

450 Fifth Street, NW., Washington, D.C. 20549-0609. 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. Copies of such filing will also be available for inspection and copying at the principal office of the NASD. All submissions should refer to File No. SR-NASD-00-41 and should be submitted by August 1, 2000.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹¹

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 00-17423 Filed 7-10-00; 8:45 am]

BILLING CODE 8010-01-M

DEPARTMENT OF STATE

[Public Notice 3361]

Determinations on Export-Import Bank Financing in Support of Sale of Helicopters to Colombia

Pursuant to section 2(b)(6) of the Export-Import Bank Act of 1945, as amended, and Executive Order 11958 of January 18, 1977, as amended by Executive Order 12680 of July 5, 1989, I hereby determine that:

(1) The defense articles and services for which the Government of Colombia has requested Export-Import Bank (Ex-Im) financial guarantees, fourteen UH-60 (Blackhawk) helicopters, are to be used primarily for anti-narcotics purposes;

(2) The sale of such defense articles and services would be in the national interest of the United States;

(3) The Government of Colombia has complied with all U.S.-imposed end-use restrictions on the use of defense articles and services previously financed under the Act; and

(4) The Government of Colombia has not used defense articles or services previously provided under the Act to engage in a consistent pattern of gross violations of internationally recognized human rights.

The determinations shall be reported to Congress and shall be published in the **Federal Register**.

Dated: May 22, 2000.

Madeleine Albright,

Secretary of State.

[FR Doc. 00-17475 Filed 7-10-00; 8:45 am]

BILLING CODE 4710-07-U

TENNESSEE VALLEY AUTHORITY

Meeting of the Regional Resource Stewardship Council

AGENCY: Tennessee Valley Authority (TVA).

ACTION: Notice of Meeting.

SUMMARY: The Regional Resource Stewardship Council (Regional Council) will hold a meeting to consider various matters. Notice of this meeting is given under the Federal Advisory Committee Act, 5 U.S.C. App. 2 (FACA).

The meeting agenda includes the following briefings:

1. Watershed Teams
2. Stewardship Planning
3. Shoreline Management
4. 26a Permitting
5. Subcommittee Reports

It is the Regional Council's practice to provide an opportunity for members of the public to make oral public comments at its meetings. However, due to the short meeting time, an opportunity for members of the public to make oral public comments at the meeting will not be provided. Written comments, however, are invited and may be mailed to the Regional Resource Stewardship Council, Tennessee Valley Authority, 400 West Summit Hill Drive, WT 11A, Knoxville, Tennessee 37902.

DATES: The meeting will be held in two sessions on July 28, 2000, from 8 a.m. to 9:45 a.m. and from 3:15 p.m. to 5 p.m. EDT.

ADDRESSES: The meeting will be held in Knoxville, Tennessee, in the West Tower Auditorium at the Tennessee Valley Authority, 400 West Summit Hill Drive, Knoxville, Tennessee 37902, and will be open to the public. Anyone needing special access or accommodations should let the contact below know at least a week in advance.

FOR FURTHER INFORMATION CONTACT: Sandra L. Hill, 400 West Summit Hill Drive, WT 11A, Knoxville, Tennessee 37902-1499, (865) 632-2333.

Dated: June 30, 2000.

Kathryn J. Jackson,

Executive Vice President, River System Operations & Environment, Tennessee Valley Authority.

[FR Doc. 00-17484 Filed 7-10-00; 8:45 am]

BILLING CODE 8120-08-M

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

COUNCIL ON ENVIRONMENTAL QUALITY

Request for Public Comment: Draft Guidelines for Implementation of Executive Order 13141: Environmental Review of Trade Agreements Notice of Public Hearing

AGENCY: Office of the United States Trade Representative and Council on Environmental Quality

ACTION: Notice of request for written public comment; notice of public hearing

SUMMARY: On November 16, 1999, President Clinton signed Executive Order 13141. 64 FR 63169 (Nov. 18, 1999). The Order makes explicit the United States' commitment to a policy of ongoing assessment and evaluation of the environmental impacts of trade agreements, and in certain instances, the conduct of written environmental reviews. The Order directs the Office of the United States Trade Representative (USTR) and the Council on Environmental Quality (CEQ) to oversee implementation of the Order, including the development of procedures pursuant to the Order.

