeding program consisted of 15 adults, including 6 productive pairs (DOC 2007b).

The black stilt is considered to be one of the rarest wading birds in the world (BLI 2007e; Caruso 2006; Reed et al. 1993a). Since 1994, the species has been categorized by the World Conservation Union (IUCN) as ''Critically Endangered'' (BLI 2007a). The species' continued existence in the wild today is considered a direct result of the captive breeding program (Maloney & Murray 2002; Reed *et al.* 1993a; Van Heezik *et al.* 2005). According to the priority management ranking system devised by Molloy and Davis (1992) for the New Zealand Department of Conservation, the species was ranked as a Category ''A'' species, which includes the ''highest priority threatened species'' (Hitchmough et al. 2005; Reed *et al.* 1993a). Under New Zealand Department of Conservation's management system devised in 2002, the black stilt is classified as ''Nationally Critical'' (Hitchmough *et al.* 2005). In the 2004 to 2005 breeding season, 7 pairs of captive-held black stilt and 12 pairs in the wild produced ''up to 100 birds per year for release into the wild'' (NZ CMaG 2007).

Summary of Factors Affecting the Black Stilt

A. The Present or Threatened Destruction, Modification, or Curtailment of the Black Stilt's Habitat or Range

Today, it is estimated that only 10 percent of New Zealand's wetlands remain intact (Caruso 2006). The

braided river habitat of UWB is a globally rare ecosystem. With an estimated area of 3,664 mi^2 (9,490 km^2), the UWB may account for 50 to 60 percent of the remaining suitable braided river habitat in New Zealand (Caruso 2006; Maloney et al. 1997). The UWB is the only breeding ground for the black stilt and most of the population remains in the UWB year-round (Maloney & Murray 2002; Pierce 1984a; Reed *et al.* 1993a).

Several factors affect the quality of black stilt breeding and nesting grounds. Among the most significant impacts to the UWB has been the diversion of rivers for hydroelectric power (HEP) development (Caruso 2006; Collar *et al.* 1994a; Maloney 1999). Since 1935, eight HEP plants have been built on rivers, floodplains, and wetlands associated with the UWB (Caruso 2006). The damming of rivers for HEP and flood control projects has reduced river flows and interrupted the natural flooding cycles vital to the creation and maintenance of the open gravel braided river system of the UWB. It is estimated that floodplains have been reduced by 17 percent in the 11 major rivers of the UWB (Caruso 2006; Maloney & Murray 2002).

Disturbance by recreational users of riverbeds and riversides also affects black stilt habitat within the UWB (Maloney & Murray 2002). The riverine habitat where black stilts live and nest is a prime outdoor recreation area. According to the New Zealand Ministry for the environment (NZ MFE 2007), recreational activities include water sport fishing, mountain biking, four-wheel driving, and jet skiing. Central South Island Fish and Game New Zealand manages the Waitaki Catchment (which includes rivers of the UWB and associated wetlands) and considers the Catchment to be ''outstanding publicly accessible game bird hunting and waterfowl habitat'' (NZ MFE 2007). According to the New Zealand Ministry for the Environment (NZ MFE 2007), recreational use and impacts on the areas of the Waitaki Catchment are predicted to increase. The New Zealand Ministry for the Environment (2007) does not address the effect that increased recreational activities will have on the black stilt or other native species (See also Factor D). Maloney and Murray (2002) indicate that the species does not tolerate human disturbance. Recreational activities that are disruptive to the black stilt's life cycle are considered to be a potentially serious threat to the species (R. Maloney in litt. February 2007). Indiscriminate use of off-road vehicles and jet-boats, disturbance by hikers and dogs, and fishing and camping activities are disruptive to black stilts (Maloney & Murray 2002). Recreational use of riverbed sites disturbs nesting birds and prevents successful rearing of offspring (BLI 2007e).

Additional impacts on black stilt habitat include drainage for fields or irrigation, overgrazing of wetlands, and water extraction for agricultural irrigation (Caruso 2006; Collar *et al.* 1994a; Maloney & Murray 2002). Since 1850, 40 percent of UWB wetlands have been drained for farming (Caruso 2006). Proliferation of introduced weeds is a problem (Maloney & Murray 2002). Invasive plants, especially the crack willow (*Salix fragilis*), introduced by settlers as windbreaks, degrade black stilt habitat by contributing to an overgrowth in formerly open areas (Caruso 2006; Collar *et al.* 1994a; Maloney & Murray 2002: Pierce 1996; Reed *et al.* 1993).

Summary of Factor A

The black stilt's primary habitat and only known nesting ground within the UWB is a globally rare ecosystem that is being altered by water diversion, wetland conversion, invasive species, and recreation. Lack of suitable habitat for feeding and nesting increases the species' risk of extinction. The species does not tolerate human disturbance, and recreational activities within the species' riverside nesting grounds has the potential to disrupt the species' breeding success. Reduction in habitat quality is likely to increase the vulnerability of black stilt to predation (see Factor C). We find that the black stilt population is at significant risk throughout all of its range by the present or threatened destruction, modification, or curtailment of its habitat.

B. Overutilization for Commercial, Recreational, Scientific, or Educational Purposes

the species from use for commercial, recreational, scientific, or educational purposes. The species has not been formally considered for listing in the Appendices of CITES (http://www.cites.org).

C. Disease or Predation

There are currently no known diseases affecting the black stilt in the wild. Jakob-Hoff (2001) of the Auckland Zoo Wildlife Health and Research Centre, New Zealand, conducted a risk assessment for disease transmission caused by the translocation of captive black stilt to the wild population. The assessment considered a number of ''diseases of concern'' that may potentially threaten the wild population, including salmonellosis, yersiniosis, campylobacteriosis, pasteurellosis (fowl cholera), capillariasis, cestodiasis, trematodiasis, avian malaria, and coccidiosis. The assessment found no reported major die-offs of wild black stilts resulting from infectious diseases carried by birds translocated from captivity to the wild. Most of the illnesses and deaths that occurred among captive-reared birds were related to husbandry and could be controlled with improved husbandry methods, such as improved diet and parasite screening. Finally, the assessment suggested the establishment of a surveillance program to determine the prevalence of significant disease outbreaks in wild black stilts and facilitate development of pre-release quarantine and health-screening protocols regarding captive-reared birds (Jakob-Hoff 2001). A screening program for potential pathogens and improved husbandry methods specific to the black stilt captive population were outlined in the 1998 management plan for captive black stilts (Reed 1998). In 2005, a review of the records since 1995 for captive-held birds showed that infection, along with trauma, was a major cause of death among all age classes in captivity, especially chicks within the first two weeks after hatching (Van Heezik *et al.* 2005). Van Heezik *et al.* (2005) reported that protocols that monitor birds, intervene at the first signs of illness, and minimize the introduction of pathogens into the breeding unit were strictly adhered to. This has prevented the spread of these infectious diseases among captive-held birds or transmission into the wild populations (Van Heezik *et al.* 2005).

Predation by introduced mammalian predators and by unnaturally high numbers of avian predators is a primary threat to the black stilt (R. Maloney in litt. February 2007). Non-native predators introduced since the late 19th century include feral cats (*Felis catus*), ferrets (*Mustela furo*), stoats (*M. erminea*), hedgehogs (*Erinaceus europaeus*), and brown rats (*Rattus norvegicus*) (Maloney & Murray 2002; R. Maloney in litt. February 2007; Pierce 1996; Sanders & Maloney 2002). In addition, population numbers of avian predators, such as the non-native Australian harrier (*Circus approximans*) and the native kelp gull (*Larus dominicanus*), are unnaturally high because of human-induced changes, such as the introduction of rabbits, agricultural development, and the presence of rubbish dumps (Dowding & Murphy 2001; Maloney & Murray 2002). New Zealand is home to only one native

mammal, a species of bat, and introduced mammalian predators pose a great risk to native bird species of New Zealand, including the black stilt, because these species evolved in the absence of these predators (Caruso 2006).

Several aspects of the black stilt's life history and nesting behavior contribute to heavy predation losses (Dowding & Murphy 2001). Solitary ground-nesting birds, the black stilt's preference for open nesting sites and feeding areas, such as dry, stable riverbanks, may increase their susceptibility to predation by mammalian predators, such as feral cats and ferrets, which use the banks as pathways (Maloney & Murray 2002; Pierce 1982; Pierce 1986b; Reed *et al.* 1993a). Nesting as early as August, when other prey sources are less available, adds to the black stilts' vulnerability (Reed *et al.* 1993a). Both sexes share nesting responsibility during the lengthy fledging period and are equally vulnerable to predation during the breeding season (Maloney & Murray 2002; Pierce 1986b; Pierce 1996; Sanders & Maloney 2002). Black stilts exhibit ineffective anti-predator behavior, contributing to significant mortality of nestlings and fledglings (Maloney & Murray 2002). For instance, black stilts do not perform distraction displays until late in incubation (Reed *et al.* 1993a). They will also re-nest in the same site if a clutch is lost to predation (Pierce 1986b; Sanders & Maloney 2002).

To test the effects of predation on the black stilt, Pierce (1986a) undertook a predator control study in a portion of the species' range during three breeding seasons, from 1977 to 1979, monitoring a total of 50 nests. Traps were placed around 23 randomly selected nests; these nests were ''protected.'' These and the remaining 27 nests, designated as ''unprotected,'' were monitored. Pierce (1986a) determined that 64 percent of black stilt breeding failures were attributed to predation and found that success in fledging and breeding increased at protected nests to 32.5 percent and 10.8 percent, respectively (R. Maloney in litt. February 2007). Most predation was caused by brown rats (14 nests), ferrets (13 nests), and cats (11 nests).

In a review of 499 eggs placed in the wild from 1979 to 1999, mortality was attributed to predation (45 percent); unknown causes (43 percent); flooding (10 percent); and human disturbance, disease, cold weather, poor parenting, and starvation (2 percent) (Maloney and Murray 2002). However, direct observation of predation events is difficult (R. Maloney in litt. February 2007), and, of all these deaths, only 11 were known conclusively (5 of which were directly observed predation events).

In an unpublished report by Saunders *et al.* (1996, as cited in Dowding & Murphy 2001), predation may have accounted for nearly 77 percent of black stilt chick losses between 1982 and 1995. Using video cameras, Sanders and Maloney (2002) studied the causes of mortality on ground-nesting birds in the UWB. The study monitored 23 black stilt nests and recorded 5 lethal events attributed primarily to cats and harriers. Cats were observed eating eggs, killing an adult nesting bird, and stalking nests. One black stilt nest containing ceramic eggs was visited by cats nine times over a 32-day period. A harrier ate a chick and a hatching egg in another nest. Unlike other bird species being observed in the same study, black stilts continued to nest upon dummy eggs even after being visited by cats, revealing that the use of dummy eggs increased their risk of mortality and further confirming that the species is ill-adapted to this predation pressure (Sanders & Maloney 2002).

Despite 20 years of predator trapping undertaken by the New Zealand Department of Conservation to protect black stilt nesting and fledging attempts, predator control efforts have met with mixed success. Fledging success (the number of chicks fledged versus the number of chicks hatched) was increased in some but not all years (Keedwell *et al.* 2002). In a review of predator trapping activities conducted between 1981 and 2000, Keedwell *et al.* (2002) found that efforts were inconsistent, resulting in highly variable results each season. For instance, predator control was sometimes undertaken for the entire breeding season but other times began well after the start of the breeding season. Keedwell *et al.* (2002) calculated that over the 20-year management period, the effort expended in predator control was equivalent to roughly 9.8 ''person years.'' According to Dr. Maloney (in litt. March 2007), the intensity and scale of control need to be significantly expanded to be effective in increasing fledgling survival and recruitment.

Summary of Factor C

For the reasons outlined above, we believe that disease is not currently a contributory threat factor for the black stilt. Predation by introduced mammalian and avian predators causes black stilt mortality at all life stages. Despite evidence that predator control significantly increased the species' breeding success, predator control efforts have been limited and inconsistent. We consider predation to be a significant contributory factor currently threatening this species and one that is projected to continue in the future.

D. The Inadequacy of Existing Regulatory Mechanisms

Four aspects are considered under this factor: National protection, habitat protection, the black stilt's status as a culturally significant species, and the species' management plans.

National protection: The black stilt is an ''absolutely protected'' species under the New Zealand's Wildlife Act of 1953 (1953 Act No. 31 1953). Under this Act, it is illegal to (a) hunt or kill; (b) buy, sell, or otherwise dispose of, or have possession of any absolutely protected wildlife or any skin, feathers, or other portion, or any egg of any absolutely protected wildlife; or (c) rob, disturb, or destroy, or have possession of the nest of any absolutely protected species (Part 5, 63(1)). Violations of this law by individuals can result in imprisonment for a term not exceeding 6 months; or a fine not exceeding $100,000 plus a further fine not exceeding $5,000 for each head of wildlife and egg of wildlife in respect of which the offence is committed (Part 5, 67(A)(1)(a)). Violations by corporations can result in a fine not exceeding $200,000 plus a further fine not exceeding $10,000 for each head of wildlife and egg of wildlife in respect of which the offence is committed (Part 5, 67(A)(1)(a)). Given that take by humans is not a threat to the black stilt, this law does not reduce any threats to the species.

Habitat protection: New Zealand protects more than 30 percent of its total land area as reserve land (Craig *et al.* 2000; Green & Clarkson 2006). However, except for a few small and scattered wetland reserves, most black stilt habitat is unprotected by the government (Maloney & Murray 2002). Habitat modification, including diversion or use of water for electrical generation, agriculture, and recreational activities (as discussed under Factor A), is a primary threat to this species.

The Waitaki Catchment Water Allocation Plan addresses water allocation for activities that involve the take, use, damming, and diversion of water in relation to the Waitaki Catchment. The most recent plan was approved in 2004 by the New Zealand Ministry for the Environment, in accordance with the Resource Management Act of 1991 and the Resource Management (Waitaki Catchment) Amendment Act of 2004 (NZ MFE 2005). The objectives of the

Waitaki Catchment Regional Plan were to balance electrical generation with conservation and other human uses of the Catchment, including an evaluation of minimum lake levels required to achieve these objectives. The evaluation gave specific consideration to the effect of water flow changes on the feeding, roosting, and breeding habitat of the black stilt (and other wetland birds), and it was determined that the established water levels were suitable for these wetland species (NZ MFE 2005). However, the Waitaki Catchment Regional Plan provided exemptions for other activities that also adversely affect black stilt and its habitat, including certain agricultural uses and recreational activities (See Factor A). Policy 35 of the Waitaki Catchment Water Allocation Plan exempts certain activities from allocation limits, including ''tourism and recreational facilities from the lakes [Tekapo, Pukaki and Ohau] and from the canals leading from them'' (NZ MFE 2004). Rule 2(2) of the Waitaki Catchment Water Allocation Plan exempts ''stock drinking-water * * * and processing and storage of perishable produce'' from consideration under the allocation limits (NZ MFE 2005). Thus, while the Waitaki Catchment Water Allocation Plan addresses regulation on water levels associated with hydroelectric power generation, it did not address or reduce threats to black stilt habitat from water diversion for certain agricultural and recreational activities, which is adversely affecting the black stilt (Factor A).

Status as a culturally significant species: The UWB is considered a ''*taonga,*'' and the black stilt a ''*taonga*'' species for the Ngai tahū, the native tribal population inhabiting most of the South Island, New Zealand (Schedule 97 1998; NZ MFE 2005). ''*Taonga*'' is a Maori word for any item, object or thing that has special significance to the culture, including birds and plants (Auckland Museum 1997). Under the Ngai tahū Claims Settlement Act of 1998, the New Zealand Department of Conservation must consult with, and have particular regard to, the views of the Ngai tahū when making management decisions concerning ''*taonga*'' species (1998 Act No. 97. 1998; Maloney & Murray 2002). An Ngai tahū representative is a member of the Kakī Recovery Group (Maloney in litt. February 2007), which implements the management plan for the black stilt (Maloney & Murray 2002). Including the tribes in resource decision-making is an important conservation strategy undertaken by the New Zealand government (NZ MFE 2001). New Zealand's Resource Management Act of 1991 is based on sustainably managing resources, while encouraging community and individual involvement in the planning for conservation (NZ MFE 1991). We believe that local involvement is important for resource conservation and may help to reduce threats to the species by increasing awareness of the conservation risks.

Management plans: According to the New Zealand Ministry of Environment, high priority is afforded to the black stilt recovery plan (NZ MFE 1997). Beginning in 1981, the New Zealand Department of Conservation undertook management of the wild black stilt population to increase fledging success and recruitment of juveniles in the declining populations in Mackenzie basin (R. Maloney in litt. March 2007; Reed *et al.* 1993b). Since 1993, black stilt management has been guided by two consecutive recovery plans, the first published in 1993 (Reed *et al.* 1993a) and a second, updated plan approved in 2002 (Maloney & Murray 2002), that covers the period 2001–2011.

The goals of the current recovery plan (effective from 2001 to 2011) are to increase the black stilt population within the next 10 years to more than 250 breeding individuals, with a mean annual recruitment rate that exceeds the mean annual adult mortality rate (Maloney & Murray 2002). There are two overlapping phases. Phase 1 of the program involves a series of objectives aimed at increasing the number of black stilts in the wild by maximizing recruitment rate both in the wild (for instance, by ensuring that all female black stilts are mated with a male each season) and by captive-rearing black stilts and releasing large numbers of captive-born young to the wild. A review of captive breeding records from two breeding seasons (1981 to 1982 and 2001 to 2002) found that the survival rate of captive-bred stilts that were reintroduced to the wild was 88 percent at 2 months and 82 percent at 10 months (Van Heezik *et al.* 2005). Between 1992 and 1999, researchers determined that the recruitment rate of chicks that had been artificially incubated in captivity and then hatched and raised in the wild was only 4 percent, with only 8 of the 189 chicks surviving to 2 years of age. However, birds that were hatched and raised in captivity and then released into the wild achieved a minimum recruitment rate of 22 percent (Maloney & Murray 2002). Thus, wild losses of eggs, chicks, and fledglings are largely avoided by artificially incubating and captive-rearing young to 3 or 9 months of age before releasing them back to the wild. This technique has been used for most eggs since 1998, and has resulted in approximately 30 percent recruitment rate (Van Heezik *et al.* 2005).

A second concurrent phase seeks to increase black stilt breeding success and adult survival in the wild by continuing research on the primary causes of mortality and developing mitigation measures to prevent excess mortality. Attempts to monitor all forms of mortality via direct observation began in 1998 and are ongoing. Goals under this phase include obtaining a better understanding of the causes of chick and adult mortality, developing multi-species predator control methods, and understanding mate choice decisions at different population densities. As an example, because monitoring birds between post-flight to adulthood is difficult, researchers are monitoring adults using transmitters (Maloney & Murray 2002). In September 2007, researchers released 38 adult black stilts fitted with transmitters (Timaru Herald 2007). These transmitters help researchers locate wild birds that have died (Maloney & Murray 2002).

The management of the captive black stilt population is addressed in both recovery plans (Reed *et al.* 1993; Maloney & Murray 2002), and also in a separate Department of Conservation management plan published in 1998 (Reed 1998). According to Reed (1998), the goals of the captive management plan are to provide young birds for release into the wild and develop a self-sustaining captive population. Five objectives were established to achieve these goals: (1) Establish a captive population capable of being self-sustaining, (2) provide juveniles for release and eggs for fostering to the wild, (3) undertake research to increase productivity and survival, (4) establish health monitoring of the captive population, and (5) advocate conservation of black stilts to the general public. This management plan outlines the expansion of the captive breeding program and formalizes the protocols for captive release, health screening, and monitoring.

Experts consider that, despite only incremental success in increasing wild population numbers, the captive-breeding program, along with predator control, have prevented the species from going extinct in the wild (BLI 2007e; Maloney & Murray 2002: Reed *et al.* 1993; Van Heezik *et al.* 2005). The management plans are addressing several aspects to facilitate the species' recovery, including research into survival, production of offspring for release into the wild, and continued

research into the causes of mortality in the wild, including predation. However, the relative success of the captive breeding program is hindered by the inadequacy of regulatory mechanisms, combined with limited or inconsistent efforts to control predators (Factor C) and conserve and provide suitable habitat for the species (Factor A).

Summary of Factor D

Regulatory mechanisms exist to protect the black stilt from take. However, take is not a primary threat to the species. Government-sponsored measures are in place to facilitate the species' recovery (as discussed under this factor), including mitigating threats from predation (as discussed under Factor C). However, the inadequacy of regulatory mechanisms to protect or curb habitat destruction in the species' only known breeding ground (Factor A), combined with inconsistent predator control (Factor C), results in failure to reduce or remove threats from the species' habitat. As such, we believe that the inadequacy of regulatory mechanisms is a contributory risk factor currently and in the future for this species.

E. Other Natural or Manmade Factors Affecting the Continued Existence of the Species

Three additional factors are considered herein: Genetic risks associated with small population sizes, hybridization, and threats from stochastic events (random natural occurrences).

Genetic risks associated with small population sizes: The small size of the black stilt population, estimated in 2007 as 87 adults consisting of 17 breeding pairs (DOC 2007b), makes this species vulnerable to any of several risks, including inbreeding depression, loss of genetic variation, and accumulation of new mutations. Inbreeding can have individual or population-level consequences either by increasing the phenotypic expression (the outward appearance or observable structure, function or behavior of a living organism) of recessive, deleterious alleles or by reducing the overall fitness of individuals in the population (Charlesworth & Charlesworth 1987; Shaffer 1981). Small, isolated populations of wildlife species are also susceptible to demographic problems (Shaffer 1981), which may include reduced reproductive success of individuals and chance disequilibrium of sex ratios. Research has shown that the long-term survival of the black stilt as a species requires gene flow to be at least 5 percent, and that the present gene flow is approximately 15 percent (Maloney & Murray 2002). However, the relatedness of the entire black stilt population has not been determined, and inbreeding depression is a possible threat (Maloney & Murray 2002).

A general approximation of minimum viable population size is the 50 / 500 rule (Soulé 1980; Hunter 1996). This rule states that an effective population (N_e) of 50 individuals is the minimum size required to avoid imminent risks from inbreeding. N_e represents the number of animals in a population that actually contribute to reproduction, and is often much smaller than the census, or total number of individuals in the population (N). Furthermore, the rule states that the long-term fitness of a population requires an N_e of at least 500 individuals, so that it will not lose its genetic diversity over time and will maintain an enhanced capacity to adapt to changing conditions.

The available information for 2007 indicates that the breeding population of the black stilt (based on the number of wild and captive-held breeding pairs) is 46 individuals (DOC 2007b); 46 is just below the minimum effective population size required to avoid risks from inbreeding (N_e = 50 individuals). Moreover, the upper limit of the population is 102 adults (DOC 2007b). This represents the maximum potential number of reproducing members in the wild black stilt population and is less than one-fifth of the upper threshold (N_e = 500 individuals) required for long-term fitness of a population that will not lose its genetic diversity over time and will maintain an enhanced capacity to adapt to changing conditions. As such, we currently consider the species to be at risk due to lack of near- and long-term viability.

