

These circumstances call for government-to-government initiatives to root out bribery and corruption in international procurement markets. The Administration is aggressively pursuing this objective in a wide range of international fora. The OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, for example, represents a major breakthrough in this area. The Convention obligates the parties to criminalize bribery of foreign public officials in the conduct of international business, which can include government procurement. It is aimed at proscribing the activities of those who offer, promise, or pay a bribe. For this reason the Convention is often characterized as a "supply side" agreement, as it seeks to effect changes in the conduct of companies in exporting nations. The Convention entered into force in February 1999 for 12 of the 34 signatories. As of April 2000, 20 signatories, including the United States, had ratified it.

In March 1996, countries in the Western Hemisphere concluded negotiations on the Inter-American Convention Against Corruption. To date, 26 countries have signed it and 18 have ratified. This Convention, a direct result of the Summit of the Americas Plan of Action, requires that the signatories criminalize bribery, using language modeled in part on the U.S. Foreign Corrupt Practices Act, and adopt other various measures aimed at both national and international corruption. The Convention entered into force in March 1997 for those countries which have ratified it.

The Administration is pursuing a broad range of complementary initiatives in the WTO and other international and regional trade fora. For example, we continue to press WTO Members for early conclusion of a multilateral Agreement on Transparency in Government Procurement. We have also led initiatives to ensure full and timely implementation of the WTO Agreement on Customs Valuation and to strengthen the operation of the WTO Agreement on Pre-shipment Inspection. As part of the Business Facilitation initiative for the Free Trade Agreement of the Americas, the Administration has already secured important commitments to ensure transparency and due process, particularly in relation to customs procedures, that will apply to all 34 countries of the Western Hemisphere. These initiatives strengthen the international rule of law and help to create a transparent, stable and predictable business environment that suppresses corrupt practices and allows U.S. firms and their workers to compete on a level playing field in overseas markets.

#### F. Offsets in Defense Trade

When purchasing defense systems from U.S. contractors, many foreign governments require compensation, in the form of offsets, as a condition of purchase in either government-to-government or commercial sales of defense articles and/or defense services. Offsets include mandatory co-production, licensed production, subcontractor production, technology transfer, countertrade, and foreign investment. Offsets may be directly related to the weapon system being exported, or they

may take the form of compensation unrelated to the exported item, such as foreign investment or countertrade.

Originally designed to enhance allied national security, some key U.S. trading partners now use offsets to pursue economic and commercial objectives. Department of Commerce data indicates that, while over 90 percent of recent offset agreements were associated with exports of U.S. aerospace weapons systems, almost half the resulting offset transactions were fulfilled with non-aerospace products. Such mandatory offset requirements may negatively affect U.S. firms and their workers by enhancing foreign suppliers' competitive capabilities or opportunities, reducing U.S. exports, and potentially limiting domestic job opportunities in these industries. They may also have a negative impact on the foreign buyer, since contract award decisions that are determined by the willingness or ability of a supplier to provide offsets may result in procurement that does not achieve the best possible value in terms of the price and quality of the equipment, installation, materials or services supplied.

An Interagency Offset Steering Committee, chaired by the Department of Defense and including representatives of the Departments of Commerce, State and Labor and the Office of the United States Trade Representative, was established in 1999. The Committee has been working to develop strategies that would reduce the adverse effects that defense related offsets may have on the industrial base and on U.S. trade interests. On this basis, the Committee has initiated bilateral discussions with U.S. allies in an effort to focus allied governments' attention on the adverse effects of offsets in defense trade and to explore ways for reducing or eliminating them.

**Carmen Suro-Bredie,**

*Chairman, Trade Policy Staff Committee.*

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## DEPARTMENT OF TRANSPORTATION

### Federal Highway Administration

#### Environmental Impact Statement: Lehigh and Northampton Counties, Pennsylvania

**AGENCY:** Federal Highway Administration (FHWA), DOT.

**ACTION:** Notice of intent.

**SUMMARY:** The FHWA is issuing this notice to advise the public that an Environmental Impact Statement will be prepared for a proposed highway project in Lehigh and Northampton Counties, Pennsylvania.