This notice seeks public comment on draft Guidelines for implementing the Executive Order. USTR and CEQ developed the draft Guidelines through an extensive interagency process with active participation from interested foreign policy, environmental, and economic agencies. USTR and CEQ also solicited input from advisory committees and the public. 65 Fed. Reg. 9757 (Feb. 22, 2000). The resulting draft Guidelines endeavor to assure that consideration of the environmental implications of trade agreements is an integral part of the policymaking process, and that environmental analysis is undertaken sufficiently early to inform the development of U.S. negotiating positions and objectives. Further, the draft Guidelines make public participation an integral component.

FOR FURTHER INFORMATION CONTACT: Office of the U.S. Trade Representative, Environment and Natural Resources Section, telephone 202-395-7320, or Council on Environmental Quality, telephone 202-456-6224.

SUPPLEMENTARY INFORMATION:

¹¹ 17 CFR 200.30-3a(a)(12).

A. Executive Order 13141 and the Trade Policy Staff Committee (TPSC) Process

The United States has relevant experience with environmental reviews of trade agreements, including the North American Free Trade Agreement in 1991–92 and the Uruguay Round Agreements in 1994. Most recently, in November, 1999, the United States prepared a study of the economic and environmental effects of the proposed Accelerated Tariff Liberalization initiative with respect to forest products. Building on this experience, Executive Order 13141 institutionalizes, for the first time, the procedures for integrating consideration of environmental issues into the negotiating process. The Order recognizes that environmental reviews are an important tool to help identify potential environmental effects of trade agreements, both positive and negative, and to help facilitate consideration of appropriate responses to those effects whether in the course of negotiations, through other means, or both.

Sections 1 and 4(a) of the Order commit the United States to careful assessment and consideration of the environmental impacts of future trade agreements, including environmental reviews of certain major agreements (comprehensive multilateral trade rounds, multilateral or bilateral free trade agreements, and major new agreements in natural resource sectors). Further, Section 4(c) of the Order provides that environmental reviews may also be done for other agreements based on such factors as the significance of reasonably foreseeable environmental impacts, although it is anticipated that most sectoral liberalization agreements will not require reviews.

Pursuant to section 5(a) of the Order, reviews shall be written; initiated through a **Federal Register** notice outlining the proposed agreement and soliciting public comment and information on the scope of the review; and undertaken sufficiently early in the process to inform the development of negotiating positions. This section of the Order also acknowledges that the environmental review process shall not be a condition for the timely tabling of particular negotiating proposals. Written environmental reviews shall be made available in draft form for public comment where practicable, and shall be made available to the public in final form. Section 5(b) of the Order provides that, as a general matter, the focus of reviews will be on impacts in the United States; however, reviews may

also examine global and transboundary impacts as appropriate and prudent.

In accordance with the Order, environmental reviews will be conducted by USTR through the Trade Policy Staff Committee (TPSC). The TPSC is the basic mechanism for interagency decisionmaking on U.S. trade policy. It is a senior-civil-servant-level committee established by section 242 of the Trade Expansion Act of 1962, as amended (19 U.S.C. section 1872). The composition of the TPSC includes environmental agencies as the scope of its work has expanded. The basic work of the TPSC is performed by a network of staff-level subcommittees and task forces, organized by geographical region and/or sector. The committees prepare recommendations on subjects within their purview (*e.g.*, instructions to negotiators on specific issues relevant to a given trade agreement). These recommendations take the form of a paper, which then must be cleared by agencies on the TPSC.

B. Public Comments and Advisory Committee Recommendations

On February 22, 2000, USTR and CEQ requested the views of the public concerning issues the agencies should consider when developing guidelines for implementing the Order, including general views on how the environmental review process should work; mechanisms for involving the public; the timing and process for conducting written reviews; and appropriate methodologies for assessing environmental impacts in the context of trade negotiations. 65 Fed. Reg. 9757. Twenty-two sets of comments were received from a broad spectrum of the public, including representatives of industry, agriculture, and environmental organizations. USTR's advisory committee, the Trade and Environment Policy Advisory Committee (TEPAC), also submitted recommendations (with one dissent) concerning implementation of the Order.