Hybridization: Black stilt males and pied stilt females can produce fertile offspring (BLI 2007e; DOC 2007a; Maloney & Murray 2002; Reed *et al.* 1993a). However, hybrid offspring exhibit distinct differences in survival rate and behavior that may be deleterious to the species' long-term survival (Reed *et al.* 1993a). Hybrid survival to adulthood is about 50 percent that of the offspring of pure black stilt pairs. In addition, researchers noted changes in behavioral patterns in chicks fostered to pied stilt parents between 1981 and 1987. Due to the limited number of wild black stilt breeding pairs, part of the species' management plan at that time was to cross-foster black stilt eggs to pied stilt parents. Cross-fostered black stilts were half as likely to be re-sighted in the UWB and mixed pairs were more likely to participate in migratory behavior with the pied stilt population rather than remain in their natal range, as pure black stilts would. As a result, cross-fostering of black stilt eggs with pied stilt parents was discontinued. More importantly, this research revealed that hybridization was detrimental to the long-term survival of the black stilt, as mixed pairs were effectively ''lost'' from the population (Reed *et al.* 1993b).

Hybrid management (such as breaking up mixed-pair bonds prior to mating) is part of the conservation strategy identified in the black stilt recovery plan, and researchers believe black stilts possess several inherent qualities that reduce gene flow, such as the black stilt's strong positive assortative mating (selecting black stilt over pied stilt when given the choice) and the low fitness of hybrid offspring (Maloney & Murray 2002). However, black stilts live in relative isolation from each other, and nesting pairs are often located miles (kilometers) apart (BLI 2007e; DOC 2007a; Pierce 1984a; Reed *et al.* 1993a). Sex ratios are an important indicator of the species' tendency to pair with pied stilts (Maloney & Murray 2002), and experts note that black stilts pair with the pied stilt when ''suitable'' mates within the species are not available (DOC 2007a; Greene 1999; NZ CMaG 2007; Reed *et al.* 1993a). Given the species' dispersed nature, the likelihood for hybridization with the growing population of pied stilts increases as black stilt population numbers decrease and black stilt males are less able to find females (Greene 1999; Pierce 1996).

Threats from stochastic events: With a wild adult population of 87 adults (DOC 2007b), experts consider the risk of a single catastrophic event to be a serious threat that could destroy most of the population (Maloney & Murray 2002). New Zealand's South Island is subject to tsunamis and earthquakes. According to the New Zealand Institute of Geological and Nuclear Sciences (NZ GNS) (2007), since 1840, when tsunami recordkeeping began, 10 tsunamis measuring 16.4 ft (5 m) or higher have hit New Zealand. New Zealand is vulnerable to tsunamis because of the high amount of seismic activity in the region. Approximately 10,000 to 15,000 earthquakes occur in New Zealand annually, most of low magnitude (Quake Trackers 2007). New Zealand is expected to experience earthquakes of magnitude of 7 on the Richter scale only about once a decade (Walsh 2003). However, since 2003, the southern region of the South Island has been rocked by at least three earthquakes near or above that magnitude. Centered in or near Fiordland, 266 mi (429 km) south of the heart of black stilt territory (The

New Zealand (NZ) Herald 2004, 2007; Walsh 2003), the years and magnitudes of each of these high-magnitude earthquakes were: 2003, 7.2 magnitude; 2004: 7.2 magnitude; 2007: 6.7 magnitude (NZ Herald 2004, 2007; Walsh 2003). The 2003 earthquake was the first on-land earthquake of this magnitude since 1968 (Walsh 2003). The main quake triggered a small tsunami that brought flooding as far north as Haast (Jackson Bay), less than 100 mi (161 km) from the UWB, where the majority of the black stilt population lives year-round and the only known breeding ground for the species (McGinty & Hancox 2004; Walsh 2003). At least 5,000 aftershocks were recorded from the 2003 earthquake, one registering 6.1 on the Richter scale (McGinty & Hancox 2004; NZ Herald 2007). More than 400 landslides were triggered, the largest of which sent 262,000 cubic yards (yd^3) (200,000 cubic meters (m^3)) of soil crashing down the fiord at Charles Sound, triggering a 3 to 6 ft (1 to 2 m) high tsunami that inundated surrounding vegetation 13 to 16 ft (4 to 5 m) above sea level (McGinty & Hancox 2004). According to Maloney and Murray (2002), flooding was the second leading cause of egg mortality in a study conducted between 1977 and 1979. Stochastic events, such as earthquakes and tsunamis, could result in extensive mortalities from which the population may be unable to recover, leading to extinction (Caughley 1994; Charlesworth & Charlesworth 1987; Maloney & Murray 2002).

Summary of Factor E

The black stilt is subject to genetic dilution, including changes in survival and behavior, due to demographic problems and hybridization with the pied stilt, and is also susceptible to other genetic risks, such as inbreeding, due to its small population size. The species is vulnerable due to stochastic event, such as a tsunamis or earthquakes, which are known to occur in the region. We consider the species' extremely small population size, along with the associated risks of genetic dilution, demographic shifts, and vulnerability to stochastic events, to be significant risks factors throughout the black stilt's range currently and in the future.

Conclusion and Determination for the Black Stilt

We have carefully assessed the best available scientific and commercial information regarding the past, present, and potential future threats faced by the black stilt. We have determined that the species is in danger of extinction throughout all of its known range primarily due to ongoing threats to its habitat (Factor A); predation (Factor C); and genetic dilution from hybridization, lack of near- and long-term genetic viability, and susceptibility to stochastic events due to risks associated small population sizes (Factor E). Furthermore, we have determined that the inadequacy of existing regulatory mechanisms is a contributory risk factor that endangers the species' continued existence (Factor D). Therefore, we are determining endangered status for the black stilt under the Act. Because we find that the black stilt is endangered throughout all of its range, there is no reason to consider its status in any significant portion of its range.

II. Caerulean Paradise-Flycatcher (*Eutrichomyias Rowleyi*)

Species Description

The caerulean paradise-flycatcher is a member of the Monarchidiae family, locally known as ''*burung niu*'' (Whitten 2006). It is native to Indonesia, and adults are about 5 in (18 cm) in height, with a long tail and long rictal bristles (stiff hairs around the base of the bill) (Riley & Wardill 2001; Whitten *et al.* 1987). There is scant biometric data for this species, because, other than the type specimen, only one additional specimen was captured, measured, and released in 1998 (Riley & Wardill 2001). The species is described as a bright cerulean blue (which can be likened to a deep blue sky) with gray undertones on the belly, legs, upper wing coverts (feathers) and down the sides of the neck to the breast (BLI 2007d; Riley & Wardill 2001; Whitten *et al.* 1987). The type specimen, which was described as a male, is slightly larger and duskier in appearance than the specimen measured in 1998, leading researchers to believe that the former specimen was a juvenile and the latter, a female (Riley & Wardill 2001).

Taxonomy

The first specimen of caerulean paradise-flycatcher was collected by Meyer in 1873. The species has always been placed in the Monarchidiae family, but within three different genera. When described in 1878, Meyer placed the species in the genus *Zeocephus*; later it was placed in the genus *Hypothymis* (Riley & Wardill 2001; Whitten *et al.* 1987). In 1939, it was placed into the monotypic genus *Eutrichomyias*, also of the Monarchidae family, and distinguished from *Hypothymis* by its abundant rictal bristles (Riley & Wardill 2001). Riley and Wardill (2001) suggest that the species may be more related to *Hypothermis*, but insufficient information impedes a conclusive decision. Therefore, we accept the species as *Eutrichomyias rowleyi*, which follows the Integrated Taxonomic Information System (ITIS 2007).

Habitat and Life History

The caerulean paradise-flycatcher was known only from its type specimen until 1998. Current knowledge of its ecology and behavior are based on 33 sightings between 1998 and 1999 (Riley & Wardill 2001; Whitten *et al.* 1987). Riley and Wardill (2001) point out that the basic lack of ecological information on this species impedes its conservation. Information about the species' range, behavior, reproduction, and population size is quite limited.

The species has been observed mostly in the steep-sloped, closed canopies of low-elevation broadleaf primary forest, between 1,394 and 2,133 ft (425 and 650 m). A few birds were observed foraging on a scrub forest ridge top or in secondary forest, but only when those areas were bordered by primary forest. The caerulean paradise-flycatcher prefers primary forest habitat, but can forage in secondary scrub that is bordered by primary forest; however, the species is absent from disturbed habitat away from primary forest (www.rdb.or.id; BLI 2001a, 2007d; Riley & Wardill 2001).

The species is often observed foraging in association with other bird species and a particular squirrel species, believed to be the Celebes dwarf squirrel (*Prosciurillus murinius*) (Riley & Wardill 2001). Adept at catching flies in the air, this insectivore feeds primarily in the canopy and sub-canopy, but is known to descend to the understory (*http://www.rdb.or.id*; BLI 2001a, 2007d; Riley & Wardill 2001).

Experts believe that the species is sedentary, as individuals do not appear to move between the valleys in which they are observed (www.rdb.or.id; BLI 2001a, 2007d; Riley & Wardill 2001). The largest recorded flock size has been five birds (Riley & Wardill 2001). Based on two sightings of young, in October and in December, researchers presume that nesting and fledging occur in that time period (www.rdb.or.id; BLI 2001a; Riley & Wardill 2001). Researchers believe the bird builds nests of palm leaves (likely *Arenga* spp.) in the branches of understory trees (including *Szygium* spp.) from 7 to 8 ft (2 to 2.5 m) off the ground (www.rdb.or.id; BLI 2001a; Riley & Wardill 2001). Both sexes appear to care for the young (Riley & Wardill 2001).

Historical Range and Distribution

The only known range of the caerulean paradise-flycatcher is on Sangihe Island, north of Sulawesi, Indonesia (Riley & Wardill 2001; Whitten *et al.* 1987). Sangihe Island, also known as Great Sangihe, Great Sangir, or Sangir Besar Island, is part of the Sangihe-Talaud archipelago (Whitten *et al.* 1987) in the waters between Sulawesi (northern Indonesia) and the Philippines (Brodjonegoro *et al.* 2004). The archipelago consists of two island groups, the Sangihe group and the Talaud group, and until 2002, the entire island group was administered as one unit. Thus, most available information on the archipelago concerns both island groups.

The Sangihe-Talaud archipelago includes 77 islands; 56 are inhabited, including Sangihe (Brodjonegoro *et al.* 2004). The total land mass of the Sangihe-Talaud archipelago is 314 mi^2 (813 km^2) (Mous & DeVantier 2001), of which Sangihe Island includes 270 mi^2 (700 km^2) (Riley 2002), making it the largest island in the archipelago. The Island became part of the Dutch East India Company in the 17th century, and remained primarily under Dutch control for the next 300 years (Simkin and Siebert 1994). In some of the earliest accounts, Sangihe Island was already known for its coconut and nutmeg plantations (New York Times Archives 1892). Most of Sangihe Island was deforested by 1920, having been logged for timber and paper production or converted to cash crop plantations (Riley 2002; Riley & Wardill 2001; Whitten *et al.* 1987).

The extent of the caerulean paradise-flycatcher's historic distribution is not well known because there have been so few sightings of this species. Following the initial discovery of the species in 1873, there were only two reported sightings; both unconfirmed (Riley & Wardill 2001). By the 1980s, with no confirmed sightings of live caerulean paradise-flycatchers for over 100 years, the species was presumed extinct due to loss of habitat (Riley & Wardill 2001; Thompson 1996; Whitten *et al.* 1987).

Current Range and Distribution

The caerulean paradise-flycatcher was rediscovered in 1998 (Riley & Wardill 2001), occupying the forested valleys around the base of Mount Sahendaruman, on the southern part of Sangihe Island (www.rdb.or.id; BLI 2001a; BLI 2005; Riley & Wardill 2001). An extinct volcano, Mt. Sahendaruman is variously referred to as: Gunungan Sahendaruman and Gunungan Sahengbalira (the latter of which is actually the name of a mountain peak) (*http://www.rdb.or.id*; BLI 2001a) and Pegunungan Sahendaruman (BLI 2004b). Mt. Sahendaruman supports the only extensive remaining primary forest on the island (*http://www.rdb.or.id*; BLI 2001a, 2007d; Riley & Wardill 2001) and is home to three critically-threatened species of birds, including the caerulean paradise-flycatcher; no other area in Indonesia supports more than one critically threatened bird species (BLI 2001a).

Mt. Sahendaruman extends to an altitude of approximately 3,382 ft (1,031 m) (Riley 2002). The entire forest covers an area of less than 3 mi^2 (8 km^2). However, because of the species' preference for riverine habitat at elevations from 1,394 to 2,133 ft (425 to 650 m), the actual range available to the flycatcher is estimated to be an area of 0.8 mi^2 (2 km^2) on the lower valleys near the fringe of the forest (www.rdb.or.id; BLI 2001a, 2007d; Riley & Wardill 2001). Moreover, because the species is rarely seen at higher elevations, experts believe that this species has reached its upper elevational limit (Riley & Wardill 2001).

Population Estimates

The population is estimated to be between 19 and 135 individuals. This estimate is based on inferences made from 33 sightings between 1998 and 1999 (www.rdb.or.id; BLI 2001a, 2007d; Riley & Wardill 2001). The basis for this estimate is well explained by Riley and Wardill (2001, p. 49), who note the possibility that the total population may consist of only those 19 observed birds. More recent census data is not available.

Conservation Status

The caerulean paradise-flycatcher is a protected species in Indonesia (J.C. Wardill in litt. 1999, as cited in BLI 2001a). The IUCN considers this species to be ''Critically Endangered'' due to its low estimated population size and restricted range (BLI 2004a).

Summary of Factors Affecting the Caerulean Paradise-Flycatcher

A. The Present or Threatened Destruction, Modification, or Curtailment of the Caerulean Paradise-flycatcher's Habitat or Range

Today, much of Sangihe Island is covered by plantations or secondary forests and the caerulean paradise-flycatcher's habitat on Mt. Sahendaruman provides the only remaining extensive primary forest on the island (Riley & Wardill 2001; Whitten *et al.* 1987). Land use patterns on Sangihe Island have been fairly stable (Vidaeus 2001), and there have been no significant forest losses on Sangihe Island (Whitten 2006) because the Sangihe Island economy is not driven by timber harvest as in other parts of Indonesia. The inaccessibility of Mt. Sahendaruman forest made timber extraction uneconomical (Vidaeus 2001). However, Riley & Wardill (2001) noted that the caerulean paradise-flycatcher likely only existed on Mt. Sahendaruman because of the steep, fairly inaccessible terrain.

Most threats to the caerulean paradise-flycatcher habitat have been locally derived (Vidaeus 2001), caused by smaller scale activities on the lower fringes of the primary forest on Mt. Sahendaruman (Riley & Wardill 2001), including within the boundaries of the Mt. Sahendaruman Protection Forest (see Factor D). Forest clearing by farmers is generally small scale, between 53,820 to 161,459 square ft (ft^2) (5,000 to 15,000 m^2), and occurs along the fringes of the primary forest, which is adjacent to the species' preferred habitat. BirdLife International (2006c) reported that shifting cultivation has caused the gradual erosion of the lower fringes of the primary forest on Mt. Sahendaruman. Encroachment for forest product extraction on the fringes of the forest also disrupts the flycatcher's habitat (www.rdb.or.id; BLI 2001a, 2007d Kirby 2003a; Riley & Wardill 2001). Forest is also cleared for wood, paper production, conversion to cash crops, shifting cultivation, and settlements (Riley & Wardill 2001; Whitten *et al.* 1987). Researchers believe that the species has reached its upper elevational limit and that human pressures on the lower fringes of its habitat have boxed the species into its current range (www.rdb.or.id; BLI 2001a; Riley & Wardill 2001).

Summary of Factor A

The caerulean paradise-flycatcher is currently limited to an area of suitable habitat that may be as small as 0.8 m^2 (2 km^2) on Mt. Sahendaruman. Preferring lower elevations, the species appears to have reached its upper elevational limit for suitable habitat. Encroachment on the fringes at the base of the mountain threatens the species to the lower extent of its range. Given the caerulean paradise-flycatcher's limited range and preference for closed-canopy primary forest, habitat modification even at a small scale can have a profound effect on the species. Based on the above information, we believe that the present and future threatened destruction, modification, or curtailment of the caerulean paradise-flycatcher's habitat or range threatens the species throughout its range.

B. Overutilization for Commercial, Recreational, Scientific, or Educational Purposes

While there is no documented evidence that the species is a specific target of hunting, researchers familiar with the area and the species consider indiscriminate hunting to be a risk factor for this species (Riley & Wardill 2001; www.rdb.or.id; BLI 2001a). Sangihe Island locals are known for hunting birds indiscriminately with air rifles as a hobby in and around the forests of Mt. Sahendaruman (BLI 2001a; Riley & Wardill 2001). BirdLife International (2006c) describes hunting pressures on small passerines, to which group of birds the caerulean paradise-flycatcher belongs, as ''intensive.'' Riley and Wardill (2001) noted that while conducting fieldwork in Mt. Sahendaruman forest in 1998, a group of three hunters were observed carrying 20 to 30 birds of all sizes that had been shot.

Indiscriminate hunting has resulted in declines of more accessible bird species on the island (www.rdb.or.id; BLI 2001a) and locals have identified hunting as a key cause for the decline in bird species in the Mt. Sahendaruman area (BLI 2001a). The practice is so pervasive that BirdLife International—Indonesia Programme (Vidaeus 2001) has focused on creating educational materials aimed at school children to encourage them to find alternative hobbies to hunting. Given the species' extremely small population size, between 19 and 135 individuals, indiscriminate hunting of even a few individuals would have a detrimental effect on the population (See Factor E).

Riley (2002) conducted research on mammal hunting on Sangihe Island, finding that, after habitat loss, hunting pressure was the biggest threat on the island. In interviews with local farmers, 77 percent of the farmers admitted to hunting mammals variously using air rifles, snares and mist nets. Furthermore, hunting pressure was particularly high for the bear cuscus (*Ailurops ursinus melanotis*), a small marsupial found only in the primary forests of Mt. Sahendaruman, the same habitat as the caerulean paradise-flycatcher. Riley and Wardill (2001) characterize the flycatcher as adverse to human disturbance, and hunting pressures in the same habitat as the flycatcher contribute to disturbance activities that are disruptive to the species (as described under Factor A).

The species is not known to be in international trade and has not been formally considered for listing under CITES (www.cites.org).

Summary of Factor B

Indiscriminate bird hunting and hunting-related disturbances are widespread within the species' range (Mt. Sahendaruman forest). The species has an extremely small population size and is adverse to human disturbance. We consider incidental hunting and hunting disturbances to be factors that threaten this species throughout its range.

C. Disease or Predation

There is no available evidence indicating that disease or predation have led to decline in caerulean paradise-flycatcher populations or contribute to the species' risk of extinction.

D. The Inadequacy of Existing Regulatory Mechanisms

The caerulean paradise-flycatcher was declared a protected species by the Indonesian government in January 1999 (J. C. Wardill in litt. 1999 as cited in BLI 2001a). Protected species are regulated under the Act of the Republic of Indonesia No. 5 of 1990 Concerning Conservation of Living Resources and Their Ecosystems (Act No. 5 1990). Under this Act, hunting, capturing, killing, possession, or trade in protected species or their parts is prohibited, except as permitted for research, science, or conservation purposes (Article 21–22). Despite this law, an analysis conducted by the IUCN (World Conservation Union) in 2003 found that this species remained insufficiently protected (Conservation International 2003). Lee *et al.* (2005) noted that Indonesia has over ''150 existing national laws and regulations to protect its wildlife species and area * * * however, Indonesia lacks an integrated system of law enforcement'' (p. 478). Problems include lack of awareness of wildlife laws and inadequate monitoring capability among law enforcement officials (Lee *et al.* 2005). Evidence of continued indiscriminate hunting within the species' habitat indicates that the caerulean paradise-flycatcher's listing as protected in 1999 has not reduced the threat of hunting (Factor B).

The caerulean paradise-flycatcher's habitat lies within an approximately 16 mi^2 (43 km^2) area centered on Mt. Sahendaruman that has been designated as Protection Forest since 1994, under the jurisdiction of the Department of Forestry (Riley & Wardill 2001). However, Whitten (2006) noted that protection forests do not confer specific protections on the wildlife found therein; for example, hunting is not prohibited (Whitten 2006). Thus, the species is not adequately protected from hunting due to its presence within the Mt. Sahendaruman Protection Forest.

Plans that began in 2001 to have the Mt. Sahendaruman Protection Forest designated a wildlife preserve, with core areas as a strict nature reserve (www.rdb.or.id; BLI 2001a, 2007d; Riley & Wardill 2001), have not been implemented (Whitten 2006). However, such a designation might not benefit the species. According to experts, designating this habitat as a nature reserve would shift management of the area from the local government to the central government. This centralization of enforcement and administration might be unresponsive or ineffective in protecting the species and may not produce the most viable options for long-term conservation of the species (Vidaeus 2001; Whitten 2006). Because this designation has not been enacted, we are unable to evaluate whether this regulatory mechanism might effectively address the issues of habitat destruction (Factor A) and hunting (Factor B).

The species' habitat is also inadequately protected (BLI 2003a, 2004b; Conservation International 2003; Whitten 2006). There are no strictly protected areas on the island (Riley & Wardill 2001; Whitten 2006). The Mt. Sahendaruman Protection Forest is managed for its watershed value (Riley 2002; Riley & Wardill 2001). Although the Mt. Sahendaruman Protection Forest contains the only remaining primary forest on the island that is suitable for the caerulean paradise-flycatcher (Riley & Wardill 2001), small-scale forest conversion for agricultural purposes and non-timber forest product extraction occurs on the fringes of the forest (see Factor A). Local rights to manage cultivation and settlement areas within the Protection Forest are among the key disputes between locals and the forestry department (BLI 2001a). Thus, the habitat's status as a Protection Forest does not protect the species from threats of habitat modification.

The caerulean paradise-flycatcher has been included in a biodiversity project, Action Sampiri. Members of the Action Sampiri research team, Riley and Wardill, rediscovered this species in 1998 (Riley & Wardill 2001; Whitten 2006). Present-day members of Action Sampiri (now known as Yayasan Sampiri) were contracted to develop a public awareness program on the merits of enhancing forest protection as part of a comprehensive conservation project for the Sangihe-Talaud islands being implemented by BirdLife International and the World Bank, with funding from the Global Environment Facility

(Whitten 2006). Conservation efforts that focus on people's awareness of the forest and its value, including potential for ecotourism with the prospect for local employment opportunities, are considered important to the species' long-term conservation (BLI Indonesia Program 2001; Riley & Wardill 2001; Whitten 2006). For instance, the caerulean paradise-flycatcher is among the endemic birds designated as island mascots, which has promoted greater awareness of the species among locals and has led to a general reduction in indiscriminate hunting (www.rdb.or.id; BLI 2001a).

Summary of Factor D

Based on the above information, existing regulatory mechanisms are not adequate to reduce or remove threats from habitat destruction (Factor A) and hunting (Factor B). Encroachment and destruction along the fringes of the species' habitat are significant current and future threats for this species, yet the species' habitat is insufficiently protected. Further, the lack of enforcement of protections against take and inadequate protection within its habitat does not adequately reduce or remove the threat of hunting. We believe that the inadequacy of regulatory mechanisms and their enforcement are contributory risk factors that threaten the species now and in the future.