**FOR FURTHER INFORMATION CONTACT:** David W. Cough, P.E., Operations Group Leader, Federal Highway Administration, Pennsylvania Division Office, 228 Walnut Street, Room 536,

Harrisburg, PA 17101-1720, Telephone: (717) 221-3411 OR Donald Lerch, Assistant District Engineer, Pennsylvania Department of Transportation, District 5-0, 1713 Lehigh Street, Allentown, Pennsylvania, 18103, Telephone (610) 798-4131.

**SUPPLEMENTARY INFORMATION:** The FHWA, in cooperation with the Pennsylvania Department of Transportation (PennDOT), and the Lehigh Valley Planning Commission will prepare an Environmental Impact Statement (EIS) to identify and evaluate alternatives for improvements to the U.S. Route 22 corridor in Lehigh and Northampton Counties, Pennsylvania. The proposed action would consist of improvements along U.S. Route 22 between its interchanges with Interstate 78 to the west and S.R. 248 to the east, a distance of approximately 31 km (19 miles). Included in the overall project will be the identification of a range of alternatives that meet the identified project needs, and supporting environmental documentation and analysis to recommend a selected alternative for implementation. A complete public involvement program is included as part of the project.

Documentation of the need for the project is being prepared. This process will identify the need for roadway improvements through the study area based on local and regional transportation demand, system linkage and continuity, geometric criteria, safety and local and regional planning.

Alternatives that will be considered may include, but will not be limited to: No Build; transportation systems management (TSM) upgrade existing facility, construction on new alignment, upgrade of existing road network, mass transit, traffic control measures, (TCM), and travel demand management (TDM). These alternatives will be the basis for recommendation of alternatives to be carried forward for detailed environmental and engineering studies in the EIS.

Letters describing the proposed action and soliciting comments will be sent to appropriate federal, state and local agencies and to private organizations and citizens who express interest in this proposal. Public meetings will be held in the area throughout the study process. Public involvement and agency coordination will be maintained throughout the development of the EIS.

To ensure that the full range of issues related to the proposed action are addressed and all significant issues are identified, comments and suggestions are invited from all interested parties. Comments or questions concerning this

proposed action and the EIS should be directed to FHWA or PennDOT at the address provided above.

(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)

Issued on: April 25, 2000.

**James A. Cheatham,**

*FHWA Division Administrator.*

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## DEPARTMENT OF TRANSPORTATION

### Research and Special Programs Administration

[RSPA-00-7283, Notice No. 00-4]

#### Safety Advisory Notice; Use of Non-Complying Portable Tanks for Transportation of Propane

**AGENCY:** Research and Special Programs Administration (RSPA), DOT.

**ACTION:** Safety advisory notice.

**SUMMARY:** This safety advisory notice is to make persons aware of safety concerns related to the intermodal transportation of propane in portable tanks and of the proper packaging requirements for such transportation. RSPA has become aware of several instances where propane was improperly transported in portable tanks. This suggests that some persons who offer or transport propane in portable tanks may not be fully aware of the applicable requirements of the Hazardous Materials Regulations. This notice alerts offerors and transporters to potential safety problems and summarizes the proper packaging requirements for offering or accepting propane in portable tanks for transportation.

**FOR FURTHER INFORMATION CONTACT:**

Diane LaValle, Office of Hazardous Materials Standards, RSPA, Department of Transportation, 400 Seventh Street, SW., Washington, DC 20590-0001, Telephone (202) 366-8553.

**SUPPLEMENTARY INFORMATION:**

#### I. Background

The U.S. Coast Guard has identified problems with certain portable tanks used to transport propane in and between the states of Washington and Alaska. It appears that many of the portable tanks in this service may not conform to the requirements of the Hazardous Materials Regulations (HMR;

49 CFR parts 171-180) and to requirements for approval and inspection of cargo containers (49 CFR parts 450-453). Some of the deficiencies identified may pose a significant safety threat.