The process for developing the draft Guidelines (attached below) involved vigorous discussions and input from a broad spectrum of agencies and interested parties. The resulting draft endeavors to strike a careful balance assuring that environmental issues are factored into the development of U.S. negotiating objectives and positions, while also providing sufficient flexibility to address the wide variety of trade agreements and negotiating timetables. The draft Guidelines also take into account significant public comments received, including advisory committee recommendations. Following

is a summary of how public comments have been addressed in the draft.

1. General Comments

In general, public comments supported the Executive Order's objective of integrating environmental considerations into the development of trade negotiating objectives and positions. Some commenters emphasized that reviews should be a proactive tool for improving environmental performance through trade policy development, and that public involvement was critical to restore public confidence in trade liberalization as a national goal. They also stressed the importance of a process of ongoing assessment and evaluation of the environmental implications of trade agreements (including agreements that do not receive a review). Other commenters urged that reviews consider the potential environmental benefits as well as potential negative impacts of trade liberalization, and stressed that the Guidelines should not set the bar so high that reviews become a deterrent to trade rather than a beneficial analytical tool. Almost all commenters emphasized the use of the environmental review process to identify "win-win" opportunities where opening markets and reducing or eliminating subsidies hold promise for yielding environmental benefits.

In response, the draft Guidelines provide that positive as well as negative environmental impacts will be considered in reviews, and recognize that reviews should be used as appropriate to identify areas in which the trade agreement can complement U.S. environmental objectives. Further, they envision that public input is an essential component of the review and provide for public participation at key points in the review process, including opportunities to comment on the scope of the review and, in most cases, on a draft review document. While the focus of the Executive Order, and therefore of the draft Guidelines, is necessarily on agreements that warrant an environmental review, the draft Guidelines also clarify the process of ongoing environmental evaluation and assessment applicable to all agreements.

2. Specific Issues

Regarding specific issues, TEPAC and a number of commenters stressed the importance of initiating the reviews as early as feasible in the process in order to maximize the usefulness of environmental analysis in informing negotiating positions. The draft Guidelines incorporate this approach, though they recognize that no bright

line test is possible and that there should be sufficient information available about the United States' negotiating objectives to make analysis meaningful.

TEPAC and a number of commenters emphasized the importance of determining the appropriate scope of the environmental review ("scoping"). As a result, the draft Guidelines endeavor to address the scoping process in detail. They provide for early involvement of interested agencies and the public to help assure that significant issues are identified early in the process and that government resources are targeted effectively.

Commenters differed over whether reviews should normally examine environmental impacts outside the United States. TEPAC and several commenters recommended that reviews should presumptively examine such effects, while other commenters contended that examination of effects outside the United States should be limited. Consistent with the Executive Order, the draft Guidelines acknowledge that domestic impacts are the primary concern and priority of the reviews. However, the draft Guidelines provide that global and transboundary impacts will be included in the scoping process for every review, including opportunity for public input. The draft Guidelines further elaborate on some of the considerations relevant to inclusion of global and transboundary impacts in a review.

Several commenters contended that reviews should be presumptively done for agreements covered by Section 4(c) of the Order (for which reviews are not mandated), while other commenters generally favored a more limited application. The draft Guidelines provide that USTR, through the TPSC, will conduct an objective process for making decisions whether to conduct a review for a Section 4(c) agreement, and make the significance of reasonably foreseeable environmental impacts an essential criterion in such decisions. The draft Guidelines elaborate on considerations relevant to the assessment of significance, as well as noting operational constraints that may be appropriate to consider in certain circumstances. Further, the draft Guidelines provide that a decision not to conduct a review for a Section 4(c) agreement does not relieve agencies of their obligation to consider environmental issues under the process of ongoing assessment and evaluation applicable to all trade agreements.

A number of commenters suggested that the reviews should include an examination of changes expected to

occur as a result of the trade agreement compared with the situation assuming no trade agreement. In order to accomplish this and to isolate any environmental impacts resulting from the proposed trade agreement from the other sources of environmental change, the draft Guidelines provide that environmental impacts will be analyzed in comparison to a base or baseline scenario.