E. Other Natural or Manmade Factors Affecting the Continued Existence of the Species

The caerulean paradise-flycatcher's small estimated population size, between 19 and 135 individuals (BLI 2007d; Riley & Wardill 2001), makes this species vulnerable to any of several risks, including inbreeding depression, loss of genetic variation, and accumulation of new mutations. Inbreeding can have individual or population-level consequences by either increasing the phenotypic expression of recessive, deleterious alleles or by reducing the overall fitness of individuals in the population (Charlesworth & Charlesworth 1987). Small, isolated populations of wildlife species are also susceptible to demographic problems (Shaffer 1981), which may include reduced reproductive success of individuals and chance disequilibrium of sex ratios. In the absence of more species-specific life history data, a general approximation of minimum viable population sizes is referred to as the 50/500 rule (Soulé 1980; Hunter 1996), as described under Factor E of the black stilt. The available information indicates that the population of the caerulean paradise-flycatcher may be as small as 19 birds (www.rdb.or.id; BLI 2001a, 2007d; Riley & Wardill 2001); this is clearly below the minimum effective population size (N_e = 50 individuals) required to avoid risks from inbreeding. Moreover the upper limit of the population estimate of no more than 135 birds (www.rdb.or.id; BLI 2001a, 2007d; Riley & Wardill 2001) is a quarter of the upper threshold (N_e = 500) required for long-term fitness of a population that will not lose its genetic diversity over time and will maintain an enhanced capacity to adapt to changing conditions. As such, we currently consider the species to be at significant risk of potential demographic shifts and lack of near- and long-term viability.

Summary of Factor E

Demographic shifts and lack of near- and long-term viability associated with the extant population's small size are major risks to the caerulean paradise-flycatcher. Therefore, we consider the species' extremely small population size and the risks associated with loss of genetic diversity and demographic shifts to be significant factors that threaten the caerulean paradise-flycatcher throughout its range currently and in the future.

Conclusion and Determination for the Caerulean Paradise-Flycatcher

We have carefully assessed the best available scientific and commercial information regarding the past, present, and potential future threats faced by the caerulean paradise-flycatcher. We have determined that the species is in danger of extinction throughout all of its known range primarily due to disturbance and encroachment of its habitat (Factor A), threats from hunting and hunting-related disturbances (Factor B), and lack of near- and long-term genetic viability associated with the species' small population size (Factor E). Furthermore, we have determined that the inadequacy of existing regulatory mechanisms to reduce or remove these threats is a contributory factor to the risks that endanger this species' continued existence (Factor D). Therefore, we are determining endangered status for the caerulean paradise-flycatcher under the Act. Because we find that the caerulean paradise-flycatcher is endangered throughout all of its range, there is no reason to consider its status in any significant portion of its range.

III. Giant Ibis (*Pseudibis Gigantea*)

Species Description

The giant ibis is a waterbird in the family Threskiornithidae. It is native to Cambodia, Lao People's Democratic Republic (hereafter, Lao PDR), and Vietnam. Adults stand approximately 3 ft (1 m) tall, and have dark grey-brown plumage, with a dark hindcrown and nape. Wing-coverts are pale gray, with darker tips. They have light red legs, a long downward curving bill, and red eyes. Juveniles have short, black feathers on their hindcrown and hindneck, a shorter bill, and brown eyes (BLI 2007h).

Taxonomy

The species was first taxonomically described by Oustalet in 1877 and named Pseudibis gigantea, in the Threskiornithidae family. That same year, Elliot placed the species in its own monotypic genus Thaumatibis, in the same family, on the basis that the giant ibis is much larger and less colorful than all other ibises (BLI 2007h). We accept the species as Pseudibis gigantea, which follows the Integrated Taxonomic Information System (ITIS 2007).

Habitat and Life History

The giant ibis requires large areas of undisturbed habitat in deciduous dipterocarp forest and associated wetlands (Tom Clements, Wildlife Conservation Society—Cambodia Program, Phnom Penh, Cambodia, in litt. December 2007). It is found in open habitats (open wooded plains, humid clearings) and deciduous forested wetlands (pools in deep forest, lakes, swamps, seasonally flooded marshes, paddy fields) (BLI 2007h; Collar *et al.* 1994b; Matheu & del Hoyo 1992). The mix of dry forest and freshwater swamp ecosystems is found only in this region (WWF 2001, 2005). Freshwater swamp habitat is flooded at least 6 months of the year and consists of shrubland (dominated by a nearly continuous canopy of deciduous species, including spurges (Euphorbiaceae family) and legumes (Fabaceae family)) and of forestland (dominated by mangroves (Rhizophoraceae family) and melaleucas (*Melaleuca* spp.)). The freshwater swamp ecosystem is found only in Cambodia and Vietnam (WWF 2001). Lower Mekong dry forests, found only in Cambodia, Lao PDR, and Vietnam, also provide habitat to the giant ibis. These forests are characterized by deciduous tropical hardwoods (Dipterocarpaceae family) and semi-evergreen forest (containing a mix of deciduous and evergreen trees) interspersed with meadows, ponds, and

other wetlands. Semi-evergreen forests are unique to mainland Southeast Asia (WWF 2006b).

Although considered nonmigratory, the giant ibis will travel to seek out permanent pools of water during the dry season (Bird *et al.* 2006; Matheu & del Hoyo 1992). The giant ibis may forage alone, in pairs or in small groups (BLI 2007h). Preferring mudflats, they use their bills to probe in the mud for a variety of seeds and small animals, including invertebrates, small amphibians, and reptiles (Clements *et al.* 2007; Davidson *et al.* 2002). Although considered a wetland species, the giant ibis will also forage in dry areas; it is believed that this is an adaptation to the lengthy dry season within its range (www.rdb.or.id; BLI 2001b, 2007h; Davidson *et al.* 2002).

Until recently, little was known about giant ibis breeding biology, except that the species was believed to nest in trees as other ibises do (BLI 2007h). A nesting survey was conducted in Preah Vihear Protected Forest (PVPF) and Kulen Promtep Wildlife Sanctuary (KPWS) between 2004 and 2007 (Clements *et al.* 2007). The majority of giant ibises bred in remote areas, sing wetlands that have a minimal human presence (T. Clements in litt. December 2007). The number of nests remained fairly stable over the four years of the surveys, although their locations changed. Researchers found an average of 19 nests in the 534-mi^2 (1,383-km^2) area surveyed in PVPF and 7 nests in the 726-mi^2 (1,881-km^2) KPWS. Fledging success was estimated at around 50 percent, suggesting that the population was not increasing. Researchers determined that weather and predation were the primary limiting factors (Clements *et al.* 2007). See Factor C.

The giant ibis is characterized as highly sensitive to human disturbance (Bird *et al.* 2006; www.rdb.or.id; BLI 2001b, 2007h; T. Clements in litt. December 2007; Clements *et al.* 2007; Dudley 2007; Eames *et al.* 2004). Clements (in litt. December 2007) postulated that the species' sensitivity to human populations is due to disturbance (e.g., at feeding ponds) and incidental persecution through hunting and poisoning of water sources (see Factors A and B).

Historical Range and Distribution

The giant ibis's historical range extended from central and peninsular Thailand; through northern, central, and coastal regions of Cambodia; southern and central Lao PDR; and southern Vietnam (www.rdb.or.id; BLI 2001b).

A comparison of recorded observations of this species maintained by BirdLife International (2001b) paints an erratic picture of the ''appearance'' and ''disappearance'' of the giant ibis in each range country during the 20th century. The species has been suspected or considered extinct in each of its range countries at least once since it was first described in 1877. In the early part of the century, the species was observed most often in Thailand. In the mid-1920s, the species was seen only in Lao PDR, Cambodia, and Vietnam (www.rdb.or.id; BLI 2001b). By 1992, the species was considered extant only in Vietnam and possibly in Cambodia (Matheu & del Hoyo 1992). By the end of the 20th century, the species was considered extinct in Vietnam and Thailand, and extant primarily in Cambodia and in Lao PDR to a lesser extent (www.rdb.or.id; BLI 2001b, 2007h). Today, the species is considered extinct only in Thailand (www.rdb.or.id; BLI 2001b; Matheu & del Hoyo 1992).

Experts have noted several factors unrelated to the species' actual status that have contributed to this erratic record: (1) The records may not be complete because sightings may go unreported or unconfirmed for several years (BLI 2001b; Matheu & del Hoyo 1992) (e.g., in Vietnam, there were several unconfirmed sightings in the 1980s); (2) nearly continuous war in the last half of the 20th century in one or all of the range countries may have impeded expeditions to locate the species (Matheu & del Hoyo 1992) (e.g., Cambodia experienced a nearly 50-year period of war, during which time there were only four sightings of the species); and, (3) the habitat may be remote or the terrain difficult to access, which might also impede opportunities to observe the species (Duckworth *et al.* 1998). For these reasons, recorded sightings (or the lack thereof) cannot be used as a basis for concluding extinction (Butchart *et al.* 2006).

Specific information for each range country follows.

Cambodia: The first specimen of giant ibis was obtained in Cambodia in 1876, but no additional sightings were reported until 1918. Historically, the species' range spanned from the north through central region and into the eastern portions of the country. The giant ibis was observed several times in the 1920s and 1930s, but only four times between 1939 and 1989 (www.rdb.or.id; BLI 2001b). In 1992, experts believed the species might be extant in Cambodia, but indicated that the recent reports had been unconfirmed (Matheu & del Hoyo 1992). The species was observed again in 2000 (see Current Range, below). Disturbance and hunting are two factors attributed to the species' decline (Wildlife Conservation Society (WCS) 2007a, 2007b, 2007c).

Lao PDR: The giant ibis was not reported from Lao PDR until 1926. Thereafter, it was observed only once each decade in the 1930s and the 1940s. Based on the paucity of sightings, it was never believed to be common in Lao PDR (www.rdb.or.id; BLI 2001b). By 1992, the species was no longer considered extant in Lao PDR (www.rdb.or.id; BLI 2001b; Matheu & del Hoyo 1992), although the species was observed again the next year (see Current range, below). Historical declines are attributed to hunting and wetland draining or other human disturbances (www.rdb.or.id; BLI 2001b).

Thailand: This species was observed in Thailand several times between 1896 and 1913, at a time when it was not being reported in any of the other range countries, except for one sighting in Cambodia. All sightings were made in the southern regions of Thailand and there have been no confirmed sightings of this species in Thailand since 1913 (www.rdb.or.id; BLI 2001b). From the scant sightings of this species, researchers are uncertain whether the giant ibis was ever resident to Thailand, or just a visitor (www.rdb.or.id; BLI 2001b). Since 1992, the species has been considered extinct in Thailand, primarily due to loss of habitat from wetland draining (www.rdb.or.id; BLI 2001b; Matheu & del Hoyo 1992).

Vietnam: The species was observed once late in the 19th century and not seen again until the mid-1920s, when it was observed several times until 1931. By the turn of the 21st century, the giant ibis was believed extirpated from Vietnam, with no confirmed sightings between 1931 and 2003 (www.rdb.or.id; BLI 2001b; Eames *et al.* 2004). The species was rediscovered in 2003. Hunting is considered the primary cause of the historical decline, and land conversion to agriculture is a secondary cause (www.rdb.or.id; BLI 2001b).

Current Range and Distribution

The giant ibis' current range is the mix of dry forest and freshwater swamp forest ecosystems of Cambodia, Lao PDR, and Vietnam; it is considered extirpated from Thailand (BLI 2000a, 2001b; www.rdb.or.id; BirdLife International—Indochina Programme (BLI–IP) & Vietnam's Ministry of Agriculture and Rural Development (MARD) 2004; Eames *et al.* 2004; World Wide Fund for Nature (WWF) 2001, 2005). Each range country is discussed below.

Cambodia: Between 1992 and 2002, there were no confirmed giant ibis sightings in Cambodia. However, since 2002, the species has been observed at several sites throughout Cambodia. Observations in 2002 and 2003 suggest that the species continues to inhabit its historic range in the north, central, and eastern provinces. In the Northern Plains, the giant ibis has been observed in Stung Treng and Preah Vihar Provinces (bordering Lao PDR), and Kratie Province (Bird *et al.* 2006; www.rdb.or.id; BLI 2001b; Clements *et al.* 2007). The Northern Plains are considered the largest remaining contiguous tract of seasonally inundated meadows and permanent pools within a deciduous dipterocarp forest (Davidson *et al.* 2002). In central Cambodia, the species has been observed in the Tonle Sap floodplains (Kompong Thom and Siem Reap) (www.rdb.or.id; BLI 2001b; Clements *et al.* 2007). The Tonle Sap floodplain and associated rivers is considered one of the few remaining remnants of freshwater swamp forest type in the region. Approximately 2,120 mi² (5,490 km²) of the freshwater swamp forest ecoregion is protected in Cambodia. Of this amount, the Tonle Sap Great Lake Protected Area (which includes the Tonle Sap floodplain) makes up 2,092 mi² (5,420 km²) of that protected habitat (WWF 2001). In eastern Cambodia, the species has been located in the Lomphat Wildlife Sanctuary (Mondulkiri and Rattanakiri Provinces) (Bird *et al.* 2006; www.rdb.or.id; BLI 2001b; Clements *et al.* 2007; Davidson *et al.* 2002). The Lomphat Wildlife Sanctuary spans a 965 mi² (2,500 km²) area in northeastern Cambodia (in Mondulkiri and Rattanakiri Provinces) near the Vietnam border (WildAid 2003, 2005). The Lomphat Sanctuary is considered to be one of the most important areas for wildlife in Cambodia (WildAid 2005).

More recent sightings suggest that the giant ibis' range may extend further south and east than previously understood (Bird *et al.* 2006). The species has been observed in Kampot Province (the southernmost Province in Cambodia) (www.rdb.or.id; BLI 2001b) and in the buffer zone of Seima Biodiversity Conservation Area (SBCA) (Kratie and Mondulkiri Provinces, eastern Cambodia) (Bird *et al.* 2006; Clements *et al.* 2007). The SBCA was designated in 2002 and encompasses a 540 mi² (1,400 km²) area (WCS 2007b).

Lao PDR: The giant ibis was believed extinct in Lao PDR in 1992 (Matheu & del Hoyo 1992). The following year, an observation was confirmed and it has since been observed in Lao PDR several times. Based on surveys conducted in 1998, no giant ibises were found in central Lao PDR (Duckworth *et al.* 1998), indicating that the giant ibis may no longer be present in central Lao PDR, as it was historically (www.rdb.or.id; BLI 2001b). Previously suspected to be nonresident (www.rdb.or.id; BLI 2001b), however in 2007 it is being reported as a resident (BLI 2007b).

The giant ibis has been found in the open deciduous forest of two areas in extreme southern Lao PDR: Xe Pian National Biodiversity Conservation Area (NBCA) (Champasak and Attapeu Provinces) and Dong Khanthung proposed NBCA (Champasak Province) (www.rdb.or.id; BLI 2001b, 2007b; Clements *et al.* 2007; Poole 2002) and giant ibis may only be a frequent visitor to Lao PDR there from Cambodia. The Xe Pain NBCA is 927 mi² (2,400 km²) (www.rdb.or.id; BLI 2001c). The Dong Khanthung proposed NBCA has not yet been defined or approved (BLI 2007b).

Thailand: The species has not been observed in Thailand since 1913 (www.rdb.or.id; BLI 2001b).

Vietnam: At the turn of the 21st century, giant ibis was believed extirpated from Vietnam, with no confirmed sightings since 1931 (www.rdb.or.id; BLI 2001b; Eames *et al.* 2004). However, in 2003, several giant ibises were observed during surveys in Yok Don National Park (BLI–IP & MARD 2004; Eames *et al.* 2004; World Wide Fund for Nature (WWF) 2005). Located in Dok Lok Province in central Vietnam, the Park shares a western border with Cambodia. There is some speculation that the birds flew over the border from Cambodia (Mondulkiri Province) (WWF 2005), but this has not been confirmed or refuted.

Population Estimates

Population estimates are provided for the global population of giant ibis as well as for each range country. The range country estimates should not be considered distinct subpopulations. Very little is known about the species' ecology and dispersal, and all known areas where giant ibis have been observed are contiguous. There may be some interchange between populations and researchers have been unable to identify discrete subpopulations of this species (T. Clements in litt. December 2007).

Global population estimates: The giant ibis is characterized as uncommon and local throughout its range (Matheu & del Hoyo 1992; BLI 2000a). It occurs at relatively low densities and requires large areas of undisturbed habitat (deciduous dipterocarp forest and associated wetlands) (T. Clements in litt. December 2007). The majority of the giant ibis population today is located in Cambodia, with a small number in southern Lao PDR, even fewer in Vietnam, and no known individuals in Thailand (BLI 2000a, 2001b; www.rdb.or.id; Clements *et al.* 2007). The population has been conservatively estimated at a minimum of 100 pairs, with no more than 250 total individuals (Clements *et al.* 2007).

Cambodia: Population surveys have been conducted in several areas since the giant ibis' rediscovery in Cambodia in 2000. Aerial surveys between 2000 and 2001 indicated that between 50 birds and 90 were located in the Northern Plains (BLI–IP & MARD 2004). Based on the nest surveys conducted between 2004 and 2007 in Preah Vihear Protected Forest (PVPF) and Kulen Promtep Wildlife Sanctuary (KPWS), also in the Northern Plains, there was evidence of 28 nesting pairs of birds (Clements *et al.* 2007). Extrapolating to the available suitable habitat within the Northern Plains (including the Tonle Sap Lake), researchers estimated the population in the Northern Plains at 30 to 40 pairs. In the Eastern Plains (including the Siema Biodiversity Conservation Area (SBCA) and the Lomphat Wildlife Sanctuary), the population has been estimated at no more than 10 to 20 pairs. In northeastern Cambodia, Siem Pang (Stung Treng Province) surveys suggest that an excess of 14 pairs may exist. The total giant ibis population in Cambodia, based on available suitable habitat, is 82 to 100 pairs (Clements *et al.* 2007).

Lao PDR: The giant ibis Laotian population is estimated to include no more than 5 to 10 pairs of birds (Clements *et al.* 2007).

Vietnam: In 2003 and 2004, several giant ibises were observed during surveys in Yok Don National Park (Don Lok Province), the only known location within Vietnam (BLI–IP & MARD 2004; Eames *et al.* 2004; World Wide Fund for Nature (WWF) 2005). Yok Don National Park, which occupies a 446-mi² (1,155-km²) area, became a protected area in 1986 and a national park in 1991. The forest has three use areas: A 312-mi² (809-km²) strict protection area, a 117-mi² (3,043-km²) forest rehabilitation area, and a 16-mi² (42-km²) administration and services area. In addition, a 517-mi² (1,339-km²) buffer zone has been defined (Eames *et al.* 2004). However, these protections are ineffective at reducing or removing threats directed at the species (see Factor D).

Eames *et al.* (2004) postulated that the species is either very rare or a visitor in Vietnam. The Yok Don area is contiguous with sites in Cambodia (such

as Eastern Mondulkiri) that are known to support resident breeding birds of giant ibises (T. Clements in litt. December 2007). During the re-evaluation of the species' status, experts concluded that Yok Don National Park is unlikely to support any breeding pairs (Clements *et al.* 2007). They considered that the birds observed within the Park were likely to be foraging or dispersing birds and that it was unlikely that the Park ''supported resident breeding birds due to the high level of disturbance and hunting'' (T. Clements in litt. December 2007).

Conservation Status

Global conservation status: Using the IUCN categories, the global population of giant ibis falls within the range of 50 to 250 individuals (BLI 2007h). The recent rediscovery of giant ibis in Vietnam and additional populations in Cambodia prompted BirdLife to re-evaluate the species' status in 2007 (Jez Bird, Global Species Programme Assistant, BirdLife International, in litt. November 2007; BirdLife Globally Threatened Species Forum 2007). They concluded that, despite recent new sightings of giant ibis in Vietnam and Cambodia, there was insufficient evidence to confirm that the giant ibis population exceeds 250 individuals (Clements *et al.* 2007; J. Bird in litt. November 2007).

The giant ibis has been categorized by the IUCN as a ''Critically Endangered'' since 1994 (BLI 2004c). BirdLife International, which serves as the IUCN Red List authority for birds, re-evaluated the status of the species in 2007 and decided to retain its critically endangered status for the 2008 Red List (J. Bird in litt. November 2007; Clements *et al.* 2007).

Cambodia: In 2005, the giant ibis was declared the national symbolic bird in Cambodia (Chheang Dany, Deputy Director, Wildlife Protection Office, Phnom Penh, Cambodia, in litt. January 2007) and, as of 2007, the species had been proposed as endangered in the draft wildlife list in Cambodia, the highest protected species category by the Forestry Law of 2002. However, this regulatory mechanism is ineffective at reducing or removing threats directed at the species (see Factor D).

Lao PDR: In Lao PDR, the giant ibis is legally protected and receives some habitat protection in the Xe Pian National Biodiversity Conservation Area (NBCA) (www.rdb.or.id; BLI 2001b). However, these regulatory mechanisms are ineffective at reducing or removing threats directed at the species (see Factor D).

Vietnam: In Vietnam, the species is listed as endangered (Eames *et al.* 2004). However, this regulatory mechanism is ineffective at reducing or removing threats directed at the species (see Factor D).

Summary of Factors Affecting the Giant Ibis

Where applicable in the sections below, factors affecting the survival of the giant ibises are discussed in two parts: (1) Regional factors (affecting or including two or more range countries), and (2) Factors within individual range countries.

A. The Present or Threatened Destruction, Modification, or Curtailment of the Species Habitat or Range

Giant ibis is affected throughout its range by (1) habitat modification from dam construction, (2) deforestation caused by war, (3) illegal logging and wood fuel collection, (4), and continued human encroachment (Bird *et al.* 2006; BLI 2007h; T. Clements in litt. December 2007; Clements *et al.* 2007; Poole 2002; WWF 2001, 2005).

(1) Habitat modification from dam construction: Dam construction along the Mekong River Basin (MRB) has altered giant ibis habitat throughout its range. The MRB begins as a system of tributaries and streams originating in the Tibetan Plateau and flowing eventually into the Mekong River Delta, 2,000 mi (4,800 km) from start to finish. Including parts of China, Myanmar and Vietnam, nearly one-third the land area of Thailand, and most of Cambodia and Lao PDR, the MRB encompasses a 307,000 mi^2 (795,000 km^2) area. The Lower Mekong River Basin (LMRB) includes Cambodia, Lao PDR, Thailand, and Vietnam (Mekong River Commission (MRC) 2007). According to the Asian Development Bank (ADB 2005), 13 dams are built, being built, or proposed to be built along the Mekong River Subregion. This important regional resource has a profound influence on each of the diverse ecosystems through which it flows, including giant ibis habitat. Two examples are discussed.

Construction of Yali Falls hydroelectric dam began in Vietnam in 1993 and was completed in 1999. The 226-ft (69-m) high dam was constructed at Yali Falls, on a tributary of the Sesan River. Part of the LMRB, the Sesan River originates in Vietnam and flows through Cambodia, where it meets the Mekong River. The Mekong River, in turn, flows into the Tonle Sap floodplain (Center for Natural Resources and Environmental Studies (CRES) 2001). The Tonle Sap floodplain, currently the southernmost extreme of the giant ibis' range in Cambodia, and freshwater swamp forest ecosystem rely on the Mekong River as part of its seasonal cycle of flooding (WWF 2001). A study of the impact of this dam on downstream communities in 2001 found that the effect of the dam on humans (including resettlement, drowning in unexpected floods, and livelihood changes especially for fishermen) would be ''significant but manageable,'' by relocating communities inland, for instance. The report also noted no anticipated impacts on waterbirds (CRES 2001). However, the study did not look beyond Vietnam and the effects of water flow disruption further downstream, including Tonle Sap floodplain in Cambodia. Within the first year of the dam's completion, massive devastating floods were reported downstream (CRES 2001).

Dam construction along the Srepok River, which flows through giant ibis habitat in Vietnam and Cambodia, has also altered the species' habitat. Construction of the Buon Koup Dam began in 2003 (San *et al.* 2007), altering the natural water and vegetation patterns along the Srepok River, affecting Yok Don National Park (Eames *et al.* 2004). A draft environmental impact analysis (EIA) identified several impacts to people living along the Cambodian side of the river, including daily irregular water fluctuations, erosion of riverbanks, and water pollution, as well as impacts on paddy production, fish migration, fishing livelihoods, and species diversity (San *et al.* 2007). In response to unpredictable water levels and flash flooding caused by dams, people began moving inland (ADB 2005).