On March 17, 2000, a SeaLand/CSX cargo vessel transporting over 6,000 gallons of propane in a portable tank encountered rough seas. The portable tank broke loose from its frame, damaging its external piping and releasing over 100 gallons of propane. Although the release of propane in this incident was relatively small, the potential for a catastrophic incident involving the bulk transportation of propane on board vessels should not be minimized. A significant release of propane, coupled with a fire or explosion, would place the crew and the vessel at serious risk.

Subsequent inquiries and investigations by RSPA's Offices of Hazardous Materials Enforcement and Hazardous Materials Technology, the Federal Motor Carrier Safety Administration, and the U.S. Coast Guard identified several potential problems with portable tanks used for the intermodal transportation of propane. These problems involve improper mounting of portable tanks to container frames, substandard welds where portable tanks are attached to container frames, overfilling, improperly modified cargo tanks, and invalid specification packaging markings. Preliminary indications are that such deficiencies may affect a significant number of portable tanks in intermodal propane service. An initial industry estimate is that perhaps 60 percent of 500 portable tanks involved in this transportation may not conform to HMR requirements. Because these tanks are used in intermodal service, the potential safety problems could affect highway and rail transportation, in addition to transportation by vessel.

#### II. Requirements for the Transportation of Propane in Portable Tanks

Section 173.315 of the HMR authorizes the transportation of propane in a number of bulk packagings, including DOT Specification 51 portable tanks. Specifications for the design and manufacture of DOT Specification 51 portable tanks are in Subpart H of Part 178 of the HMR.

*Design and construction.* Generally, DOT 51 portable tanks must be designed, constructed, certified, and stamped in accordance with the ASME Code in effect at the time the tank is constructed (see § 178.245-1). Welds used in tank construction, as well as welding procedures and weld

performance tests, must conform to the ASME Code (see § 178.245-1(b)). The regulations also include specific requirements for tank openings and filling and discharge connections (see § 178.245-1(d)). Among other requirements, each filling and discharge connection below the normal liquid level of the tank must be equipped with an internal self-closing stop valve capable of closing within 30 seconds of actuation.

The regulations for DOT 51 portable tanks also include specific requirements applicable to materials of construction (§ 178.245-2), design pressure (§ 178.245-3), mountings (§ 178.245-4), and damage protection (§ 178.245-5).

A DOT 51 portable tank that meets the definition of a "container" in 49 CFR 450.3(a)(2) must also conform to the requirements of 49 CFR parts 450 through 453 for compliance with Annex II of the International Convention for Safe Containers, particularly with regard to attachment of the portable tank to its intermodal frame (see § 178.245-1(d)(4)(i) and 178.245-4(e)). Parts 450 through 453 establish requirements and procedures for safety approval and periodic examination of cargo containers. Portable tanks that meet the definition of "container" for purposes of Parts 450 through 453 must be inspected by an agency that has been approved by the US Coast Guard. As defined in 49 CFR 450.3(a)(2), a "container" is an article of transport equipment that: (1) Is suitable for repeated use; (2) is designed to facilitate the transport of goods by one or more modes of transport without intermediate reloading; (3) is designed to be secured and readily handled with corner fittings for these purposes; and (4) has an area enclosed by the bottom four corners that is at least 150 square feet or 75 square feet if it has top corner fittings.

*Periodic inspections and tests.*

Portable tanks used for the transportation of hazardous materials must undergo periodic inspections and tests to assure the continued integrity of the tank and its appurtenances. The requirements for periodic inspection and testing of DOT 51 portable tanks are in § 173.32(e). Every five years, a DOT 51 portable tank must successfully pass a pressure test that conforms to the requirements in § 173.32(e)(2)(i) and a visual inspection that conforms to the requirements in § 173.32(e)(2)(ii). The date of the most recent periodic test and inspection must be marked on the tank on or near its certification plate. A portable tank for which the prescribed tests or inspections have become due may not be filled and offered for