Finally, many commenters acknowledged that prescription of a particular methodology for environmental review of trade agreements is not possible, given the variety of trade agreements and the emerging state of methodological development. However, they stressed that methodologies should be objective and science-based. The draft Guidelines provide that analysis should be based on scientific information and principles, documented experience, and objective data, while acknowledging assumptions and uncertainties in methodologies or data. TEPAC also recommended that interested agencies identify sources of data and analytical methodologies within and outside of the U.S. government, which could serve as a basis for specific environmental analyses. In response, the draft Guidelines provide that agencies should use best efforts to develop such assessment capacity.

Requests To Participate in Public Hearing

A public hearing will be held on Wednesday and Thursday, August 2 and 3, 2000, beginning at 9:30 am, at 1724 F Street NW., Washington, DC 20508. Persons wishing to provide oral testimony should provide written notification of their intention by Tuesday, July 25, 2000, to Gloria Blue, Executive Secretary, Trade Policy Staff Committee, Office of the U.S. Trade Representative, room 122, 600 Seventeenth Street, NW., Washington, DC 20508. The notification should include: (1) the name, address and telephone number of the person presenting the testimony; and (2) the organization represented, if any.

Parties presenting oral testimony should also submit a written statement, in 20 copies, by Monday, July 31, 2000, to Gloria Blue at the above address. Remarks at the hearing should be limited to no more than ten minutes to allow for possible questions from the Chairs and the interagency panel. Participants should provide 20 typed copies of their oral statement.

Submission of Written Comments

Persons wishing to submit written comments on the draft Guidelines in response to this notice should provide 20 copies no later than Friday, August 25, 2000. Comments should be addressed to Gloria Blue at the above address, marked ATTN: Draft Guidelines for Implementation of Executive Order 13141—Environmental Review of Trade Agreements.

Submissions will be available for public inspection at the USTR Reading Room, Room 101, Office of the U.S. Trade Representative, 600 Seventeenth Street, NW., Washington, DC. An appointment to review the file may be made by calling Brenda Webb at (202) 395-6186. The Reading Room is open to the public from 10 a.m. to 12 noon and from 1 p.m. to 4 p.m., Monday through Friday.

Carmen Suro-Bredie,
Chair, Trade Policy Staff Committee.

Dinah Bear,
General Counsel, Council on Environmental Quality.

Guidelines for Implementation of Executive Order 13141

I. Purpose of the Guidelines

1. The purpose of these Guidelines is to implement Executive Order 13141, Environmental Review of Trade Agreements. They are meant to ensure that consideration of reasonably foreseeable environmental impacts of trade agreements (both positive and negative), and identification of complementarities between trade and environment objectives, are consistent and integral parts of the trade and environmental policymaking process.

II. Environmental Review of Trade Agreements

1. Section 4(a) of the Executive Order identifies three categories of agreements for which an Environmental Review (ER) is mandated: (1) Comprehensive multilateral trade rounds; (2) bilateral or plurilateral free trade agreements; and (3) major new trade liberalization agreements in natural resource sectors.

2. Section 4(c) of the Executive Order provides that ERs may also be done for other agreements. The decision whether to conduct an ER in such cases shall be based on an objective assessment of the particular agreement.

3. The significance of reasonably foreseeable environmental impacts shall be an essential factor in determining whether to conduct an ER for Section 4(c) agreements. The assessment of this factor shall include consideration of the following:

a. The extent to which the agreement might affect environmentally sensitive resources and/or result in substantial changes in trade flows of products or services that could confer environmental harms or benefits;

b. The extent to which the agreement might affect U.S. environmental laws, regulations, policies, and/or international commitments; and

c. The magnitude and scope of reasonably foreseeable environmental impacts.

4. In certain circumstances, it may be appropriate also to consider operational constraints when determining whether to conduct an ER for Section 4(c) agreements. Such constraints may relate to the negotiation timetable, the lack of available relevant data and analytical tools, and the relative priority among competing needs for environmental expertise in trade-related activities.

5. The Executive Order anticipates that most sectoral liberalization agreements will not require an ER because it is expected that they are unlikely to result in significant environmental impacts.

6. A decision not to conduct an ER for a Section 4(c) agreement will not relieve the Federal government of the obligation to consider environmental issues under the process of ongoing assessment and review applicable to all trade agreements, *see* Section VIII. The decision not to conduct an ER may be reassessed as appropriate.