Dam construction along the MRB has diverted water from critical ecosystems and has altered or threatens to alter the natural water and vegetation along waterways within the Mekong River Delta, a vital water source throughout the species' range. Impacts include drastic water level fluctuations, frequent flooding, and reduced water levels during the dry season, as well as the potential for riverbank erosion and increased water pollution. As populations move further inland to escape the unpredictable changes caused by dam construction, they encroach upon inland forested areas, including freshwater swamp ecosystems and semi-evergreen forests, which serve as giant ibis habitat (See (4) Continued human encroachment, below). The giant ibis is adverse to human disturbance (Bird *et al.*, 2006; www.rdb.or.id; BLI 2001b, 2007h; Dudley 2007; Eames *et*

al., 2004), and increased human disturbance exacerbates the impact of habitat modification caused by dam construction. See also (4) Continued human encroachment, below.

(2) Deforestation from war: The entire range of the giant ibis was severely affected by deforestation resulting from the Vietnam War (1959 to 1975). Bombing, herbicide spraying, and land-clearing activities were undertaken during the War. According to Westing (2002), 13.8 million U.S. tons (14 million metric tons) of high-explosive munitions were dropped by the United States throughout the region, including 5 percent in Cambodia, 16 percent in Lao PDR, 8 percent in northern Vietnam, and 71 percent in southern Vietnam, targeting primarily rural areas. Between 18 to 19 million gallons (gal) (68 to 72 million liters (l)) of herbicides (including Agent Orange contaminated with dioxin (see Factor E)) were sprayed on the region (Schechter *et al.*, 2001; Westing 2002). Of this amount, less than 0.1 percent was sprayed in Cambodia, 2 percent in Lao PDR, negligible amounts in northern Vietnam, and over 98 percent in southern Vietnam. Finally, 3 percent (1,255 mi^2 (3,250 km^2)) of the total forested area in South Vietnam was plowed over with tractors (Westing 2002). Inland forested areas, including freshwater swamp ecosystems and semi-evergreen forests, which serve as giant ibis habitat, were especially affected by herbicide applications during the war, where up to 77 percent of the total spraying occurred (Boi 2002). The most affected areas of bombing, spraying, and bulldozing correspond with the historic range of the giant ibis, where the species went unobserved until 1993, and the figures for southern Vietnam are particularly informative, where the species remains unobserved to this day (www.rdb.or.id; BLI 2001c).

(3) Illegal logging and wood fuel collection: The open and deciduous forested wetland habitats preferred by the giant ibis species have diminished over much of Indochina, and only Cambodia retains significant portions of this habitat (WWF 2005). Deforestation from illegal logging and wood fuel collection has reduced the number of nesting sites available to the species (BLI 2007h; Poole 2002). In addition, it led to increased habitat disturbance (see (4), Continued human encroachment).

Cambodia: Poole (2002) reported that large nesting trees around Cambodia's Tonle Sap floodplain, particularly crucial to ibises for nesting, are under increasing pressure by felling for firewood and building material. Illegal logging has been reported in Trapeang Boeung (Global Witness 2007), where the giant ibis was observed in 2003 (www.rdb.or.id; BLI 2001b), and in the SBCA, where the species was observed in 2006 (Bird *et al.*, 2006).

Lao PDR: Logging has been reported in the Xe Pian National Biodiversity Conservation Area (NBCA), where the giant ibis has been observed, perhaps as a seasonal visitor (Robichaud *et al.*, 2001).

In Vietnam: Deforestation in Vietnam has been significant throughout the 20th century. In 1943, approximately 43 percent of the total land area in Vietnam was covered by natural forest. This corresponded to 54,054 mi^2 (140,000 km^2). By 1945, 22,007 mi^2 (57,000 km^2) of natural forest had been cleared (Brown *et al.*, 2001). By 1990, the total forested area had been reduced to 27 percent, nearly half the amount of 1943 (Boi 2002).

Logging bans in Vietnam became progressively more pervasive in the 1990s. In 1992, logging in watershed and special-use forests was banned. In 1999, all commercial logging in natural forests in the northern highlands and midlands, the southeast, and in the Mekong River and Red River Delta Provinces was banned. As of 2001, 58 percent of Vietnam's natural forests were covered by the ban (Brown *et al.*, 2001). (See Factor D.)

The government planned to obtain its wood needs from plantation forests (Brown *et al.*, 2001). In 1999, the total forested area had increased to 33 percent, corresponding to 36,464 mi^2 (94,440 km^2). This figure included 5,680 mi^2 (14,710 km^2) of plantation forest, only 1 percent of which represented deciduous forest (Boi 2002). The increase in plantations forests led to changes in species composition.

Changes in species composition led to changes in the amount of forest cover. Following the Food and Agriculture Organization's (FAO) classifications for forest cover, Cuong (1999) determined from remote sensing data that, between 1943 and 1995, forest cover in Vietnam transformed from 43 percent cover (which considered to be medium forest cover by FAO), to 28 percent (which FAO considers to be open forest).

(4) Continued human encroachment: Habitat alteration from dam construction and destruction caused by war are compounded by human encroachment throughout the species' range (see also (2), Factors within individual range countries, below).

Cambodia: In Cambodia's Tonle Sap floodplain, the effects of dam construction are exacerbated by agricultural conversion (Eames *et al.* 2004). Tonle Sap floodplain is considered ''prime rice-growing habitat'' (WWF 2001, p. 1). Extensive cultivation during the dry season and the impacts from fishing communities along the delta, disrupt the natural water cycle, resulting in drastic water level fluctuations within the Mekong River Delta, with frequent flooding and lower water levels during the dry season (WWF 2001).

The buffer zone of Cambodia's Seima Biodiversity Conservation Area (SBCA) (Kratie and Mondulkiri Province), where giant ibis was observed in 2006 (Bird *et al.* 2006), is threatened by a variety of human activities, including road building, increased subsistence activities, and collection of non-timber forest products (Bird *et al.* 2006; WCS 2007b). Resin tapping is common throughout the SBCA, and the concomitant increase in the number of people entering the SBCA to undertake this and other extractive activities poses an additional threat to the giant ibis (Bird *et al.* 2006), which is highly sensitive to human disturbance (Bird *et al.* 2006; www.rdb.or.id; BLI 2001b, 2007h; T. Clements in litt. December 2007; Clements *et al.* 2007; Dudley 2007; Eames *et al.* 2004).

Lao PDR: Robichaud *et al.* (2001) identified the following ongoing internal and external threats to giant ibis habitat in the Xe Pian National Biodiversity Conservation Area (NBCA): (1) Subsistence agriculture, (2) subsistence hunting, (3) trade hunting, (4) subsistence fishing, (5) trade fishing, (6) free-ranging livestock, (7) road construction, and (8) infrastructure development.

Vietnam: Giant ibis habitat in Vietnam's Yok Don National Park is threatened by road building, road improvements, and artificial waterhole creation on sites of natural ''*trapeangs*'' (seasonal and permanent waterholes). Giant mimosa (*Mimosa pigra*) has spread rapidly along the Srepok River since the 1980s (Eames *et al.* 2004). Giant mimosa is an aggressively invasive plant that forms dense thickets, closing formerly open habitats and outcompeting native species (WWF 2001).

The giant ibis requires large areas of undisturbed habitat and is known to be highly sensitive to human disturbance (Bird *et al.* 2006; www.rdb.or.id; BLI 2001b, 2007h; T. Clements in litt. December 2007; Clements *et al.* 2007; Dudley 2007; Eames *et al.* 2004). In the nesting surveys conducted between 2004 and 2007, researchers found that the most nests were located more than 3 mi (5 km) from villages (Clements *et al.* 2007). Bird *et al.* (2006) studied the effect of habitat disturbance on several large waterbirds, including the giant

ibis. They found that the giant ibis was significantly less likely to visit watering holes that were frequented by humans. The majority of the species breeds in remote areas and uses wetlands that have minimal human presence (T. Clements in litt. December 2007).

Habitat fragmentation caused by loss of habitat is compounded by human disturbance and is likely to have a disproportionate effect on the remaining individuals (Clements *et al.* 2007). According to Clements (in litt. December 2007), continuing expansion of human settlements and wetland manipulation are likely to cause strong declines over time, even if deforestation rates are low.

Summary of Factor A

Giant ibis habitat has been destroyed and degraded throughout the core of its range, and habitat reduction or modification continues to be a significant factor endangering the species. The giant ibis is a waterbird that seeks out permanent sources of water, and the impacts from habitat destruction and alteration are exacerbated by its aversion to human disturbance. Dam construction has contributed to habitat alteration on a regional scale along waterways within the Mekong River Delta (a vital water source throughout the species' core range) and contributes to unpredictable water fluctuations and changes in human activity along the waterways. The effects of flooding are exacerbated by extensive cultivation during the dry season and the impacts from fishing communities along the delta. Habitat loss through wetland drainage for agricultural purposes has reduced foraging and roosting areas. Logging has been reported in giant ibis territory in each range country, and deforestation reduces the number of trees available to the species as nesting sites. Expansion of human settlements and conversion of wetland areas to agriculture continue throughout the species' known range. The encroachment of nesting sites and foraging areas is compounded by human disturbance and may disproportionately promote fragmentation of remaining individuals. Based on the above information, we find that the present or threatened destruction, modification, or curtailment of the giant ibis' habitat or range is a significant on-going and future risk to the species.

B. Overutilization for Commercial, Recreational, Scientific, or Educational Purposes

(1) Overutilization within the region: The giant ibis is susceptible to hunting for consumption and disturbance caused by hunting other species throughout its range (Bird *et al.* 2006; www.rdb.or.id; BLI 2001b, 2007h; T. Clements in litt. December 2007; Desai & Luthy 1996; Eames *et al.* 2004; Poole 2002; WCS 2007a, 2007b, 2007c). There have been reports of severe hunting pressures on large mammals and waterbirds, including giant the ibis, throughout the species' range (ADB 2005; T. Clements in litt. December 2007; Desai & Luthy 1996; Poole 2002; United Nations Environment Programme-Strategic Environment Framework (UNEP–SEF) 2005; WCS 2007a, 2007b, 2007c). In 2005, the United Nations Environment Programme-Strategic Environment Framework (UNEP–SEF 2005) reviewed major threats to biodiversity, including giant ibis, within the Greater Mekong Sub-region (including Cambodia, Lao PDR, Myanmar, Thailand, and Vietnam). They found that, after habitat loss, the second greatest threat to endangered wildlife in the region was hunting and gathering. Giant ibises are particularly vulnerable to hunting during the dry season, when they seek out permanent water sources and are more likely to encounter people seeking out these same water resources (BLI 2007h).

Given the species' small estimated global population size (a minimum of 100 pairs, but no more than 250 total individuals (Clements *et al.* 2007)), any hunting would be detrimental to the species' continued existence. Highly sensitive to human disturbance, giant ibises are negatively affected by disturbance from hunting-related activities, even when they are not directly targeted (T. Clements in litt. December 2007).

(2) Overutilization within individual range countries:

Cambodia: Cambodia is the core of the species' range, where the total Cambodian giant ibis population is estimated to be 82 to 100 pairs (Clements *et al.* 2007). Subsistence hunting is a challenge to wildlife protection in Cambodia, where the average annual income is US$268 and ''95 percent of the country lives from tree cutting and wildlife hunting'' (WildAid 2002, p. 1). According to Clements (in litt. December 2007), in surveys conducted over the past eight years, there have been occasional reports of giant ibis being hunted for personal or commercial use in Cambodia, but ''it [giant ibis] appears to have little value wildlife trade.'' In the past 5 years, Clements (in litt. December 2007) is aware of two instances of giant ibis hunting, both for personal consumption. In addition, locals poison waterholes, using commonly available herbicides, fertilizers, or insecticides, to hunt fish and sometimes to poison large waterbirds for consumption (T. Clements in litt. December 2007).

Poole (2002) noted that bird species in Cambodia are generally susceptible to indiscriminate hunting and egg collection. A 1996 wildlife survey of three sites within Mondulkiri and Rattanakiri Provinces, where Lomphat Wildlife Sanctuary is located and wherein the giant ibises have been observed, revealed that hunting was extensive and intense (Desai & Vuthy 1996). The Wildlife Conservation Society reported hunting as the single largest threat to wildlife in the Northern Plains (WCS 2007a). Subsistence and commercial hunting of a variety of animals has been reported in within the SBCA as recently as February 2006 (Bird *et al.* 2006; WCS 2007b), and collection of eggs and chicks from nests threaten large waterbirds in the Tonle Sap floodplain (Clements *et al.* 2007; WCS 2007a, 2007b, 2007c). See also Factor D.

Lao PDR: BirdLife International (2006a) reports that hunting in Lao PDR has severely impacted most large waterbirds. While we have no information that the giant ibis is specifically targeted, this practice would severely threaten the species in Lao PDR, where the giant ibis population is unlikely to exceed 5 to 10 pairs (Clements *et al.* 2007).

Vietnam: Large mammals and waterbirds are particularly vulnerable to hunting within Yok Don National Park, the only location within Vietnam where giant ibis has been observed (Eames *et al.* 2004), and wildlife hunting continued to be a problem within the Yok Don National Park in 2005 (Eames *et al.* 2005) (see also Factor D). The U.S. Department of State (DOS) reported that Vietnam's wildlife, including endangered birds, is threatened by illegal export to China (DOS Cable 2007). However, we have no specific information that the giant ibis is part of such trade. The species is not known to be in international trade and has not been formally considered for listing under CITES (www.cites.org).

Summary of Factor B

Indiscriminate hunting threatens giant ibis throughout its range. Giant ibises are especially accessible and more vulnerable to hunting at the height of the dry season when they are concentrated around available waterholes. The species' aversion to human disturbance makes it more vulnerable to disruption from hunting-related activities. Given their small population numbers (estimated to be

100 pairs at minimum, but no more than 250 individuals) and the apparent inadequacies in enforcement (Factor D), we consider incidental killing from hunting and hunting disturbances to be factors that threaten this species throughout its range.

C. Disease or Predation

According to the Deputy Director of the Wildlife Protection Office in Cambodia (C. Dany in litt. January 2007), highly pathogenic avian influenza (HPAI) H5N1 continues to be a serious problem. This strain of avian influenza first appeared in Asia in 1996 and spread from country to country with rapid succession (Peterson *et al.* 2007). By 2006, the virus was detected across most of Europe and in several African countries. Influenza A viruses, to which group strain H5N1 belongs, infect domestic animals and humans, but wildfowl and shorebirds are considered the primary source of this virus in nature (Olsen *et al.* 2006), particularly wild birds of wetland and aquatic environments (Peterson *et al.* 2007). Although the Wildlife Protection Office noted that the U.S. Department of Agriculture Animal and Plant Health Inspection Service were helping train field staff on surveillance techniques, Cambodia lacks an avian influenza wild bird surveillance program (C. Dany in litt. January 2007). According to Dany (in litt. January, November 2007), scientists are not sure how many wild bird species carry or are infected by AI, and it is possible that giant ibis may be a carrier. However, a comprehensive study has not yet been undertaken. Lack of an avian influenza wild bird surveillance program in Cambodia will make it difficult to resolve whether giant ibis is a carrier.

Until recently, there was no information on predation affecting the giant ibis, and there is still very little known about giant ibis breeding ecology and dispersal (T. Clements in litt. December 2007). However, recent research suggests that predation impacts the largest known concentration of giant ibises in Cambodia's Northern Plains (estimated to be 30 to 40 pairs of birds), representing between one-third to one-fourth of the total known population (Clements *et al.* 2007). Nesting surveys were conducted between 2004 and 2007, and the giant ibis' fledging success was estimated at 50 percent. Researchers determined that predation had negatively impacted the giant ibis' fledging success. Predation by crows (*Corvus macrorhynchos*), macaques (Macaca sp.), hawks (species unknown), civets (Cynogale sp), and martins (species unknown) was identified as a major contributor to the species' low fledging success (Clements *et al.* 2007). Given the species' small global population size and that the Northern Plains species may represent up to one-fourth of the known giant ibis population, we consider this level of predation to be a significant factor that threatens the species' continued existence.

Summary of Factor C

While the avian flu may be a threat to giant ibises, there is no evidence that known populations are currently infected. Potential for disease outbreaks warrants monitoring (see Factor D) and may become a more significant threat factor in the future. However, we find that disease is not a risk to the giant ibis at this time.

Predation by crows, macaques, hawks, civets, and martins threatens the largest known concentration of giant ibises and contributes to the species' low fledging success (estimated to be only 50 percent). Given the risks associated with small population sizes, further reductions in population numbers jeopardizes the species' viability and resiliency to adapt to changing conditions (see Factor E). We consider predation to be a factor that endangers the species.

D. The Inadequacy of Existing Regulatory Mechanisms

(1) Regional regulatory mechanisms:

The Mekong River Commission (MRC) was formed between the governments of Cambodia, Lao PDR, Thailand, and Vietnam in 1995 as part of The Agreement on the Cooperation for the Sustainable Development of the Mekong River Basin. The signatories agreed to jointly manage their shared water resources and economic development of the river (MRC 2007). In 2003, the governments of Cambodia, China, Lao PDR, Myanmar, Thailand, and Vietnam committed to cooperate on developing a regional power grid (via hydroelectric dams), among other things, under the Asian Development Bank's Greater Mekong Subregion Program (International Rivers Network. 2004). However, according to the International Rivers Network (2004), the master plan to create the regional power grid did not thoroughly assess the impacts to communities, fisheries, Forests or nature reserves. The cooperative efforts have had little impact on the dams being built in the Mekong River Region or on broader decision-making processes within the Region (CRES 2001). According to the Asian Development Bank, 13 dams have been built, are being built, or are proposed to be built along the Mekong River Subregion (ADB 2005). The continued modification of giant ibis habitat has been identified as a primary threat to this species (Factor A), and this regional regulatory mechanism is not effective at reducing that threat.

(2) Regulatory mechanisms within individual range countries:

Cambodia: Several laws exist in Cambodia to protect the giant ibis from two of the primary threats to the species, habitat destruction (Factor A) and hunting (Factor B). However, they are ineffective at reducing those threats. In Cambodia, Declaration No. 359, issued by the Ministry of Agriculture, Forestry and Fisheries in 1994, prohibited the hunting of giant ibis. However, reports of severe hunting pressure within the giant ibis' habitat and illegal poaching of wildlife in Cambodia continue (Bird *et al.* 2006; Desai & Luthy 1996; FFI 2000; Poole 2002; UNEP–SEF 2005; WCS 2007a, 2007b, 2007c).

Joint Declaration No. 1563, On the Suppression of Wildlife Destruction in the Kingdom of Cambodia, was issued by the Ministry of Agriculture, Forestry and Fisheries in 1996. However, JICA (1999) reported that this regulatory measure was ineffectively enforced. In 2000, survey work conducted by Fauna and Flora International in collaboration with the Government of Cambodia, Ministry of Environment and Wildlife Protection Office, found evidence of illegal hunting of a variety of animals and noted a flagrant disregard for the illegality of this activity: ''Hunters and dealers freely displayed the illegal materials and readily provided any details requested,'' indicating a lack of wildlife laws awareness or inadequate law enforcement (FFI 2000).

The Forestry Law of 2002 strictly prohibited hunting, harming, or harassing wildlife (Article 49) (Law on Forestry 2003). This law further prohibited the possession, trapping, transport, or trade in rare and endangered wildlife (Article 49). As of 2007, Dany (in litt. January 2007) noted that the species had been proposed as endangered in the draft wildlife list in Cambodia, the highest protected species category by Forestry Law 2002 (Law on Forestry 2003). However, to our knowledge, Cambodia has not yet published a list of endangered or rare species. Thus, this law is not currently effective at protecting the giant ibis from threats by hunting (Factor B).

The Creation and Designation of Protected Areas regulation (November 1993) established a national system of protected areas. In 1994, through Declaration No. 1033 on the Protection

of Natural Areas, the following activities were banned in all protected areas: (1) Construction of saw mills, charcoal ovens, brick kilns, tile kilns, limestone ovens, tobacco ovens; (2) hunting or placement of traps for tusks, bones, feathers, horns, leather, or blood; (3) deforestation; (4) mining minerals or use of explosives; (5) use of domestic animals, such as dogs; (6) dumping of pollutants; (7) the use of machines or heavy cars which may cause smoke pollution; (8) noise pollution; and (9) unpermitted research and experiments. In addition, the Law on Environmental Protection and Natural Resource Management of 1996 (Law on Environmental Protection and Natural Resource Management 1996) sets forth general provisions for environmental protection. Under Article 8 of this law, Cambodia declares that its natural resources (including wildlife) shall be conserved, developed, and managed and used in a rational and sustainable manner. Several protected areas have been established within the range of the giant ibis, including the Tonle Sap Great Lake Protected Area, Seima Biodiversity Conservation Area, and Lomphat Wildlife Sanctuary.

The Tonle Sap Great Lake protected area was designated a Multiple Use Management Area in 1993 through the Creation and Designation of Protected Areas Decree (Creation and Designation of Protected Areas 1993). Under this decree, Multiple Use Management Areas are those areas which provide for the sustainable use of water resources, timber, wildlife, fish, pasture and recreation with the conservation of nature primarily oriented to support these economic activities. In 1997, the Tonle Sap region was designated a UNESCO ''Man and Biosphere'' site. To echo the United Nations designation, the Cambodian government developed a National Environmental Action Plan (NEAP) in 1997, supporting the UNESCO site goals. Among the priority areas of intervention are fisheries and floodplain agriculture at Tonle Sap Lake, biodiversity and protected areas, and environmental education. NEAP was followed by the adoption of the Strategy and Action Plan for the Protection of Tonle Sap (SAPPTS) in February 1998, and the issuance of a Royal Decree officially making Tonle Sap Lake a Biosphere Reserve on April 10, 2001 (Tonle Sap Biosphere Reserve Secretariat 2007). In 2006, the Cambodian government created Integrated Farming and Biodiversity Areas (IFBA), including 115 mi^2 (300 km^2) near Tonle Sap Lake, to protect the distinctive flora in that region (WWF 2006a). The above measures have focused attention on the conservation situation at Tonle Sap and have begun to improve the conservation situation there, but several management challenges remain, including overexploitation of flooded forests and fisheries; negative impacts from invasive species; lack of monitoring and enforcement; low level of public awareness of biodiversity values; and uncoordinated research, monitoring, and evaluation of species' populations (Matsui *et al.* 2006; Tonle Sap Biosphere Reserve Secretariat 2007).

The Seima Biodiversity Conservation Area was established through Declaration 260.12–08–2002 (On the Establishment of Seima Biodiversity Conservation Area in Samling Forest Concession in Mondul Kiri and Kratie Provinces). However, threats at this site remain. Lack of clear land and resource tenure within the buffer zone of Seima Biodiversity Conservation Area (SBCA) (Kratie and Mondulkiri Province), where giant ibises were observed in 2006 (Bird *et al.* 2006), has resulted in influxes of squatters interested in claiming, cutting, or clearing the land (WCS 2007b). In early 2006, during surveys of the Seima Biodiversity Conservation Area (SBCA), where giant ibis is located, researchers encountered hunters ''with no law enforcement in operation'' (Bird *et al.* 2006, p. v).

The Lomphat Wildlife Sanctuary, where the giant ibis is also found, was established in 1993 through the Creation and Designation of Protected Areas Decree (Creation and Designation of Protected Areas 1993) and is considered to be one of the most important areas for wildlife in Cambodia (WildAid 2005). Under this decree wildlife sanctuaries are considered natural areas where nationally significant species of flora and fauna, natural communities, or physical features require specific intervention for their perpetuation (Creation and Designation of Protected Areas 1993). In 2003 and 2004, the Service's Rhino and Tiger Conservation Fund supported the Lomphat Conservation Project (LCP), which has a long-term goal of assisting rangers and field staff in the conservation of the Sanctuary's living resources, including giant ibis. Six teams of rangers were trained during the duration of the LCP, and the Sanctuary began instituting patrols on at least 15 days per month. The rangers have been extremely efficient in locating poachers, illegal loggers, and entire camps set aside for poachers. Educational materials were developed and tailored to the villagers' patterns of use of the local resources (WildAid 2003), and villagers have demonstrated a keen interest in offering information to protect their resources and assist the rangers. Extensive public outreach has improved conservation awareness throughout the Sanctuary and around its borders (WildAid 2005). Project leaders for the Lomphat Conservation Project indicated that great strides have been made in training rangers and combating poaching, although community outreach required more effort (WildAid 2005). In 2005, the giant ibis was declared the national symbolic bird in Cambodia (C. Dany in litt. January 2007), which may help to raise public awareness as to the need to conserve the species and its habitat.

Giant ibis habitat within Cambodian protected areas faces several challenges. The legal framework governing wetlands management is institutionally complex, resting upon legislation vested in government agencies responsible for resource use (Fishery Law 1987), land use planning (Land Law 2001), and environmental conservation (Environmental Law 1996, Royal Decree on the Designation and Creation of National Protected Areas System 1993) (Bonheur *et al.* 2005). Furthermore, the country's wildlife protection office lacks the staff, technical ability and monetary support to conduct systematic surveys on the giant ibis (C. Dany in litt. January 2007). This, in turn, leads to ineffective monitoring and enforcement, and, consequently, resource use goes largely unregulated (Bonheur *et al.* 2005). Thus, the protected areas system in Cambodia is ineffective in removing or reducing the threats of habitat modification (Factor A) and hunting (Factor B) faced by the giant ibis.

Lao PDR: Giant ibis is legally protected in Lao PDR (Eames *et al.* 2004). In Lao PDR, the giant ibis is found in one protected area, the Xe Pian National Biodiversity Conservation Areas (NBCA). Regulation No. 0524/MAF.2001, on NBCAs and wildlife management, was issued by the Ministry of Agriculture and Forestry on June 7, 2001 (Robichaud *et al.* 2001). This regulation is a comprehensive code of wildlife protection. Penalties for violation of the existing decrees and instructions are outlined in the Penal Code of the Lao PDR (October 23, 1989) and refined in the Instructions for the Implementation of Decree No. 118 and in the Forestry Law of 1996.

Xe Pian NBCA was established in 1993 as part of the system of National Protected Areas. Long-term biodiversity conservation is the primary objective of NBCAs, according to PM Decree 164 and the 1996 Forestry Law. While the establishment of this protected area represents a positive step toward

conserving habitat in Xe Pian, the protection afforded giant ibis in the Xe Pian NBCA is marginal to ineffective due to confusion over management authority and lack of enforcement (www.rdb.or.id; BLI 2001c, 2001d; Rauchibauld *et al.* 2001). Furthermore, the existence of an NBCA does not rule out construction of hydroelectric dams, or commercial activities such as logging (www.rdb.or.id; BLI 2001d), identified as threats to this species (Factor A).

Thailand: The species is currently considered extirpated from Thailand. However, giant ibis is protected by the Wildlife Animal Reservation and Protection Act (WARPA) (B.E. 2535 1992; Eames *et al.* 2004). Under WARPA, hunting is prohibited (section 16), as is possession of carcasses (section 19), trade (section 20), and collection, harm or possession of nests (section 21). Violations of sections 16, 19, or 20 of WARPS may result in imprisonment not exceeding four years or fines nor exceeding 40,000 baht (Thai dollars), or both. Violations of section 21 of WARPA may result in imprisonment not exceeding one year or fines not exceeding 6,000 baht. This protection may help to remove the threat of hunting, which affect the species throughout its existing current range (Factor B), but does nothing to remove or reduce the threat to habitat reduction (Factor A), which was attributed as the primary cause for the species' extinction in Thailand (www.rdb.or.id; BLI 2001b; Matheu & del Hoyo 1992).

Vietnam: Decree No. 32/2006/ND–CP of March 30, 2006, on Management of Endangered, Precious, and Rare Forest Plants and Animals, establishes a list of endangered species and protections afforded to those species (Decree No. 32 2006). However, the giant ibis is not on that list (Official Dispatch No. 3399 2002) and therefore is not afforded any legal protection under this Decree.

Vietnam banned hunting without a permit in 1975 (Zeller 2006). However, the Department of State (DOS Cable 2007) reports that Vietnam's wildlife, including birds, continues to be susceptible to domestic consumption.

Yok Don National Park was established by Decree in 2002 (International Centre for Environmental Management (ICEM) 2003). Under Vietnam's Law on Forest Protection and Development of 2004 (No. 25 2004), National Parks are considered special use forests, which are used mainly for conservation of nature, preservation of national forest ecosystems, and biological gene resources; scientific research; protection of historical and cultural relics as well as landscapes; in service of recreation and tourism. The Law on Forest Protection and Development prohibits, among other things: (1) Unpermitted logging; (2) unpermitted hunting, shooting, capture, caging, or slaughter of forest animals; (3) illegally destroying forest resources or ecosystems; (4) violating regulation on forest fire prevention; (5) violating regulations on prevention and elimination of organisms harmful to forests; (6) illegal encroachment; (7) illegal possession, transport, or trade in forest plants and animals; (8) illegally grazing cattle in strictly-protected zones of special use forests; (9) illegally exerting adverse impacts on wildlife; and (10) illegally bringing toxic chemicals or explosives into forests (Article 12). However, the Yok Don National Park apparently lacks specific regulations governing activities within the Park (Eames *et al.* 2004), and it is unclear what tangible protections, if any, are afforded the species in this area. Furthermore, there are continued external threats to the biological resources in the park (*e.g.*, the proposed Ea Tung dam) (ICEM 2003) (Factor A) and hunting (Factor B). Eames *et al.* (2005) reported that hunting was a problem for wildlife within the Yok Don National Park. Thus, the measures in place are ineffective at reducing the threats to this species.

Summary of Factor D

Existing regulatory mechanisms throughout the giant ibis' range are ineffective at reducing or removing threats directed at the species, including habitat modification (Factor A) and hunting (Factor B). We believe that the inadequacy of regulatory mechanisms, especially with regard to lack of law enforcement and habitat protection, is a contributory risk factor for the giant ibis.

E. Other Natural or Manmade Factors Affecting the Continued Existence of the Species

Other factors which affect the giant ibis' continued existence are: its small population size and environmental toxins.

Small population size: Small, isolated populations of wildlife species are susceptible to demographic shifts and genetic problems (Shaffer 1981). These threat factors, which may act in concert, include natural variation in survival and reproductive success of individuals, chance disequilibrium of sex ratios, changes in gene frequencies due to genetic drift, and diminished genetic diversity and associated effects due to inbreeding. Demographic problems may include reduced reproductive success of individuals and chance disequilibrium of sex ratios.

We are unaware of any genetic studies for the giant ibis. However, threats to near- and long-term genetic viability can be estimated. In the absence of more species-specific life history data, the 50/500 rule (as explained under Factor E for the black stilt) (Soulé 1980; Hunter 1996) may be used to approximate minimum viable population sizes, as described under Factor E for the black stilt. The available information indicates that the largest concentration of giant ibis consists of 30 to 40 pairs (Clements *et al.* 2007). This would equate to 60 to 80 individuals, which just meets the minimum effective population size (N_e = 50 individuals) required to avoid risks from inbreeding. The current maximum estimate of no more than 250 individuals for the entire population (Clements *et al.* 2007) is only half of the upper threshold (N_e = 500) required for long-term fitness of a population that will not lose its genetic diversity over time and that will maintain an enhanced capacity to adapt to changing conditions. As such, we currently consider the species to be at risk of long-term genetic viability and associated demographic problems.

Environmental toxins: Environmental toxins likely pose a threat to the giant ibis, given its foraging habit and diet. Agent Orange was one of the primary defoliants sprayed during the Vietnam War (Westing 2002). One of the formulations (2,3,7,8-tetrachlorodibenzo-p-dioxin (TCDD)) released dioxin as a byproduct as it broke down. Dioxin is a known human carcinogen. Studies conducted following the war through the mid-1990s found that residents of southern Vietnam contained extremely high levels of dioxin found in fluid or tissue samples, including mother's milk and food fish. Sediment studies in the 1980s indicated that dioxin can move through soil into lakes or rivers, where it attaches to organic material in the sediment. In 1995, tissue sample studies revealed that even residents in areas that were not sprayed by Agent Orange (in northern Vietnam) contained low levels of TCDD contamination. In 2001, high levels of dioxin were still being detected in residents in southern Vietnam 30 years after TCDD was sprayed. Residents born subsequent to spraying and newly arrived residents had similarly high levels of dioxin in their systems. The authors concluded that it is highly probable that current dioxin contamination detected in humans is the result of past and current exposure to dioxin that has moved from the soil into river sediments, into fish,

and subsequently into people from fish consumption (Schechter *et al.* 2001). The giant ibis forages in mud flats, probing the mud with their bills. With evidence that dioxin contamination in soils persists more than 30 years after the Vietnam War, it is likely that the giant ibis is being exposed to this contaminant.

According to Gatehouse (2004), when fish, birds, or mammals are exposed from conception through postnatal or post hatching stages, dioxins may disrupt development of several major organ systems (including the endocrine, reproductive, immune and nervous systems). Dioxins are potent developmental toxicants even at low concentrations, and effects of dioxin poisoning in birds include poor breeding success, embryo lethality, and developmental deformities (Gatehouse 2004). Although we are unaware of any studies of the effect of environmental contaminants on the giant ibis, this may be a factor in the species' low fledging success (estimated to be 50 percent (Clements *et al.* 2007)).

Birds may be exposed to dioxins in their food or by foraging in contaminated soil (Gatehouse 2004). Animals vary in their sensitivity to dioxin (Karchner *et al.* 2006) and levels of contamination vary relative to their trophic level (position in the food chain) (Gatehouse 2004). Giant ibis consumes primarily invertebrates, small reptiles, and amphibians (www.rdb.or.id; BLI 2001b, 2007h; Davidson *et al.* 2002). According to Gatehouse (2004), other bird species at this mid-trophic level accumulate dioxin contamination at a low to midrange (where birds of prey have the highest levels of contamination). Dioxin poisoning is known to affect reptiles, resulting in development abnormalities (Shirose *et al.* 1995). Residual contamination in the tissues of prey species may remain long after contaminant concentrations are reduced (Gatehouse 2004). Given that giant ibis is a mid-trophic level species, which are known to accumulate dioxin at low-to mid-range levels, and that reptiles, a food source for giant ibis, are known to retain residual dioxin within their tissues, it is likely that the giant ibis is being exposed to dioxin through its prey species as well.

Summary of Factor E

The giant ibis' small population, estimated to be at least 100 pairs, but no more than 250 total individuals, poses a risk to the species throughout its range with regard to lack of near-term long-term genetic viability and to potential demographic shifts. We consider the species' extremely small population size and associated lack of genetic viability and threats of demographic shifts to be significant risks to the giant ibis throughout its range.

Dioxin contamination likely poses a threat to the giant ibis, given its foraging habits of eating along mud flats and probing the mud with its bill and the fact that dioxin contamination remains in the soil more than 30 years later. Diet may also expose giant ibises to dioxin accumulated in the tissue of prey species. Although we believe that dioxin contamination could be a factor contributing to the decline of the giant ibis, there has been no direct research into the effects of dioxin on giant ibis. As such, insufficient information precludes our ability to determine whether dioxin contamination endangers the species.

Conclusion and Determination for the Giant ibis

We have carefully assessed the best available scientific and commercial information regarding the past, present, and potential future threats faced by the giant ibis. We have determined that the species is in danger of extinction throughout all of its known range primarily due to ongoing threats to its habitat (Factor A), unregulated hunting (Factor B), and genetic and demographic risks associated with the species' small population size and habitat fragmentation (Factor E). Predation threatens the largest known concentration of giant ibis in the Northern Plains of Cambodia (Factor C). Furthermore, we have determined that the inadequacy of regulatory mechanisms to reduce or remove these threats is a contributory factor to the risks that endanger this species' continued existence (Factor D). Therefore, we are determining endangered status for the giant ibis under the Act. Because we find that the giant ibis is endangered throughout all of its range, there is no reason to consider its status in any significant portion of its range.

IV. Gurney's pitta (*Pitta gurneyi*)

Species Description

The Gurney's pitta is a member of the Pittidae family and is native to Myanmar and Thailand. The species is also known commonly as the black-breasted pitta (www.rdb.or.id; BLI 2001c) and the jewel-thrush (BLI-IP & Biodiversity and Nature Conservation Association (BANCA) Darwin Project Office 2004). Adults are between 7 and 8 in (18 and 20 cm) tall. The male has a blue crown and a turquoise-tinged tail. Black plumage covers the breast, with brown on the upper side, and black and yellow bands along the sides of the underbelly. The female has a brown crown and paler light-brown and buff (or black and yellow) banding on the underparts. The juvenile is draped in brown plumage on the crown, nape, and breast, with pale streaks on the upper belly and white speckles on the wings (BLI 2007g; Gould 1969; Thailand Scientific Authority 1990).

Taxonomy

Gurney's pitta, in the family Pittidae, was described by Hume as *Pitta gurneyi* in 1875 (BLI 2005) from a specimen obtained in Myanmar.

Habitat and Life History

This species' habitat requirements of this species were poorly understood until surveys were conducted in the 1980s (see Population Estimates, below). Gurney's pitta inhabits lowland, semi-evergreen secondary rainforest, at elevations from 260 to 460 ft (80 to 140 m). They are especially found at elevations less than 328 ft (100 m), in areas with little to no undergrowth (BLI 2000b, 2001c; Gould 1969). Access to permanent sources of water is a central feature of Gurney's pitta habitat, such that populations are often located near gully systems where moist conditions remain year-round (BLI 2000b, 2001c).

Gurney's pitta has been described as a ''relatively silent species'' (Rose 2003, p. 142); although more audible during mating season, and the species occurs more often in the mornings and evenings (www.rdb.or.id; BLI 2001c; Gould 1969). The species rarely ventures into open areas (www.rdb.or.id; BLI 2001c) and does not live in groups (Thai Society for the Conservation of Wild Animals (TSCWA) no date (n.d.)). A terrestrial bird, Gurney's pitta hops around the forest floor on its strong hind legs to forage on insects, snails, and especially earthworms (www.rdb.or.id; BLI 2001c; Kekule 2005; TSCWA n.d.).

Apparently monogamous (www.rdb.or.id; BLI 2001c), the species breeds during the monsoon season from April to October (www.rdb.or.id; BLI 2001c, 2007g). Dome-shaped nests with a single opening are built approximately 3.3 to 8.2 ft (1 to 2.5 m) off the ground in spiny understory palms, including rakum (*Salacca rumphii* or *Salacca wallichiana*), rattan (*Daemonorops* or *Calamu longisetus*), and licuala palms (*Licuala* spp.) (BLI 2001c, 2003b; Kekule 2005; Rose 2003; TSCWA n.d.). Eggs are cream-colored with brown flecks, the typical clutch size is 3 to 4, and eggs are incubated by both males and females for as few as 10 and up to 20 days

(www.rdb.or.id; BLI 2001c; Rose 2003; TSCWA n.d.). In captivity, pairs nested twice in 1 year (www.rdb.or.id; BLI 2001c). Gurney's pitta apparently has a low rate of breeding success, with an average production of one (Lambert 1996 as cited in BLI 2001c), two, or, at most, three chicks (Kekule 2005) fledged per clutch. In the only nest monitoring study, three giant ibis nests achieved an overall fledging rate of 27.3 percent (www.rdb.or.id; BLI 2001c; Rose 2003). Thus, the species has low fledging success.

Historical Range and Distribution

Gurney's pitta is native to Myanmar and Thailand, and the species was historically observed throughout the Thai-Malay peninsula (peninsular Thailand and adjacent southern Myanmar) (www.rdb.or.id; BLI 2001c, 2007g). The species has been characterized as formerly common across much of this range (BLI 2000b; Kekule 2005). However, BirdLife International (2001c) pointed out that the Gurney's pitta will not be found in absence of its preferred habitat and characterized the species as *locally* abundant *within its preferred habitat* (lowland, semi-evergreen secondary rainforest in areas with little-to-no undergrowth) (BLI 2000b, 2001c; Gould 1969).

A comparison of the confirmed observations of Gurney's pitta maintained by BirdLife International (2001c) since the species was first described reveals that there have often been large gaps in observations in the past. In Myanmar, the species was not observed for the nearly 30-year period between 1877 and 1904, and went unobserved again in Myanmar between 1914 and 2003. In Thailand, the species was historically observed with greater frequency (www.rdb.or.id; BLI 2001c). However, there were long periods during which the species was not observed in Thailand, including a 50-year period, from 1936 to 1986, during which there was only one confirmed observation of the species in 1952. Gould noted in 1969 that the species ''moves about quite a lot'' (Gould 1969, p. 154), which may be a reference to the species' ''disappearance'' and ''reappearance'' across its range (see also Population Estimates, below).

These occurrence records are likely incomplete for several reasons other than the species' rarity, including: (1) The relative silence of the species, making it difficult to detect when surveying suitable habitat (for instance, Rose (2003) noted that during a 39-hour period observing one nest, only nine calls were heard); (2) long periods of war within the region (Kekule 2005) (for instance, Thailand was involved in or affected by war from 1965–1988); (3) the inaccessible habitat and danger from landmines (in Myanmar, for example (Kekule 2005)); and (4) government regulations restricting access to researchers (Kekule 2005, regarding Myanmar). For these reasons, experts caution against claims of extinction until thorough surveys have been completed (Butchart *et al.*, 2006).

The distribution of Gurney's pitta appears to have steadily contracted in a southerly direction (BLI 2001c). Prior to 1950, the species was observed in several locations within Myanmar's Tanintharyi Division (referred to historically as ''Tenasserim'') and in the central (Prachuap Khiri Khan) and southern (Chumphon, Ranong, Nakhonsrithammarat, Phuket, Phatthatumg, and Trang) Provinces of Thailand. Between 1950 and 1979, the species was only observed once, in the southernmost Province of Thailand's central region, Prachuap Khiri Khan. Between 1980 and 2000, the species was observed only in southern peninsular Thailand (in Phangnga, Krabi, and Suratthani Provinces) (www.rdb.or.id; BLI 2001c). Until its rediscovery in Myanmar in 2003, the species was believed to have a range limited to a 20 mi^2 (50 km^2) area in Thailand (BLI 2000b). Experts believe that steady habitat loss since the 1920s has been a main driver in the species' historical decline (BLI 2000b, 2001c; Rose 2003).

Current Range and Distribution

BirdLife International (2000b) estimated the range of Gurney's pitta to be 942 mi^2 (2,440 km^2). However, range estimates are based on the ''Extent of Occurrence'' for the species, which is defined by the authors as ''the area contained within the shortest continuous imaginary boundary which can be drawn to encompass all the known, inferred, or projected sites of present occurrence of a species, excluding cases of vagrancy'' (BLI 2000b, p. 22). Therefore, this estimate likely includes areas that are unsuitable for the pitta, such that its range is probably smaller than this estimate.

Today, the Gurney's pitta is found in two areas, one within each range country. Details for each range country will be discussed below, starting with Thailand, because much of what we know about the Gurney's pitta is based on this population.

Thailand: In Thailand, Gurney's pitta was rediscovered in 1986 in at least five localities within its historical range, including Prachuap Khiri Khan, Suratthani, Phangnga, Krabi, and Trang Provinces. Although two territories may still exist in Trang Province (in an area called Tambon Aw Tong) (Rose 2003), the only remaining viable population occupies a 2-mi^2 (5.2-km^2) area in Krabi Province, near Mount Khao Nur Chuchi (BLI 2007g; Round & Gretton 1989). Its range is described as extremely small and declining (Rose 2003).

The Mt. Khao Nur Chuchi area may be referred to by any of several names, including Khao Nur Chuchi Reserve, Khlong Pra-Bang Khram Non-Hunting Area, Khlong Pra-Bang Khram Wildlife Sanctuary (Rose 2003, Kekule 2005), and Kao Phra Bang Khram Forest Reserve, which describes an area adjacent to the wildlife sanctuary (www.rdb.or.id; BLI 2001c; TSCWA n.d.). Following the rediscovery of Gurney's pitta near Mt. Khao Nor Chuchi in 1986, a non-hunting area was established in 1987. This area was upgraded to a wildlife sanctuary in 1993; however, crucial areas of pitta habitat were not included in the sanctuary (www.rdb.or.id; BLI 2001c; Round 1999). Rather, the remaining territories remain part of the Kao Phra Bang Khram Forest Reserve (see Factors A and D). Hereafter, this population will be referred to as the Khao Nur Chuchi population.

Myanmar: In Myanmar, Gurney's pitta was rediscovered in 2003 at four sites in the Ngawun Reserve Forest, within its historic range of Tanintharyi Division, in southern Myanmar. All sightings were within 1.2 mi (2 km) of the trans-Tanintharyi highway and within the 193 mi^2 (500 km^2) Ngawun Forest Reserve (BLI–IP & BANCA Darwin Project Office 2004). The species also apparently occurs in neighboring Lenya forest, site of the proposed Lenya National Park, also in Tanintharyi Division (BLI–IP & BANCA Darwin Project Office 2006).

Researchers believe that Myanmar has the largest remaining suitable habitat for the species (BLI–IP & BANCA Darwin Project Office 2004; Eames *et al.* 2005). In 2004, using satellite imagery, the remaining habitat available to the pitta was estimated to be 1,349 mi^2 (3,496 km^2). Most of this habitat is fragmented, but the five largest patches total an area of 553 mi^2 (1,431 km^2) and range in size from 53 to 180 mi^2 (137 to 467 km^2) (BLI–IP & BANCA Darwin Project Office 2004), significantly larger than the entire estimated range of the Gurney's pitta (of 20 mi^2 (50 km^2)) prior to its rediscovery in Myanmar (Eames *et al.* 2005). As of 2005, experts also believed that suitable habitat existed in a neighboring Lenya forest to support Gurney's pitta (BLI–IP & BANCA Darwin Project Office 2006; Eames *et al.* 2005).

Population Estimates

Population estimates are provided for the global population of Gurney's pitta, as well as for each range country. Thailand is discussed before Myanmar, as most information on Gurney's pitta is based on the population in Thailand, which was the only known population of Gurney's pitta until 2003 when it was rediscovered in Myanmar.

Global population estimate: The relative silence of this species has made it difficult to census (David Olson, Irvine Ranch Land Reserve Trust, in litt. February 2007; Rose 2003). Until the recent rediscovery of Gurney's pitta in Myanmar in 2003 (BLI 2003b), the global population estimate for Gurney's pitta was based solely on the Thai population, which stood between 24 and 30 individuals (www.rdb.or.id; BLI 2001c; Rose 2003). With the discovery of the Myanmar population, the global population may be between 175 to 185 individuals. The IUCN has not undertaken a formal re-evaluation of the global population of Gurney's pitta since its rediscovery in Myanmar.