III. Initiation of the Written Environmental Review Process

A. General Principles

1. The overarching goal of the ER process is to ensure that, through the consistent application of principles and procedures, environmental considerations are integrated into the development of U.S. positions in trade negotiations. In order to accomplish this goal, the ER process should be initiated early enough to maximize the usefulness of environmental information and analysis for informing negotiating positions.

2. Pursuant to Section 5 of the Executive Order, the ER process shall not be a condition for the timely tabling of specific negotiating position.

B. Process Considerations

1. USTR, through the Trade Policy Staff Committee (TPSC) interagency process, shall initiate the ER process with a notice in the **Federal Register** as soon as possible once sufficient information exists concerning the scope of the proposed trade agreement. *See* Appendix A.

2. Environmental issues shall be analyzed by the relevant TPSC subcommittee(s) conducting the negotiation or, as appropriate, by a working group under the subcommittee established for such purpose. For purposes of these Guidelines, the term Environmental Review Group (ERG) refers to any TPSC group tasked with the environmental review of trade agreements under these Guidelines.

3. In order to expedite the initiation of the ER process for a particular trade agreement, it may be desirable to analyze discrete aspects of the proposed agreement as sufficient information becomes available. In all cases, the final ER document should address identified environmental impacts in a comprehensive manner.

4. For some agreements that fall under Section 4(c) of the Executive Order, the need for an ER may not be identified until after specific negotiating positions have been established or are under development. In such cases, the ER process shall be initiated as soon as feasible thereafter.

IV. Determining the Scope of the Environmental Review

A. General Principles

1. In order to target governmental resources effectively, the scope of the ER must be considered in advance of the analysis of potential environmental impacts. The early involvement of interested agencies and the public in the scoping process helps assure that the analysis is adequate and that issues are identified early in the process.

2. The scoping process involves the identification of significant issues to be analyzed in depth in the ER, along with the elimination from detailed study of those issues which are not significant or have been covered by prior reviews.

3. Scoping includes consideration of the environmental dimensions of the regulatory and trade policies at issue, including ways in which the trade agreement can complement U.S. environmental objectives.

4. USTR, through the TPSC, shall request public comment on the scope of the ER through the **Federal Register** Notice of Initiation, and shall seek the views of advisory committees, including the Trade and Environment Policy Advisory Committee (TEPAC). *See* Section VI and Appendix A.

B. The Scoping Process

1. Overview

a. The scoping process for the ER has two principal components: (i) identification of issues; and (ii) prioritization of issues. The first

component focuses on soliciting input and determining the types of environmental impacts that could result from the proposed trade agreement. The second component focuses on prioritizing the significant issues that should be analyzed to determine environmental consequences of the trade agreement. The result of an effective scoping process is a targeted, analytical work plan.

b. Issue identification and prioritization is an iterative process. Negotiating positions are likely to undergo continual adjustment until the agreement is completed. The steps taken to establish the scope of the ER may, therefore, be revisited throughout the process.

2. Identification of Issues

a. This step in the scoping process is meant to identify the range of possible environmental concerns. However, not all issues identified will necessarily be analyzed in the ER. The second step in the scoping process, issue prioritization (described below), will be used to select important issues warranting analysis.

b. Solicitation of Information

(1) The scoping process shall draw upon the knowledge of any agency with relevant expertise in the subject matter under consideration, as well as the views of the public and advisory committees.

c. Information Relevant to Scoping

(1) Three types of information shall be considered when determining the scope of the ER:

- (a) The scope and objectives of the proposed trade agreement;
- (b) A realistic range of alternative approaches for accomplishing the broad objectives of the trade agreement; and
- (c) Types of reasonably foreseeable environmental impacts.

d. Scope of the Proposed Trade Agreement

(1) The scope of the ER is a function of the scope of the proposed trade agreement. Thus, the ERG shall maintain continuing awareness of the negotiation goals as they evolve. Relevant TPSC working groups should confer with the ERG to ensure that the scope of the ER properly reflects emerging environmental issues.

e. Alternative Negotiating Approaches

(1) Where a range of alternative negotiating approaches is under consideration for accomplishing the broad objectives of the trade agreement, the scoping process should be used to gain an understanding of important

elements likely to be at issue in the negotiations.

(2) Negotiating approaches identified for analysis shall be compared with a base or baseline scenario. Alternative approaches may also include consideration of methods for addressing positive and negative environmental impacts. *See* Section V.

f. Types of Reasonably Foreseeable Environmental Impacts

(1) During the initial stages of scoping, a range of reasonably foreseeable environmental impacts (both positive and negative) should be considered for inclusion in the ER. *See* Appendix B. Later, as scoping progresses, some of the identified impacts may be eliminated from consideration through the process of prioritization described below.

(2) Domestic impacts are necessarily the primary concern and priority of the Executive Order and these Guidelines. However, the scoping process shall also consider pursuant to Section IV.B.4, whether it is appropriate and prudent to examine global and transboundary impacts.

(3) The ERG may consult, consistent with existing legal requirements, with academic, federal, state or local entities, and/or other interested groups that have relevant experience with economic and environmental analyses and modeling techniques.

3. Prioritization of Issues and Considerations for Establishing Scope

a. Once the environmental issues have been sufficiently identified, the ERG shall prioritize the issues and establish the scope of the ER.

b. Considerations for establishing ER scope include:

(1) The relative importance placed on a particular issue by governmental agencies, the informed public, and/or advisory committees;

(2) Availability of analytical tools capable of assessing environmental impacts at an adequate level of detail; and

(3) Existence of opportunities for building on or incorporating by reference work already performed or being performed elsewhere in the interagency process.

4. Special Considerations for the Scoping of Global and Transboundary Impacts

(1) The scoping process for every ER shall examine whether it is appropriate and prudent to examine such global and transboundary impacts.

(2) Evaluation of whether it is appropriate and prudent to examine

global and transboundary impacts shall include consideration of the following:

(a) scope and magnitude of reasonably foreseeable global and transboundary impacts;

(b) implications for U.S. international commitments and programs for international cooperation;

(c) availability of necessary data and analytic tools for addressing impacts outside the U.S.;

(d) diplomatic considerations;

(e) availability of government resources.

V. Analytical Content

A. General Principles

1. Since trade agreements exhibit broad variation, and because the science of environmental impact modeling is rapidly evolving, it is likely that each ER will incorporate uniquely tailored analytical approaches. A different mix of analytical methodologies will be needed for different types of trade agreements.

2. Analysis shall be both qualitative and quantitative and environmental impacts should be analyzed on the basis of scientific information and principles, documented experience and objective data. The analytical process should take into consideration assumptions and/or uncertainty in the data and methodologies and document any limitations due to those assumptions or uncertainties.

B. Analysis of Regulatory Environmental Impacts

1. The ER shall examine the extent to which the trade agreement has impacts on U.S. environmental laws and obligations. Examples of such impacts include the ability to maintain, strengthen and enforce laws, regulations and policies on pollution control; control of toxic and hazardous wastes and materials; protection of natural resources, wildlife and endangered species; product standards relevant to human health, safety, and the environment; control and regulation of pesticides; food safety; and the public's ability to obtain information regarding the environment.

C. Analysis of Economically Driven Environmental Impacts

1. The ER shall examine the extent to which environmental impacts may flow from economic changes estimated to result from the trade agreement. Application of modeling techniques may provide a useful approach for estimating such environmental impacts. However, modeling and other economic analytical techniques, in and of

themselves, are unlikely to provide an exclusive means for assessing areas of environmental concern. For example, prevailing tools for assessing the economic effect of comprehensive trade agreements rely on aggregation of resource sectors to estimate broad trends, while estimates of environmental impact generally benefit from a more local or regional analysis.

2. Environmental impacts will be analyzed in comparison to a base or baseline scenario. Such a comparison shall take into account that changes are likely to occur in the economy and the environment even in the absence of the proposed trade agreement.

D. Identifying Ways To Address Environmental Impacts

1. Where significant environmental impacts have been identified, there shall be an analysis of options to mitigate negative impacts and create or enhance positive impacts. Options may include both changes to negotiating positions and also measures outside the trade agreement, including possible changes or additions to relevant U.S. environmental laws, regulations, policies, and other existing measures. To the extent possible, costs and benefits associated with various forms of mitigation or enhancement should also be assessed.