Thailand: The Khao Nur Chuchi population is considered the last remaining viable population in Thailand (Round & Gretton 1989). Censuses undertaken following its rediscovery in the late 1980s aimed to identify additional localities and the number of individuals extant within the area. The species reportedly declined from 44 to 45 pairs in 1986 (BLI 2000b) to 17 pairs in 1987 (Rose 2003) and to 9 pairs in 1997 (BLI 2000b) and then increased to 11 breeding pairs in 2000 (www.rdb.or.id; BLI 2001c). As of 2003, the population stood between 24 and 30 individuals (www.rdb.or.id; BLI 2001c; Rose 2003).

Myanmar: BirdLife International—Indochina Program has been conducting site surveys on the rediscovered populations within the Ngawun Forest Reserve (BLI 2003b). In 2003, at least 10 to 12 pairs were observed (BLI 2003b; Eames *et al.* 2005). In 2004, researchers determined that the Myanmar population was sizable, having made approximately 150 pitta sightings (BLI–IP & BANCA Darwin Project Office 2004).

Extrapolating on the availability of suitable habitat, researchers estimated that the Myanmar population might include up to 8,000 pairs (Eames *et al.* 2005; Grimmitt 2006). However, we believe that this population estimate, based on the availability of suitable habitat, may be an overestimate for this species for two reasons: (1) The Myanmar population may not be randomly distributed in suitable habitat as assumed by these researchers, and (2) the extrapolation does not take into account human-induced threats, such as trapping. Therefore, until the predictions have been ground-truthed, we are unable to consider the 8,000 pair estimate as a reliable reflection of the current population size. We consider the 150 pitta sightings made in 2004 to be the most accurate current estimate of the Gurney's pitta population size in Myanmar.

Conservation Status

The conservation status of the Gurney's pitta is provided both on a global level and according to individual range countries. Thailand is again discussed before Myanmar.

Global population status: The Gurney's pitta has been classified as ''Critically Endangered'' by the IUCN since 1994 (BLI 2005).

Thailand: Gurney's pitta is protected by the Wildlife Animal Reservation and Protection Act (WARPA) in Thailand (B.E. 2535 1992; Eames *et al.* 2005). However, this regulatory mechanism is ineffective at reducing or removing threats directed at the species (see Factor D).

Myanmar: The species is protected in Myanmar by the Wildlife Act of 1994 (www.rdb.or.id; BLI 2001c). However, this regulatory mechanism is ineffective at reducing or removing threats directed at the species (see Factor D).

Summary of Factors Affecting the Gurney's pitta

Where applicable in the sections below, factors affecting the survival of Gurney's pitta are discussed in two parts: (1) Regional factors (affecting or including both range countries), and (2) Factors within individual range countries.

A. The Present or Threatened Destruction, Modification, or Curtailment of the Gurney's Pitta's Habitat or Range

(1) Regional factors

Experts believe that steady habitat loss since the 1920s contributed to the species' historical decline (BLI 2000b, 2001c; Rose 2003). Large-scale conversion of habitat for agriculture (such as rice planting) in Southeast Asia, including Thailand and Myanmar, began in the 1800s. This was followed by forest clearing for cash crops, such as rubber (*Hevea brasiliensis*) and oil palm (*Elaeis guineensis*). The 1950s saw the advent of a commercial logging industry to satisfy an increasing demand for Asian timber (Sodhi *et al.* 2004). Despite a complete logging ban implemented in Thailand in 1989, illegal logging and forest conversion for agriculture continued.

(2) Factors Within Individual Range Countries

Thailand: Thailand has lost an average of 1,274 mi^2 (3,300 km^2) of natural forest since 1960, with deforestation rates in the last three decades often exceeding 3 percent per year (Brown *et al.* 2001). By 1987, only 20 to 50 km^2 of forest below 328 ft (100 m) (habitat preferred by Gurney's pitta) remained in peninsular Thailand (BLI 2000b, 2001c). A portion of the last remaining viable population of Gurney's pitta, the Khao Nur Chuchi population, was included within the Khlong Pra-Bang Khram Wildlife Sanctuary in 1993. However, encroachment for settlements and clearing for crops were continuous problems through the 1990s, as summarized by BirdLife International (2001c). The other, more extensive, portion of the population was included in the Kao Phra Bang Khram Forest Reserve (www.rdb.or.id; BLI 2001c).

There has been a substantial conservation effort to foster sustainable agricultural practices around the Khao Nor Chuchi protected area. In 1990, the Khao Nor Chuchi Lowland Forest Project was established to engage the local community in management, education programs, and ecotourism, to reduce pressure on the remaining forest habitat. This project met with only limited success (BLI 2007g), and illegal forest clearance has persisted into the 21st century (www.rdb.or.id; BLI 2001c; Rose 2003). Moreover, the more recent practice of planting oil palms, which are more profitable than rubber plantations, on illegally cleared forest patches, removes the natural ground cover used for foraging and concealment by the ground-dwelling pitta (Rose 2003).

Myanmar: Gurney's pitta is found within the 193 mi^2 (500 km^2) Ngawun Reserve Forest, described as the largest remaining contiguous lowland forest in southern Myanmar (BLI 2003b, 2005), and also within neighboring Lenya forest, site of a proposed National Park (BLI–IP & BANCA Darwin Project Office 2006), located within Tanintharyi Division. Recent surveys indicated that Myanmar's Tanintharyi Division contains substantial suitable habitat for pittas (estimated to be 1,349 mi^2 (3494 km^2), but much of it was fragmented (BLI 2005) and deforestation for oil palm plantations was ongoing (Eames *et al.* 2005). Between 1990 and 1995, Myanmar lost 1,494 mi^2 (3,870 km^2) of forest per year, averaging a 1.4 percent reduction in forests per year (FAO 1999). In southern Tanintharyi Division,

logging reduced one large patch of lowland forest from 163 mi^2 (423 km^2) in 1990 to 102 mi^2 (265 km^2) in 2000 (Eames *et al.* 2005).

Summary of Factor A

Although the known range of the Gurney's pitta has expanded considerably with the rediscovery of the species in Myanmar, habitat conversion, destruction, and encroachment continues to be a significant factor throughout the species' range. Illegal logging and conversion for cash crops continue throughout the species' range. Based on the above information, we find that the Gurney's pitta is at significant risk throughout its range due to the present or threatened destruction, modification, or curtailment of its habitat or range.

B. Overutilization for Commercial, Recreational, Scientific, or Educational Purposes

Gurney's pitta was popular in the pet trade in the 1980s and was overutilized for this purpose by local snare-trappers (BLI 2007g; Rose 2003; Thailand Scientific Authority 1990). Illegal trade in the species was occurring even when experts were not reporting sightings of the species. For instance, the species was reportedly on the price list of an illicit Thai-based animal dealer in 1985, one year before the population was rediscovered in Thailand (Thailand Scientific Authority 1990). Ironically, the rediscovery of the pitta in Thailand can be credited to a wildlife smuggler in Bangkok, who helped rediscover the species. After the smuggler was found with a bird in his possession, he led researchers to a small forest patch in southern Thailand, where the species was subsequently observed (Round & Gretton 1989). The species was listed in Appendix III of CITES by Thailand in 1987 (UNEP–WCMC 2007a), requiring that a certificate of origin or export permit from Thailand accompany international exports of the species. In 1990, Gurney's pitta was uplisted to CITES Appendix I, which prohibited international trade for commercial purposes. According to the WCMC database, there has been no CITES-reported trade in this species since its listing in 1987 (UNEP–WCMC 2007b).

Trapping for the caged-bird trade continued to threaten the species through the late 20th into the early 21st century (www.rdb.or.id; BLI 2001c; Rose 2003), including evidence of non-specific poaching at Khao Nur Chuchi Non-Hunting Area (WorldTwitch Thailand 2000). Although Rose (2003) believed that trapping had ceased, Kekule (2005) found bird-nets surrounding an abandoned pitta nest within the Khao Nur Chuchi population in Thailand; the nets were placed there by villagers to capture the birds (see also Factor D).

We are not aware of any specific information regarding trapping or illegal trade in Myanmar, and there is no specific information indicating that scientific or educational uses of the species are a threat.

Summary of Factor B

Trapping has impacted the species in the past and may be ongoing. Given the species' small population size in Thailand, estimated at 24 to 30 individuals, reports of ongoing trapping and hunting activities within the species' only known range in Thailand is a significant concern. As such, we consider the trapping or hunting to be factors that threaten the species in Thailand.

C. Disease or Predation

There is no information about diseases affecting Gurney's pitta. Regarding predation, dog-tooth cat snake (*Boiga cynodon*) is a natural predator of the Gurney's pitta. The dog-tooth cat snake is a member of the night tree adder family that can reach lengths up to 9 ft (2.75 m). A tree dweller, this snake is native to several southeast Asian countries. In Thailand, the snake has been found in Prachuap Khiri Khan (the location of the largest known pitta population in Thailand) and it shares many similarities with Gurney's pitta, including living mainly in lowland rain forests, rarely entering cultivated areas or human settlements, and principally feeding on birds and their eggs (Thiesen n.d). Gretton (1988) reported that a dog-tooth cat snake killed near a Gurney's pitta nest contained a chick that it had apparently taken from the nest the previous day. Given the small remaining population size in Thailand (estimated to be 11 breeding pairs in 2000 (BLI 2000b)), predation by the dog-tooth cat snake would present a threat to the pitta, but no further information on this threat is available to us.

Summary of Factor C

Predation may affect Gurney's pittas, but there is insufficient information for us to consider this a significant factor currently impacting the Gurney's pitta.

D. The Inadequacy of Existing Regulatory Mechanisms

Thailand: Gurney's pitta is protected by the Wildlife Animal Reservation and Protection Act (WARPA) (B.E. 2535 1992; Eames *et al.* 2005). Under this act, hunting is prohibited (section 16), as is possession of carcasses (section 19), trade (section 20), and collection, harm, or possession of nests (section 21). Violations of sections 16, 19, or 20 may result in imprisonment not exceeding four years or fines not exceeding 40,000 baht, or both. Violations of section 21 may result in imprisonment not exceeding 1 year or fines not exceeding 6,000 baht. However, while Thai law does not allow capture or sale of the Gurney's pitta, the law does allow for possession of the species and bird-nets have recently been found near empty Gurney's pitta nests within the range of Thailand's only remaining viable population of the species (the Khao Nur Chuchi population) (Kekule 2005). This suggests that this regulation is inadequate to protect the few remaining individuals of this species from hunting (Factor B).

Protection of the species' habitat has not been effective in addressing forest clearance and poaching (Factor A). When the Khlong Pra-Bang Khram Wildlife Sanctuary was established in 1993, it provided incomplete protection for pitta territories, as only 5 of the 21 known pitta territories were encompassed within the Sanctuary. The most important and extensive areas of pitta habitat and territories were not included, including a crucial 12 mi^2 (30 km^2) area considered to be core to the pitta habitat (Round 1999; BLI 2001c). Sanctuaries are reportedly rarely patrolled by staff (WorldTwitch Thailand 2000) and a survey in 2001 confirmed that protection and law enforcement at Khao Nor Chuchi was essentially nonexistent (Rose 2003). While the Sanctuary receives funds for its management from the central government, authority to address problems within the Reserve is given to the provincial officials. This provides neither the authority nor the responsibility for Reserve staff to focus on problems within the reserve (BLI 2001c). As habitat destruction is ongoing within giant ibis habitat (BLI 2001c; Kekule 2005; Rose 2003), this regulatory mechanism is ineffective at addressing the threat of habitat destruction (Factor A).

Myanmar: This species is considered a ''completely protected'' species of wildlife under section 15(a) of Myanmar's Protection of Wildlife and Wild Plants and Conservation of Natural Areas Law of 1994 (Forest Department Notification No. 583/94; Protection of Wild Life and Wild Plants and Conservation of Natural Areas Law 1994). This law made it is illegal to kill, hunt, wound, possess, sell, transport, or transfer a completely protected species without permission (section 37).

Violators of this law are subject to imprisonment for up to 7 years or a fine up to kyats 50,000, or both (section 37). We have no information that the species is being trapped, hunted, or sold in Myanmar. Therefore, this regulation is not currently removing or reducing the primary threat to this species within Myanmar, habitat destruction (Factor A).

There are currently no protected areas in the peninsular region where the Gurney's pitta is found (Hirschfeld 2008). Within the Ngawun Forest Reserve, the habitat of the Gurney's pitta is protected under the provisions of the Burma Forest Act of 1902, as amended (Conservation Monitoring Centre 1992). Prohibited activities in reserved forests include trespassing, pasturing, damaging trees, setting fires, mining, cultivation, poisoning or dynamiting, hunting, shooting, fishing, or setting traps or snares. According to BirdLife International—Indochina Program (BLI–IP & BANCA Darwin Project Office 2005), the Ngawun Forest Reserve is the largest block of lowland forest in southern Myanmar, but it remains inadequately protected due to ineffective enforcement. Therefore, this regulation is not removing or reducing the primary threat to this species within Myanmar, habitat destruction (Factor A).

The species is also apparently extant in neighboring Lenya forest, site of the proposed Lenya National Park (BLI–IP & BANCA Darwin Project Office 2006). However, it appears that the Park has yet to be established and, as currently drawn, its boundaries would not encompass critical pitta territories within the Lenya Forest or the Ngawun Forest Reserve (BLI–IP & BANCA Darwin Project Office 2006; Grimmitt 2006). Therefore, because that establishment of the Park as currently drawn would exclude pitta territory, this mechanism would not likely remove or reduce the primary threat to this species within Myanmar, habitat destruction (Factor A).

Summary of Factor D

Although regulatory mechanisms are in place that could reduce or remove threats to the species, implementation of these mechanisms appears to be slow (such as the delay in establishing the proposed National Park), ineffective (such as the inability to quell poaching threats to the species), or inadequate. For instance, in Thailand, there is evidence of trapping within Gurney's pitta territory. Despite indications that poaching is ongoing, the law allows for possession of the species, although it does not allow capture or sale. Therefore, we believe the inadequacy and ineffective implementation of regulatory mechanisms are contributory risk factors that endanger the Gurney's pitta.

E. Other Natural or Manmade Factors Affecting the Continued Existence of the Species

Collection of forest products may constitute a disturbance to Gurney's pitta in Thailand during their breeding season. The edible fruits of the rakum palm, one of the palms in which the Gurney's pitta nests, are sought after in Thailand (BLI 2007g). Peak harvest occurs in June and July (World Agroforestry Center (WAC) n.d.), coinciding with the Gurney's pitta breeding season (www.rdb.or.id; BLI 2001c, 2007g). However, forest-collected fruit is considered inferior to the cultivated variety, harvest has never been tracked (WAC n.d.), and we are unaware of any research concerning this type of disturbance in relation to the Gurney's pitta. Thus, we are unable to conclude that this activity threatens the species' survival, due to insufficient information.

Small, isolated populations of wildlife species are susceptible to demographic and genetic problems (Shaffer 1981). These threat factors, which may act in concert, include natural variation in survival and reproductive success of individuals, chance disequilibrium of sex ratios, changes in gene frequencies due to genetic drift, and diminished genetic diversity and associated effects due to inbreeding. Demographic problems may include reduced reproductive success of individuals and chance disequilibrium of sex ratios (Charlesworth & Charlesworth 1987; Shaffer 1981). Using the 50 / 500 rule (as described under Factor E for the black stilt) (Soulé 1980; Hunter 1996) and given the two population estimates (24 to 30 in Thailand (www.rdb.or.id; BLI 2001c; Rose 2003), and 150 in Myanmar (BLI–IP & BANCA Darwin Project Office 2005)), the population in Thailand has likely undergone inbreeding. In addition, both the Thai and the Myanmar populations exist at numbers well below the minimum (of at least 500 individuals in order to prevent the loss of genetic diversity over time and maintain an enhanced capacity to adapt to changing conditions. As such, we currently consider the species to be at significant risk due to lack of near- and long-term genetic viability.

Summary of Factor E

The Gurney's pitta may be adversely affected by collection of the rakum fruit in Thailand, which grows in a tree in which the pitta nests and which ripens coincident with the Gurney's pitta's breeding season. However, no specific data exist to indicate that disturbance from fruit collection may be an actual threat. Therefore, we do not consider fruit collection to be a factor impacting the Gurney's pitta at this time.

The small population size of the Gurney's pitta, estimated at 24 to 30 in Thailand and 150 in Myanmar, poses a risk to this species throughout its range with regard to lack of near-term long-term genetic viability and to potential demographic shifts. Therefore, we consider the species' extremely small population size and associated genetic and demographic risks to be significant factors that endanger the Gurney's pitta throughout its range.

Conclusion and Determination for the Gurney's Pitta

We have carefully assessed the best available scientific and commercial information regarding the past, present, and potential future threats faced by the Gurney's pitta. We have determined that the species is in danger of extinction throughout all of its known range primarily due to habitat loss (Factor A), trapping, or hunting in Thailand (Factor B), and genetic and demographic risks associated with the species' small population size (Factor E). Furthermore, we have determined that the inadequacy of existing regulatory mechanisms to reduce or remove these threats is a contributory factor to the risks that endanger this species' continued existence (Factor D). Therefore, we are determining endangered status for the species under the Act. Because we find that the Gurney's pitta is endangered throughout all of its range, there is no reason to consider its status in any significant portion of its range.

V. Long-Legged Thicketbird (*Trichocichla rufa*)

Species Description

The long-legged thicketbird is an Old World warbler belonging to the Sylvidae family, and native to the Fiji Islands. The species is also commonly known as the long-legged warbler (BLI 2007i). Local residents named the secretive thicketbird ''Manu Kalou,'' or ''Spirit Bird,'' during the 19th century because of its ethereal voice (BLI 2000c; Dutson & Masibalavu 2004). Adults stand 6 in (17 cm) tall, with long blue legs, a short black bill, and a long tail. Upperparts of the body are warm brown with a long supercilium (head plumage). The throat is white and the flanks are a pale, rufous color (BLI 2007i).

Taxonomy

The long-legged thicketbird was described by Reichenow as *Trichocichla rufa* in 1890, and placed in the Sylvidae family as a monospecific genus. Two specimens discovered on the island of Vanua Levu in 1974 were described as a distinct subspecies (*Trichocichla rufa clunei*) (BLI 2003c; Kirby 2003b; Helen Pippard, Director of Environment, Suva, Fiji, in litt. February 2007). However, ITIS and BirdLife recognize the long-legged thicketbird only to the species level, and we accept this taxonomy.

Habitat and Life History

The long-legged thicketbird requires intact mid- to high-elevation forest associated with riverine habitat and dense vegetation (H. Pippard in litt. February 2007). Its habitat is dominated by old-growth montane forest (BLI 2007i), and the species is found at altitudes ranging from 2,625 to 3,281 ft (800 to 1000 m) (Dutson & Masibalavu 2004).

Because this species was known only from four voucher specimens until 2002, very little is known about its life history (BLI 2007i). It is characterized as a secretive ground-warbler that is easily overlooked unless it is singing (BLI 2007i). Its call is distinctive, and recognizing its song is considered key to identifying it in the wild (Dutson & Masibalavu 2004).

Historical Range and Distribution

The long-legged thicketbird is endemic to the Fijian Islands. The Fijian Archipelago comprises over 320 islands, over an area approximating 502,000 mi^2 (1.3 million km^2) (Chand 2002). Historically the species was found on two Fijian islands: Viti Levu and Vanua Levu. Viti Levu, meaning ''Big Fiji,'' is the largest island, with an area of 4,011 mi^2 (10,390 km^2). Vanua Levu, meaning ''Big Land,'' is little more than half as large at 2,135 mi^2 (5,530 km^2) (Chand 2002).

The long-legged thicketbird was long considered extinct, with no confirmed observations since 1894 (BLI 2003c; Kirby 2003b) and several unconfirmed sightings in 1967, 1973, and 1991 (BLI 2000c). The first confirmed sighting in recent time was that of two individuals in 1974, found on the island of Vanua Levu (BLI 2003c; Kirby 2003b). There was no evidence of its continued existence until 2002, when it was rediscovered on Viti Levu (BLI 2003c). The Fijian government considers the species to be extinct on Vanua Levu, where forests are less intact and there have been greater impacts from forest loss, including invasive species (H. Pippard in litt. February 2007).

Current Range and Distribution

The long-legged thicketbird was rediscovered in 2002, although confirmation of the sighting took nearly a year (BLI 2003c; Kirby 2003b). It was located at several sites on Viti Levu, found only in dense undergrowth of the Fijian mountains (BLI 2003c; Kirby 2003b; H. Pippard in litt. February 2007). However, a researcher who spent 5 years working in Fiji on conservation projects indicated that the species is ''commonly found if you know where to look for it in mid-elevation rocky streams with dense overstories'' (D. Olson in litt. February 2007). The largest known concentration of the long-legged thicketbird is found within the approximately 2 mi^2 (5 km^2) area known as the Wabu National Forest Reserve (BLI 2007i). Little is known about the species' current range, necessitating additional surveys in suitable habitat (BLI 2007i).

Population Estimates

There is insufficient information to determine the historic population levels of this species (BLI 2007i). Today, researchers believe that the species is locally common in ideal habitat (unlogged forest at elevations between 2,625 and 3,281 ft (800 and 1000 m)), but that it is patchy in distribution and absent from most forest (BLI 2003c, 2007i; D. Olson in litt. February 2007; Kirby 2003b). The current population is estimated to be between 50 to 249 individuals. However, this estimation is a categorical one, used by BirdLife International to conform to the IUCN criteria. The actual number of individuals may be much smaller (or larger) than this range suggests. In surveys conducted from 2002 to 2005, 12 pairs were discovered in Wabu (BLI 2003c, 2007i; Kirby 2003b). Nine pairs were found along a 1.24-mi (2-km) length of stream in dense undergrowth thickets; two of these pairs were accompanied by recently fledged juveniles. Using the data from the 2005 field surveys, only 30 individuals were observed during field surveys in 2005 (BLI 2003c; Kirby 2003b).

Conservation Status

The Fiji Department of Environment considers the extant long-legged thicketbird on Viti Levu to be vulnerable to further decline or extinction. Conservation priorities for this species include: protection of forest and research on the species' habitat requirements and impacts of invasive species on the species (H. Pippard in litt. February 2007). As of 2007, the species was classified by the IUCN as endangered, where it was previously classified as data deficient (BLI 2006b, 2007i; H. Pippard in litt. February 2007).

Summary of Factors Affecting the Long-Legged Thicketbird

A. The Present or Threatened Destruction, Modification, or Curtailment of the Long-Legged Thicketbird's Habitat or Range

Habitat destruction from logging, conversion to agriculture, and invasive species threatens the long-legged thicketbird habitat. The most recent estimates of forest cover on the islands of Vanua Levu and Viti Levu are from 1995. In 1995, the total forested area, including mangrove forest, pine plantation, hardwood plantation, scattered natural forest, medium dense natural forest, and dense natural forest, on the Fiji Islands was 3,293 mi^2 (9933 km^2) (Lal & Touvou 2003). This equated to just under half of Fiji's total land area and included an excess of 490 mi^2 (1,270 km^2) of the dense forest, preferred by the long-legged thicketbird (on Viti Levu, and 463 mi^2 (1,200 km^2) on Vanua Levu) (Chand 2002). Although there is more forested area on Vanua Levu than on Viti Levu, Fiji considers that the degree of habitat degradation on Vanua Levu has resulted in the species' extirpation from that island (H. Pippard in litt. February 2007).

Logging: According to the Fijian government, logging of virgin forests is the primary threat to this species, which prefers intact forest habitat (H. Pippard in litt. February 2007). Eighty-three percent of the total land area, including most of the natural forest cover, is privately owned (McKenzie *et al.* 2005). The forestry sector contributes 2.5 percent to Fiji's gross domestic product (GDP) and about F$50 million (US$27.6 million) in foreign exchange export earnings annually (McKenzie *et al.* 2005).

The Fijian government began large-scale planting of pine and hardwoods in the 1960s, such that today 13 percent of Fiji's forests are planted. In 2003, there were approximately 204 mi^2 (529 km^2) of hardwood plantations, mainly big-leaf mahogany (*Swietenia macrophylla*), and 179 mi^2 (463 km^2) of pine (*Pinus caribea*) plantations (ITTO 2005). Habitat conversion for timber plantations, including pine and big-leaf mahogany, in long-legged thicketbird habitat renders the habitat unsuitable for the bird (BLI 2003c), as it prefers intact forest (Pippard in litt. February 2007). See also Factor D.

Conversion to agriculture: The economy is dominated by the sugar

industry and food crops, including taro, cassava, sweet potatoes or kumala, and a wide variety of fruits and vegetables. An estimated 67 percent of the labor force is employed in agriculture, and this sector of the economy accounts for almost 21 percent of Fiji's GDP (Chand 2002). In 2007, Fiji released census data that estimated the population on the islands to be 827,900 inhabitants. This represents an increase of 53,000 people since the 1996 census (Fiji Government Online 2007). Most of these people inhabit the two main islands of Viti Levu and Vanua Levu (Dutson & Masibalavu 2004). As the population increases, the production area of these and other major food crops continues to increase each year. In Fiji, all preferred arable lands are fully utilized or unavailable for land tenure reasons. Thus, agriculture has expanded onto steeper marginal land to the interior of the island (Chand 2002). Agricultural conversion produces unsuitable conditions for the long-legged thicketbird, which prefers intact forests with dense vegetation, and the continuing expansion of agriculture into steeper lands to the interior jeopardizes the long-legged thicketbird, which prefers mid- to high-elevation forest (H. Pippard in litt. February 2007).

Invasive species: Although BirdLife International (2007i) noted that the influx of invasive species has not been shown to have deleterious effects on the suitability of the habitat for the long-legged thicketbird, it is unclear what factors were considered to arrive at this determination, including whether they referred to invasive animals or plants. The long-legged thicketbird prefers intact forest, and the Fijian government considers invasive species to be a factor that contributed to the species' extirpation from Vanua Levu (H. Pippard in litt. February 2007). Invasive plants and animals are problematic on Viti Levu (See Factor C for further discussion on invasive animals). African tulip tree (*Spathodea campanulata*) is invasive in forests and open areas of Viti Levu (McKenzie *et al.* 2005).

No longer facing the natural enemies or competition from other species that they faced in their place of origin, invasive plants are capable of spreading and outcompeting native species. Invasive plants can spread and reproduce prolifically, causing significant changes to ecosystems and upsetting their ecological balance.

Human disturbance, such as logging activities and agricultural conversion, is considered a major vector for introducing invasive plants. Once an invasive plant is introduced to an area, it has the potential to invade larger areas (USGS 2006). Thus, in the face of increasing habitat disturbance, invasive plants could pose a threat to the long-legged thicketbird, which prefers intact primary forest (H. Pippard in litt. February 2007). However, we are unaware of specific information regarding the effect of invasive plants on the long-legged thicketbird or its habitat. As, such we are unable to make a determination as to the threat this factor might cause, if any, to the species.

Summary of Factor A

Habitat destruction from logging and habitat conversion to agricultural purposes produce unsuitable conditions for the long-legged thicketbird, which prefers intact forest with dense vegetation. We consider habitat destruction to be a significant threat to the long-legged thicketbird that endangers the species throughout its range.

B. Overutilization for Commercial, Recreational, Scientific, or Educational Purposes

According to the Fijian government, there is no trade, collection, or captive breeding of the long-legged thicketbird at this time, nor is any likely in the future (H. Pippard in litt. February 2007). There is no known threat to the species from use for commercial, recreational, scientific, or educational purposes. The species has not been formally considered for listing in the Appendices of CITES (www.cites.org).

C. Disease or Predation

We have no information to indicate that the long-legged thicketbird is threatened by disease.

Predation by invasive animals, namely rats (*Rattus* spp.) and mongooses (*Rallus phillopensis*), is considered by Fiji to be a highly significant threat to the species (H. Pippard in litt. February 2007). Mongooses were introduced in 1883 to Fiji to kill rats, but both these species could potentially be serious predatory threats to the long-legged thicketbird (BLI 2000c). According to BirdLife International (2007i), however, the long-legged thicketbird has been found successfully nesting alongside these predators in Wabu, indicating that mongooses may not be predators after all. The first sighting of this species in 2002 was of a long-legged thicketbird warding off a mongoose from its nearby nest, which would indicate that the species exhibits anti-predatory behavior (Dutson & Masibalavu 2004). Given the species' small population size, between 50 to 249 individuals, predation could pose a significant risk to the long-legged thicketbird. However, there is insufficient information to determine that predation is ongoing or has the potential to negatively affect this species.

Summary of Factor C

More information is needed in order to determine the role of predation, if any, in this species' decline. Currently, there is insufficient information to determine that threats from predation are contributing to the species' risk of extinction.

D. The Inadequacy of Existing Regulatory Mechanisms

The long-legged thicketbird is a threatened species under Schedule 1, Section 3 of Fiji's Endangered and Protected Species Act of 2002 (No. 29 of 2002). This law and its implementing regulations (Endangered and Protected Species Regulations (Act No. 29 2002; Legal Notice No. 64) prohibit trade in the thicketbird, unless permitted. As trade is not known to be a threat to the thicketbird, this law and its implementing regulations do not address the conservation needs of the species.

The thicketbird is also a ''protected bird'' under Fiji's Birds and Game Protection Act of 1923 (Rev. 1985), as amended. Under this Act it is illegal to willfully kill, wound, or take any protected bird, or attempt to sell, possess, or export a protected bird, or their parts, nests or eggs (Part II, § 3). The penalty for violating this Act is a fine not to exceed $50, or, if this amount cannot be paid, imprisonment for up to 3 months (Part IV, § 15) (Birds and Game Protection Act 1985). As hunting and trapping are not known to be threats to the thicketbird, this law and its regulations do not address the conservation needs of the species.

Some of the forest habitat of the long-legged thicketbird is within the Wabu National Forest Reserve and is protected under Fijian law (BLI 2007i). However, the protections within the reserve are not absolute and the Forestry Act has a number of serious weaknesses. For example, legal loopholes permit clearcutting of forests over which the Forestry Department has no control, and all protected areas established under the provisions of the Forestry Act are subject to dereservation at the ministerial level; and reserve forests have frequently been dereserved (World Conservation Monitoring Centre 1992). In addition, forest reserves are managed as long-term production forests, with extraction being allowed by permit (Forest Decree 1992, Part III). In 2003, experts considered that insufficient

protection of long-legged thicketbird habitat would lead to a high probability of habitat conversion or destruction (BLI 2003c; Kirby 2003b). According to Dutson and Masibalavu (2004), BirdLife Fiji is working with the Department of Forestry to focus on long-term protection within the Wabu and with local communities to focus on forest conservation and alternatives to forest destruction, such as ecotourism, which may help to moderate habitat destruction. However, we consider this regulatory mechanism to be inadequate in removing or reducing the primary threat to this species, habitat destruction.

Summary of Factor D

While some of the forest habitat of the long-legged thicketbird is within the 2-mi^2 (5-km^2) Wabu Forest Reserve (Wabu) and is protected under Fijian law, the regulatory mechanisms in place to protect the species do not adequately reduce or remove the primary manmade threat to this species, habitat destruction (Factor A). We conclude that the inadequacy of existing regulatory mechanisms is a contributory risk factor that endangers the long-legged thicketbird.

E. Other Natural or Manmade Factors Affecting the Continued Existence of the Species

Two additional factors are considered herein, genetic risks associated with small population sizes and threats from stochastic events.

Effect of small population sizes: Small, isolated populations of wildlife species are susceptible to demographic and genetic problems (Shaffer 1981). These threat factors, which may act in concert, include natural variation in survival and reproductive success of individuals, chance disequilibrium of sex ratios, changes in gene frequencies due to genetic drift, and diminished genetic diversity and associated effects due to inbreeding, loss of genetic variation, and accumulation of new mutations. Inbreeding can have individual and population consequences by either increasing the phenotypic expression of recessive, deleterious alleles or by reducing the overall fitness of individuals in the population (Charlesworth & Charlesworth 1987; Shaffer 1981). In the absence of more species-specific life history data, a general approximation of minimum viable population size is referred to as the 50/500 rule (Soulé 1980; Hunter 1996), described under Factor E for the black stilt. The available information indicates that, with an N_e of approximately 50 (BLI 2007i), the long-legged thicketbird teeters on the edge of the minimum number of individuals required to avoid imminent risks from inbreeding ($N_e = 50$). The current maximum estimate of 249 individuals for the entire population (BLI 2007i) is only half of the upper threshold ($N_e = 500$) required to maintain genetic diversity over time and to maintain an enhanced capacity to adapt to changing conditions. As such, we currently consider the species to be at risk due to its lack of near- and long-term genetic viability.

Threats from stochastic events: Small populations of wildlife species also susceptible to stochastic environmental events (for example, severe storms, prolonged drought, extreme cold spells, wildfire). Stochastic events could result in extensive mortalities from which the population may be unable to recover, leading to extinction (Caughley 1994; Charlesworth & Charlesworth 1987). Fiji is susceptible to damage from tropical storms and cyclones. Tropical storms, which can sustain winds up to 130 miles per hour (mph) (209 kilometers per hour (kph)), are common in the South Pacific from November to April (Ligaiula 2007). Cyclones, also known as typhoons, are storms that typically form at sea and move inland, generating high winds exceeding 130 mph (209 kph) up to 200 mph (322 kph). Thirteen tropical storms have hit Fiji in the past 10 years (Associated Press 2007). In December 2007, Cyclone Daman made landfall on Viti Levu, with winds up to 155 mph (250 kph). Trees were destroyed, and heavy rains caused landslides and flooding in low-lying areas (Ligaiula 2007). The extant long-legged thicketbird population is extremely small and highly localized (BLI 2003c, 2007i; Kirby 2003b). Therefore, any additional stress to the population due to stochastic events, such as cyclones, represents a risk to the species and could lead to a further decline in the species' abundance or the extent of its occupied range.

Summary of Factor E

In addition to ongoing threats to the species' habitat (see Factor A), a major risk to the long-legged thicketbird is lack of near- and long-term genetic viability associated with the extant population's extremely small size. In addition, the long-legged thicketbird is vulnerable to reductions in numbers or extinction from stochastic events, such as cyclones. We consider the species' extremely small population size, the associated genetic risks and demographic shifts, and vulnerability to stochastic events to be significant risks that endanger the long-legged thicketbird throughout its range.

Conclusion and Determination for the Long-Legged Thicketbird

We have carefully assessed the best available scientific and commercial information regarding the past, present, and potential future threats faced by the long-legged thicketbird, above. We have determined that the species is in danger of extinction throughout all of its known range primarily due to ongoing threats to its habitat (Factor A), lack of near- and long-term genetic and associated demographic shifts, and susceptibility to stochastic events due to risks associated small population sizes (Factor E). Furthermore, we have determined that the inadequacy of existing regulatory mechanisms (Factor D) is a contributory risk factor that endangers the species. Therefore, we are determining endangered status for the long-legged thicketbird under the Act. Because we find that the long-legged thicketbird is endangered throughout all of its range, there is no reason to consider its status in any significant portion of its range.

VI. Socorro Mockingbird (Mimus graysoni)

Species Description

The Socorro mockingbird is a member of the Mimidae family, and endemic to Socorro Island, Mexico. This species is also referred to as Socorro thrasher, especially in older literature (e.g., Brattstrom & Howell 1956). Adults stand about 10 in (25 cm) tall and are mostly brown, with whitish underparts, darker wings (except for two narrow bands of white), a dark tail, reddish iris, and dark gape (the soft tissue at the corner of the mouth) (BLI 2007f; Martínez-Gómez & Curry 1998). Male and female Socorro mockingbirds have similar plumage, but males are larger than females. A juvenile (first-year bird) can be distinguished from an adult by its plumage, spotted breast, grayish iris, and yellowish gape (Martínez-Gómez & Curry 1998).

Taxonomy

The Socorro mockingbird was first taxonomically described as *Mimodes graysoni* (Mimidae family), by Lawrence in 1871. Ornithologists recognized that the species' behavioral characteristics were reminiscent of the mockingbird genus, *Mimus*, of the same family (Barber *et al.* 2004). Genetic analysis conducted by Barber *et al.* (2004) demonstrated that the species is most closely related to *Mimus* spp. In our proposed rule, we referred to this species as *Mimodes.* However, we find

the appropriate taxonomy for the species is *Mimus graysoni,* which follows the Integrated Taxonomic Information System (ITIS 2007).

Habitat and Life History

The geography of Socorro Island rises from sea level on the coast to a height of nearly 3,445 ft (4,000 m) elevation on the peak of Mount Evermann, in the center of the island (Comisión Nacional de Áreas Naturales Protegidas (CONANP) n.d.). Socorro mockingbirds are found in greatest abundance at elevations above 1,969 ft (600 m) (Martínez-Gómez & Curry 1996). They prefer undisturbed montane areas and primary forests that have a variety of fruit-bearing plants and a high density of tree species. Dominant plant species in the Socorro's preferred habitat include holly (*Ilex socorrensis*), *Guettarda insularis* (no common name), and lion's paw (*Oreopanax xalapensis*), along with the understory *Triumfetta socorrensis* and *Eupatorium pacificum* (Martínez-Gómez *et al.* 2001). Socorro mockingbirds forage on fruits, invertebrates, and small arthropods (Martínez-Gómez *et al.* 2001). They have been observed feeding on blowfly larvae on sheep carcasses (Brattstrom & Howell 1956).

Little is known about the Socorro mockingbird's life history; breeding information is based largely on studies conducted by Martínez-Gómez and Curry (1995) during 1993 and 1994. They found four nests in 1994, which were located about 12 ft (3.7 m) off the ground, each in a different species of tree: Holly, *Bumelia socorrensis* (no common name), *Guettarda insularis* (no common name), and *Meliosma nesites* (no common name). Researchers inferred that nesting likely occurs between November and July, with a clutch size of three. Eggs were incubated by females only (Martínez-Gómez & Curry 1998) for no more than 15 days (Martínez-Gómez & Curry 1995). A large number of subadults recorded during 1994 suggested high breeding success for the species (J. Martínez-Gómez in litt. via Comisión Nacional Para el Conocimiento y Uso de la Biodiversidad (CONABIO) February 2007).

Historical Range and Distribution

The Socorro mockingbird is endemic to Socorro Island, Mexico, in the Revillagigedo archipelago of Mexico. Socorro Island is the largest of four Revillagigedo Islands, with an approximate land area of 54 mi^2 (140 km^2) (Walter 1990). The island is 210 mi (338 km) southwest of Baja California, Mexico. The Socorro mockingbird was widespread and common on the island prior to 1958 (Martínez-Gómez 2002). Brattstrom and Howell (1956) observed the species in coastal locations in the southwest part of the Island, inland at higher elevations, and in canyons on the northern part of the Island. Socorro mockingbird may have inhabited the southwest portions of the island only seasonally (R. Curry in litt. February 2007). By the 1980s, the species was restricted to undegraded fig groves (*Ficus cotinifolia*), habitat which was becoming rare (Jehl & Parkes 1982). Habitat reduction is considered the primary cause of population and range declines of the Socorro mockingbird (BLI 2000d).

Current Range and Distribution

The current range of the Socorro mockingbird is limited to an estimated 6 mi^2 (15 km^2) area. The species is found in forests above 1,640 ft (500 m) (Martínez-Gómez 2002) and is most abundant at elevations above 1,969 ft (600 m) around Mt. Evermann (CONANP n.d.; Martínez-Gómez & Curry 1996; Wehtje *et al.* 1993).

In our proposed rule (71 FR 67530), we noted, ''the species is less common in taller forest patches and fig groves at low and mid elevations.'' Martínez-Gómez (in litt. via CONABIO February 2007) pointed out that this may be misleading. The field study conducted by Martínez-Gómez *et al.* (2001) indicated that the absence of the Socorro mockingbird in the low-elevation fig grove was due to habitat degradation. This is discussed further under Factor A.

In our proposed rule, we noted that the species ''is absent from areas of [croton] *Croton masonii* scrub near sea-level (Martínez-Gómez & Curry 1996).'' Curry (in litt. February 2007) clarified that it is uncertain whether Socorro mockingbird ever inhabited the croton scrub habitat, except as visitors during the nonbreeding season.

Population Estimates

The Socorro mockingbird was once considered the most abundant landbird on Socorro Island (Brattstrom & Howell 1956). The population declined through the 1960s and 1970s, and by 1978 it was feared to be on the verge of extinction (Jehl & Parkes 1982). In our proposed rule, we wrote that ''current estimates of population size for the species range from 50 to 249 individuals (BLI 2000).'' According to Dr. Robert Curry (Associate Professor, Villanova University, Villanova, Pennsylvania, in litt. February 2007), there are two problems with this figure: (1) It does not reflect the most recent field data, but reflects data collected between 1988 and 1990; (2) it is not an ''estimate'' of the Socorro mockingbird population, but rather the ''category'' to which BirdLife International assigned the species, in accordance with the IUCN listing criteria. Based on the most recent surveys, carried out between 1993 and 1994, the estimated population total was 353 individuals, with a calculated uncertainty of 66 (Martínez-Gómez & Curry 1996). Taking the calculated uncertainty of this estimate into account, the estimated total population ranged between 287 and 419 (R. Curry in litt. February 2007). This estimate was reconfirmed in the summer 2006, when Dr. Juan Martínez-Gómez (Island Endemics Foundation, Mexico, in litt. via CONABIO February 2007) inspected previous banding areas on the Island. He encountered a population similar to that studied by Martínez-Gómez and Curry (1996), above, with an estimated population size between 298 and 408 individuals. While Dr. Martínez-Gómez cautions against extrapolating these estimates beyond the banding areas studied, he indicated a likelihood that additional Socorro mockingbirds are on the island (J. Martínez-Gómez in litt. via CONABIO February 2007).

In our proposed rule, we wrote, ''of 215 birds ringed in 1993–1994, 55 percent were subadults.'' However, Martínez-Gómez (in litt. via CONABIO February 2007) noted this estimate was erroneously based on the pooled data from the 1993–1994 banding study conducted by Martínez-Gómez and Curry (1996), which biased our estimate. The banding for the 2-year study took place at different times of the year: The banding in 1993 took place after the breeding season, and the 1994 banding took place during the entire breeding season. Thus, in analyzing the 1994 data, which would be more representative of actual age ratios, it was apparent that sex ratios were not disproportionate and that the population had produced many young. Thus, the 1994 data suggest that the species has a high breeding success and that the population may be successful in recolonizing the area once habitat quality improves (J. Martínez-Gómez in litt. February 2007).

Conservation Status

The IUCN has listed the Socorro mockingbird as ''Critically Endangered'' since 2000, due to loss of habitat and the small remaining number of mature adults (BLI 2007c). The species is categorized as ''*Peligro*'' in Mexico, meaning it is in danger of extinction (Hesiquio Benítez Díaz, Director de Enlace y Asuntos Internacionales,

CONABIO, Tlalpan, Mexico, in litt. February 2007).

Summary of Factors Affecting the Socorro Mockingbird

A. The Present or Threatened Destruction, Modification, or Curtailment of Socorro Mockingbird's Habitat or Range

Socorro mockingbird habitat in the southern portions of the island has been severely degraded by construction of a naval base and sheep overgrazing for the past 50 years. In addition, locust swarms (*Schistocerca piceifrons*) have invaded that island since the mid-1990s. These threats to Socorro mockingbird habitat are discussed in turn.

Naval base: The Mexican Navy built a base on Socorro Island in the late 1950s (Martínez-Gómez *et al.* 2001). Built on the southernmost tip, at Bahia Vargas Lozano, the base supports more than 200 personnel and family (Wehtje *et al.* 1993). The Socorro mockingbird prefers undisturbed montane areas, and may have occupied the area seasonally before the base was built (R. Curry in litt. February 2007). During construction, native vegetation was removed from around the base and replaced with non-native grasses (Martínez-Gómez *et al.* 2001). Habitat destruction caused by construction of the naval base contributed to the species' extirpation from the southern third of the island (BLI 2000d), although not to the same extent as sheep overgrazing.

Sheep overgrazing: The greatest impact on the habitat of Socorro Island has been severe degradation due to intensive grazing by introduced mammals (BLI 2000d; Curry in litt. February 2007; Martínez-Gómez in litt. February 2007; Martínez-Gómez & Curry 1995, 1996; Martínez-Gómez *et al.* 2001). Socorro Island has no native mammals (Jehl & Parkes 1982). In our proposed rule, we noted that Cody (2005) reported that Socorro mockingbird habitat is threatened by destruction from introduced rabbits and pigs. However, Curry (in litt. February 2007) pointed out that, while rabbits and pigs are problematic on the nearby island of Clarión, these two exotic mammals were never introduced on Socorro.

Sheep were brought to Socorro Island near the end of the 19th century and, by 1956, there were an estimated 2,000 sheep living in the southern portions of the island (Brattstrom & Howell 1956). Left feral, the sheep overgrazed, creating extensive open areas (2005) and leaving the soil vulnerable to erosion (R. Curry in litt. February 2007; Wehtje *et al.* 1993). The Socorro mockingbird prefers undisturbed montane areas and forests with a dense understory. In the southern fig forests, hop bush (*Dodonaea viscosa*) has replaced the original understory, and these areas are too degraded for the Socorro to inhabit (Martínez-Gómez *et al.* 2001).

Habitat degradation caused by sheep drastically altered habitat on Socorro Island (BLI 2000d; R. Curry in litt. February 2007; Martínez-Gómez 2002), especially low- to mid-elevation fig forests (ranging in altitude from 0 to 1,640 ft (to 500 m)) in the southern portion of the island (Martínez-Gómez in litt. February 2007). By 1990, they had overgrazed the southern third of the island (Martínez-Gómez & Curry 1996), where the Socorro mockingbird was once plentiful (Brattstrom & Howell), although perhaps only seasonally (R. Curry in litt. February 2007). In the northern regions of Socorro Island, low- to mid-elevation fig forests are largely undegraded and serve as important habitat for the Socorro mockingbird (Martínez-Gómez & Curry 1996; Martínez-Gómez *et al.* 2001). Sheep overgrazing extirpated the species from one-third of its former range (BLI 2000d).

Locust swarms: Another factor causing the degradation of Socorro mockingbird habitat was brought to our attention by Martínez-Gómez (in litt. February 2007). According to Martínez-Gómez (2005), permanent locust (*Schistocerca piceifrons*) swarms have invaded the island since 1994. The locusts swarm twice yearly and are capable of reaching all points on the island. The swarms have defoliated trees and shrubs in several regions of the island, which decreases the availability of food from fruit trees and modifies the primary forest habitat which the species prefers. Locusts are especially pronounced in the southern portion of the Island. A larger number of young locusts and locusts in non-swarming stages are found in the degraded habitats in the south (Martínez-Gómez 2005). Martínez-Gómez (2005) concluded that the higher intensity of outbreaks in the southern portion of the island was an indirect result of sheep overgrazing and predation caused by introduced mammals, namely sheep and cats (see Factor C). Sheep overgrazing has created open conditions, providing suitable habitat for locust reproduction, as evidenced by the high number of young and non-swarming stages of locust found primarily in those areas (Martínez-Gómez 2005). In the northern portions of the island habitat is less degraded and bird densities are higher. Less degraded habitat provides less favorable conditions for the locusts and the swarms are less intense. Because birds eat locusts, they are better able to moderate the effects of the swarm, which also drives down the locust population in the north, where birds are found at higher densities. In the south, locusts swarms are more intense, and habitat destruction combined with predation has reduced the number of birds inhabiting the southern portion of the island. The low bird density in the south is insufficient to moderate the effects of the swarms being produced there. Locust swarms have also reduced available food sources, by denuding the fruit trees of bark which serve as part of the Socorro mockingbird diet. Martínez-Gómez (2005) attributed the greater and continued intensity of swarms in the south to the combination of habitat degradation (which created unsuitable habitat for the birds) and predation by cats (which reduced the number of birds). We consider sheep overgrazing to be a factor contributing to the endangerment of this species.

Summary of Factor A

The current range of the Socorro mockingbird is limited to an estimated 6-mi^2 (15-km^2) area. Habitat has been altered by construction of the Naval base, sheep overgrazing and locust swarms, compounded by predation (Factor C). Locust swarms have reduced available food sources by denuding the fruit trees of bark. Preferring undisturbed montane habitat and primary forest, these factors have created unsuitable conditions for the species. Overgrazing and locust swarms continue to threaten the Socorro mockingbird. We believe that the Socorro mockingbird is at significant risk throughout its range due to the present and ongoing destruction and modification of its habitat.

B. Overutilization for Commercial, Recreational, Scientific, or Educational Purposes

There is no information indicating that the Socorro mockingbird is being utilized for commercial, recreational, scientific, or educational purposes. The species is not known to be in international trade and has not been formally considered for listing under CITES (www.cites.org).

C. Disease or Predation

We are not aware of any disease concerns that may have led to the decline of the Socorro mockingbird species.

Predation by native red-tailed hawks (*Buteo jamaicensis soccoroensis*) and

introduced feral cats is a factor in the species' decline. The red-tailed hawk is one of two native raptors on the island; the other is the elf owl (*Micrathene whitneyi graysoni*), a small insectivore. On the mainland, red-tailed hawks eat primarily mammals; however, on Socorro Island their prey consists primarily of birds, land crabs, and lizards (Jehl & Parkes 1983; Wehtje *et al.* 1993). In addition, hawks have been known to prey on adults of other species on the island (Martínez-Gómex & Curry 1995). Martínez-Gómez and Curry (1995) concluded that nesting birds and adult Socorro mockingbirds were vulnerable to predation by red-tailed hawks.

Cats: During their banding study in 1994, Martínez-Gómez and Curry (1995) reported that hawks and feral cats were likely predators of this species. Cats were introduced to the island in 1972 (Martínez-Gómez 2002; Martínez-Gómez *et al.* 2001). Cat predation is considered the major factor responsible for extirpation of the Socorro dove (*Zenaida graysoni*) (Jehl & Parkes 1983). Examinations of cat stomach contents and scats found no substantive evidence of Socorro mockingbird remains. However, Curry (in litt. February 2007) and Martínez-Gómez (2002, 2005) consider that, while feral cats are not the primary reason for the Socorro mockingbird's decline, in combination with habitat degradation caused by sheep, predation by cats is contributing to its decline. Socorro mockingbird fledglings, which are unable to fly for several days after leaving the nest, and ground-foraging adults are vulnerable to predation by feral cats (Martínez-Gómez & Curry 1995, 1996).

According to the Center for Tropical Research in Ecology, Agriculture, and Development (CenTREAD) (2007), eradication of feral cats from Socorro Island is listed as a primary goal in the draft management plan for the Biosphere Reserve (CenTREAD 2007). In 2001, Grupo de Ecología y Conservación de Islas, A.C. (GECI), received a North American Wetlands Conservation Act grant to initiate the eradication of introduced mammals (including rabbits, pigs and sheep) from neighboring Clarión Island and to initiate the eradication of cats and sheep from Socorro Island (Sánchez and Tershy 2001). The work on Clarión Island was completed (CenTREAD 2007). However, the work on Socorro Island may prove to be lengthy and daunting. Dr. Bernie Tershy of the Institute for Marine Sciences (University of California, Santa Cruz, California), a primary researcher involved in the eradication programs on Clarión and Socorro Islands, worked with others to review the documented cases of feral cat eradications on islands and found only 48 examples (Nogales *et al.* 2003). Socorro Island has an area of 54 mi^2 (140 km^2) (Walter 1990) and there are few examples of eradications on larger islands. Of the 48 examples reviewed by Nogales *et al.* (2003), most were conducted on islands smaller than 2 mi^2 (5 km^2) and only a few on islands larger than 6 mi^2 (15 km^2). One successful eradication program on a larger island (Marion Island, Republic of South Africa; area: 112 mi^2 (290 km^2)) took place over a 15-year period. The removal process becomes more complicated when humans occupy the island, because preventing reintroduction of invasive species also becomes a factor (Nogales *et al.* 2003).

Other predators: Feral house mice (*Mus musculus*), on the other hand, already present on the island, pose no known threat to the species (R. Curry in litt. February 2007). Curry (in litt. February 2007) considers the potential accidental introduction of feral black rats (*Rattus rattus*) by Naval transport to be a grave potential threat to the Socorro mockingbird, considering this risk as potentially devastating as the threat of genetic erosion. Such an introduction has not yet occurred and, as such, we do not consider predation by rats to be a factor endangering the species.

Summary of Factor C

Predation by native hawks and feral cats does not appear to be the primary factor causing this species' decline at this time. However, in combination with the threat from habitat degradation (Factor A) and the species' small population size (Factor E), predation is contributing to the endangerment of the species.

D. The Inadequacy of Existing Regulatory Mechanisms

The General Law of Ecological Equilibrium and Environmental Protection was enacted on March 1, 1988, and was amended by Decree published December 13, 1996, and another Decree published January 7, 2000 (General Law of Ecological Equilibrium and Environmental Protection 2000). This law and its amendments: (1) Established the authority to designate protected natural areas to safeguard the genetic diversity of wild species and to preserve species that are in danger of extinction, are threatened endemics, or are rare, and those that need special protection (Article 45); (2) prohibit hunting or exploitation of species within core areas of biosphere reserves (Article 70); (3) specify that use of natural resources in habitats for endemic, threatened, or endangered species must be done in a manner that does not alter the conditions necessary for their survival, development, and evolution (Article 83); (4) prohibit the unpermitted use of threatened and endangered species (Article 87); and (5) stipulate penalties for violation, including fines equivalent to 20 to 20,000 days of the general minimum wage effective in the Federal District at the time the sanction is imposed, confiscation of instruments related to violations, suspension or revocation of permits, and administrative arrest for up to 36 hours (Article 171). While this overarching environmental law aims to protect threatened and endangered species, there are no specific provisions in the law that address the threats to the Socorro mockingbird (i.e., habitat degradation from introduced mammals, habitat destruction (Factor A), and predation (Factor C)).

According to the national legislation NOM–059-ECOL–2001, the species is categorized as ''*Peligro*,'' meaning it is in danger of extinction (H. Benítez Díaz in litt. February 2007). Under Mexico's Wildlife Law (Ley General De Vida Silvestre 2002), it is illegal to kill, possess, transport, or trade in species in danger of extinction without a permit (Article 122). As overutilization is not a threat to the viability of the species, this regulation is of little consequence to the viability of the Socorro mockingbird.

On June 4, 1994, the Mexican government established the Revillagigedo Archipelago Biosphere Reserve and declared it to be a Protected Natural Area (Revillagigedo Archipelago Decree 1994). This reserve included the entire island of Socorro and established the following protections: (1) Formulation of a management plan that sets specific objectives for the reserve (Articles 2 and 3), (2) ban on construction inside core areas of the reserve (which includes the entire island of Socorro) (Article 4), (3) requirement of an environmental impact statement for construction in the buffer zones of the reserve, (4) ban on the establishment of new human settlements within the reserve (Article 7), (5) establishment of a ''closed season'' on all plants and animals in the reserve (Article 9), (6) prohibition on the dumping or discharge of contaminants (Article 11), and (7) limit on recreational activities to those identified in the management plan for the reserve (Article 15). According to the Comisión Nacional de Áreas Naturales Protegidas (n.d.), a management plan has been drafted and is in the process of being published. Management

recommendations include: Eradicate cats and sheep from the island; restore the soil and vegetation; and establish a research monitoring station, especially to monitor the population before and after eradications (BLI 2007f). If this management plan is finalized and enacted, this regulatory mechanism has the potential to reduce or remove threats to habitat and from predation and could ultimately result in the recovery of the species. However, based on the best available information at this time, we have no assurances that the management plan will be completed, implemented, and effective. Therefore, this regulatory mechanism is inadequate in reducing the threats to this species.

Summary of Factor D

Regulatory mechanisms are inadequate to reduce the threats to the species, habitat destruction (Factor A) and predation (Factor C). As such, we believe that the inadequacy of regulatory mechanisms is a contributory risk factor that endangers the species.

E. Other Natural or Manmade Factors Affecting the Continued Existence of the Species

Three additional factors are considered herein, genetic risks associated with small population sizes, hybridization, and threats from stochastic events.

Genetic risks associated with small population sizes: The small estimated size of the population, between 298 and 408 individuals (Martínez-Gómez & Curry 1996) exposes this species to any of several risks, including inbreeding depression, loss of genetic variation, and accumulation of new mutations. Inbreeding can have individual or population-level consequences either by increasing the phenotypic expression of recessive, deleterious alleles or by reducing the overall fitness of individuals in the population (Charlesworth & Charlesworth 1987). Small, isolated populations of wildlife species are also susceptible to demographic problems (Shaffer 1981), which may include reduced reproductive success of individuals and chance disequilibrium of sex ratios. In the absence of more species-specific life history data, a general approximation of minimum viable population sizes is referred to as the 50 / 500 rule (Soulé 1980; Hunter 1996), as described under Factor E for the black stilt. The available information indicates that the population of the Socorro mockingbird may be as small as 298 birds (J. Martínez-Gómez in litt. via CONABIO February 2007); this is above the minimum effective population size required to avoid risks from inbreeding (N_e = 50). However, the upper limit of the population estimate of no more than 408 birds (J. Martínez-Gómez in litt. via CONABIO February 2007) is near the upper threshold for N_e = 500). Martínez-Gómez (2002) notes that the species currently exhibits a positive reproductive rate, but that demographic problems will ensue for this species within the next 20 to 30 years, should habitat degradation continue. We conclude that, combined with the threats from habitat destruction (Factor A) and predation (Factor C), this population is vulnerable to genetic risks associated with small population sizes that negatively impact the species' long-term viability.

Hybridization: In addition, the potential for the Socorro mockingbird to hybridize with the northern mockingbird (*Mimus polyglottos*) was brought to our attention by Dr. Curry (in litt. February 2007). The northern mockingbird (Mimus polyglottos) arrived on the Island in 1978, either naturally or transported by Naval personnel (Curry in litt. February 2007), and its population has steadily increased (Jehl & Parkes 1983). Jehl and Parkes (1983) showed that the northern mockingbird's habitat requirements are different from those of the Socorro mockingbird and the northern mockingbird, concluding that the northern mockingbird is not competitively excluding the Socorro mockingbird. They found that the northern mockingbird's success on the island was due to its ability to adapt to the island's degraded habitat. However, it was recently determined that the northern mockingbird is genetically most closely related to the Socorro mockingbird (Arbogast *et al.* 2006; Barber *et al.* 2004), which increases the possibility that the two species are capable of hybridizing (R. Curry in litt. February 2007). In addition, Baptista and Martínez-Gómez (2002) noted that song development in Socorro mockingbird may be being influenced by contact with northern mockingbirds. Interspecific mimicry could facilitate hybridization through sexual misimprinting (R. Curry in litt. February 2007).

We recognize that hybridization can lead to genetic dilution and other genetic risks that undermine the genetic integrity of a species. There is currently no evidence that hybridization has occurred between the Socorro mockingbird and the northern mockingbird. As such, we do not consider this a current factor endangering the species.

Threats from stochastic events: Socorro Island is situated in a zone with a high probability of being in the trajectory of cyclones from the Pacific northeast, which form during the months of May to October. Since 1958, 77 hurricanes and eight tropical storms have hit the Island chain (Comisión Nacional de Áreas Naturales Protegidas (CONANP) n.d.). In 1997, Hurricane Linda came within 46 mi (74 km; 40 nautical miles (nm)) of the island, where it reportedly ''wreaked havoc'' (Wirth 1998). At 160 knots, it was the strongest hurricane recorded in the Pacific since recordkeeping began in 1949 (Lawrence 1999).

Socorro Island is a volcanic island. The most recent eruption of Mt. Evermann occurred in 1993, from an underwater vent off the southwest coast. Regular volcanic activity continues throughout the Island from fumaroles and hydrothermal vents (Bulletin of the Global Volcanism Network 1993). The last major volcanic eruption on Socorro Island occurred in 1948 (CONANP n.d.) and, according to Trombley (2007), the next is expected in 2014. An eruption in 1952 on San Benedicto decimated the native flora and fauna on that island (Martínez-Gómez 2002).

Stochastic events, such as hurricanes and volcanic eruptions, could result in extensive mortalities from which the population may be unable to recover, leading to extinction. Increased population fragmentation in combination with these factors increases the likelihood of extinction of the species through a single stochastic event (Caughley 1994; Charlesworth & Charlesworth 1987).

Summary of Factor E

Combined with the population pressures caused by habitat loss (Factor A) and predation (Factor C), the Socorro mockingbird is subject to long-term genetic risks associated with its small population and compounded by the risk of stochastic events, such as cyclones or eruptions, severely reducing population numbers such that the species is unable to recover. We consider the species' small population size and threats from stochastic events threats that contribute to the endangerment of the species.

Conclusion and Determination for the Socorro Mockingbird

We have carefully assessed the best available scientific and commercial information regarding the past, present, and potential future threats faced by the black stilt, above. We have determined that the species is in danger of extinction throughout all of its known range primarily due to ongoing threats

to its habitats (Factor A) and predation (Factor C), compounded by genetic risks to the species' long-term genetic viability and susceptibility to stochastic events due to risks associated small population sizes (Factor E). Furthermore, we have determined that the inadequacy of existing regulatory mechanisms is a contributory risk factor that endangers the species' continued existence (Factor D). Therefore, we are determining endangered status for the Socorro mockingbird under the Act. Because we find that the Socorro mockingbird is endangered throughout all of its range, there is no reason to consider its status in any significant portion of its range.

Required Determinations

Available Conservation Measures

Conservation measures provided to species listed as endangered or threatened under the Act include recognition, recovery actions, requirements for Federal protection, and prohibitions against certain practices. Recognition through listing results in public awareness and encourages and results in conservation actions by Federal governments, private agencies and groups, and individuals.

Section 7(a) of the Act, as amended, and as implemented by regulations at 50 CFR part 402, requires Federal agencies to evaluate their actions within the United States or on the high seas with respect to any species that is proposed or listed as endangered or threatened, and with respect to its critical habitat, if any is being designated. However, given that the black stilt, caerulean paradise-flycatcher, giant ibis, Gurney's pitta, Long-legged thicketbird, and Socorro mockingbird are not native to the United States, no critical habitat is being proposed for designation with this rule.

Section 8(a) of the Act authorizes the provision of limited financial assistance for the development and management of programs that the Secretary of the Interior determines to be necessary or useful for the conservation of endangered species in foreign countries. Sections 8(b) and 8(c) of the Act authorize the Secretary to encourage conservation programs for foreign endangered species and to provide assistance for such programs in the form of personnel and the training of personnel.

The Act and its implementing regulations set forth a series of general prohibitions and exceptions that apply to all endangered wildlife. As such, these prohibitions would be applicable to the black stilt, caerulean paradise-flycatcher, giant ibis, Gurney's pitta, Long-legged thicketbird, and Socorro mockingbird. These prohibitions, pursuant to 50 CFR 17.21, in part, make it illegal for any person subject to U.S. jurisdiction to ''take'' (includes harass, harm, pursue, hunt, shoot, wound, kill, trap, capture, or to attempt any of these) within the United States or upon the high seas; import or export; deliver, receive, carry, transport, or ship in interstate or foreign commerce in the course of commercial activity; or sell or offer for sale in interstate or foreign commerce any endangered wildlife species. It also is illegal to possess, sell, deliver, carry, transport, or ship any such wildlife that has been taken in violation of the Act. Certain exceptions apply to agents of the Service and State conservation agencies.

Permits may be issued to carry out otherwise prohibited activities involving endangered wildlife species under certain circumstances. Regulations governing permits are codified at 50 CFR 17.22. With regard to endangered wildlife, a permit may be issued for the following purposes: for scientific purposes, to enhance the propagation or survival of the species, and for incidental take in connection with otherwise lawful activities.

Paperwork Reduction Act

This final rule does not contain any new collections of information that require approval by the Office of Management and Budget (OMB) under 44 U.S.C. 3501 *et seq.* The regulation will not impose new recordkeeping or reporting requirements on State or local governments, individuals, businesses, or organizations. We may not conduct or sponsor and you are not required to respond to a collection of information unless it displays a currently valid OMB control number.

National Environmental Policy Act

We have determined that environmental assessments and environmental impact statements, as defined under the authority of the National Environmental Policy Act of 1969, need not be prepared in connection with regulations adopted pursuant to section 4(a) of the Act. A notice outlining our reasons for this determination was published in the **Federal Register** on October 25, 1983 (48 FR 49244).

References Cited

A list of the references used to develop this final rule is available upon request (see **ADDRESSES** section).

Author

The primary author of this notice is the staff of the Division of Scientific Authority, U.S. Fish and Wildlife Service (see **ADDRESSES** section).

List of Subjects in 50 CFR Part 17

Endangered and threatened species, Exports, Imports, Reporting and recordkeeping requirements, Transportation.

Regulation Promulgation

■ Accordingly, we amend part 17, subchapter B of chapter I, title 50 of the Code of Federal Regulations, as follows:

PART 17—[AMENDED]

■ 1. The authority citation for part 17 continues to read as follows:

Authority: 16 U.S.C. 1361–1407; 16 U.S.C. 1531–1544; 16 U.S.C. 4201–4245; Pub. L. 99–625, 100 Stat. 3500; unless otherwise noted.

■ 2. Amend 17.11(h) by adding new entries for ''Ibis, giant,'' ''Mockingbird, Socorro,'' ''Paradise-flycatcher, caerulean,'' ''Pitta, Gurney's,'' ''Stilt, black,'' and ''Thicketbird, long-legged'' in alphabetical order under Birds, to the List of Endangered and Threatened Wildlife as follows:

§ 17.11 Endangered and threatened wildlife.

* * * * *

(h) * * *

Species		Historic range	Vertebrate population where endangered or threatened	Status	When listed	Critical habitat	Special rules
Common name	Scientific name						
*	*	*	*	*	*		*
BIRDS							

Species		Historic range	Vertebrate population where endangered or threatened	Status	When listed	Critical habitat	Special rules
Common name	Scientific name						
*	*	*	*	*	*	*	
Ibis, giant	*Pseudibis gigantea*	Cambodia, Lao PDR, Thailand, Vietnam.	Entire	E	760	NA	NA
*	*	*	*	*	*	*	
Mockingbird, Socorro	*Mimus Graysoni*	Mexico	Entire	E	760	NA	NA
*	*	*	*	*	*	*	
Paradise-flycatcher, caerulean.	*Eutrichomyias rowleyi*	Indonesia	Entire	E	760	NA	NA
*	*	*	*	*	*	*	
Pitta, Gurney's	*Pitta gurneyi*	*Myanmar, Thailand*	Entire	E	760	NA	NA
*	*	*	*	*	*	*	
Stilt, black	*Himantopus novaezelandiae.*	New Zealand	Entire	E	760	NA	NA
*	*	*	*	*	*	*	
Thicketbird, long-legged.	*Trichocichla rufa*	Fiji	Entire	E	760	NA	NA
*	*	*	*	*	*	*	

Dated: January 7, 2008.

Kenneth Stansell,

Acting Director, U.S. Fish and Wildlife Service.

[FR Doc. E8–492 Filed 1–15–08; 8:45 am]

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The items in this list were editorially compiled as an aid to Federal Register users. Inclusion or exclusion from this list has no legal significance.

RULES GOING INTO EFFECT JANUARY 16, 2008

COMMERCE DEPARTMENT

Economic Analysis Bureau

International services surveys:

BE-11; U.S. direct investment abroad; annual survey; published 12-17-07

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Air quality implementation plans; approval and promulgation; various States:

Clean Air Interstate Rule; implementation —

Automatic withdrawal provisions; published 11-2-07

Pesticide Tolerance; Acetamiprid; published 1-16-08

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HEALTH AND HUMAN SERVICES DEPARTMENT

Food and Drug Administration

Implantation or Injectable Dosage Form New Animal Drugs; Flunixin; published 1-16-08

Oral Dosage Form New Animal Drugs; Firocoxib Tablets; published 1-16-08

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Agricultural Marketing Service

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Forest Service

National Forest System timber; sale and disposal:

Special forest products and forest botanical products; comments due by 1-22-08; published 12-20-07 [FR E7-24710]

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Fisheries of the Exclusive Economic Zone Off Alaska:

Inseason Adjustment to the 2008 Gulf of Alaska Pacific cod Total Allowable Catch Amount; comments due by 1-22-08; published 1-9-08 [FR 08-00037]

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Air programs; approval and promulgation; State plans for designated facilities and pollutants:

Kansas; comments due by 1-25-08; published 12-26-07 [FR E7-24967]

Air quality implementation plans:

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Air quality implementation plans; approval and promulgation; various States:

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Carbon offsets and renewable energy certificates; workshop; comments due by 1-25-08; published 11-27-07 [FR E7-23006]

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INTERIOR DEPARTMENT

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San Bernardino kangaroo rat, etc.; comments due by 1-25-08; published 12-11-07 [FR E7-23842]

Preble's meadow jumping mouse; comments due by 1-22-08; published 11-7-07 [FR 07-05486]

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Management contract provisions:

Class II gaming; minimum internal control standards; comments due by 1-24-08; published 10-24-07 [FR E7-20778]

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Leona Valley, Los Angeles County, CA; comments due by 1-22-08; published 11-21-07 [FR E7-22697]

LIST OF PUBLIC LAWS

This is a continuing list of public bills from the current session of Congress which have become Federal laws. It may be used in conjunction with "P L U S" (Public Laws Update Service) on 202–741–6043. This list is also available online at *http://www.archives.gov/federal-register/laws.html*.

The text of laws is not published in the **Federal Register** but may be ordered in "slip law" (individual pamphlet) form from the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402 (phone, 202–512–1808). The text will also be made available on the Internet from GPO Access at *http://www.gpoaccess.gov/plaws/index.html*. Some laws may not yet be available.

H.R. 660/P.L. 110–177

Court Security Improvement Act of 2007 (Jan. 7, 2008; 121 Stat. 2534)

H.R. 3690/P.L. 110–178

U.S. Capitol Police and Library of Congress Police Merger Implementation Act of 2007 (Jan. 7, 2008; 121 Stat. 2546)

S. 863/P.L. 110–179

Emergency and Disaster Assistance Fraud Penalty Enhancement Act of 2007 (Jan. 7, 2008; 121 Stat. 2556)

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NICS Improvement Amendments Act of 2007 (Jan. 8, 2008; 121 Stat. 2559)

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