2. Where options that address identified impacts are described in the ER document, they may include options for post-agreement actions for agencies to consider, such as actions to assess the accuracy of the analysis.

VI. Public Participation

1. Provision for public participation in the review and assessment of environmental impacts of trade agreements is an essential component of these Guidelines, and is meant to ensure that the public and the government benefit from an open and inclusive process of trade policy development. In addition to public participation, the ERG shall also consult with advisory committees.

2. Procedures for public participation should be flexible, not excessively burdensome, and responsive to needs for expedited action and confidentiality. The period for public comment will normally be forty-five days, unless a shorter or longer period is appropriate.

3. Public notification shall be far enough in advance of critical junctures that, to the extent practicable, the public has a reasonable opportunity to prepare and submit comments to be taken into account during the ER process. Appendix A provides guidance on the types and content of public notification.

4. Public hearings, notices in relevant publications, web site postings, and other mechanisms shall be employed as appropriate and feasible. When the negotiating timetable permits, a public hearing or hearings shall normally be scheduled.

VII. Documentation of the Environmental Review Process

A. General Principles

1. The primary purpose for documenting the ER is to memorialize the process and explain the rationale for the conclusions reached.

Documentation also provides numerous opportunities for integrating environmental considerations into negotiating positions. To that end, the Draft ER, along with public comments, shall serve as a means of informing the negotiation process.

2. In addition to informing the public, the Final ER should serve as a record for subsequent ERs so that lessons can be learned and information drawn from the effort.

3. In order to factor environmental considerations into the development of trade negotiations, relevant work products resulting from the ER process should be completed far enough in advance to be of benefit to the U.S. trade negotiators. However, pursuant Section 5 of the Executive Order, completion of ER documentation shall not be a condition for the timely tabling of specific negotiating positions.

4. The need for confidentiality shall be taken into account when developing ER documentation.

B. The Environmental Review Documents

1. Consistency in the ER process, to the extent allowed by variations in trade agreements, should be reflected through a consistent documentation format and content. Appendix C provides information on the structure and content that shall normally be followed for draft and final ER documents.

2. All ER documentation shall be written in plain language and shall provide the rationale for the scope of the analysis and the selected methodology. The ER documents shall also include a summary of key points raised in public comments.

3. A Draft ER document for public comment shall normally be prepared. However, in unusual circumstances, such as when a trade agreement is to be completed under a compressed negotiating schedule, a Draft document may not be possible. In such cases, the Final ER document shall be issued publically as soon as is feasible

following the conclusion of the trade agreement.

4. As deemed appropriate by USTR through the TPSC process, amended ER document(s) (draft and/or final) may be completed and made available to the public when negotiations lead to a trade agreement with environmental implications that are substantially different from those analyzed.

VIII. The Process of Ongoing Environmental Assessment and Evaluation

1. It is the continuing responsibility of the Federal government to factor environmental considerations into the development of its trade negotiating objectives and positions. This is accomplished for all trade agreements through a process of ongoing assessment and evaluation, including those cases where an ER is not conducted.

2. USTR shall facilitate the process of ongoing assessment and evaluation of trade agreements through early consultations with interested agencies, advisory committees and the public. In notices USTR issues requesting comment on broad issues early in the development of a trade agreement, USTR shall also normally request comment on environmental issues.

3. Agencies should bring important environmental issues to the attention of the relevant TPSC subcommittee(s). If post-agreement actions are warranted or desirable, they may be undertaken by the responsible agency.

4. Agencies shall use best efforts to identify sources of data and analytical methodologies available within and outside of the U.S. government, which would then provide a foundation for subsequent specific environmental analyses. A list of such sources shall be created and made available to the public. The list may be updated over time, including on the basis of comments from the public.

IX. Administrative Considerations

A. Roles and Responsibilities

1. Regardless of whether a written ER is mandated, USTR shall initiate the TPSC process for examining environmental issues as early as feasible in the consideration of potential trade agreements. For those agreements falling within the 4(c) category, USTR, through the TPSC, shall also determine whether an agreement warrants an ER. The decision whether to proceed with an ER shall be reflected in the TPSC paper(s) initiating negotiations. These paper(s) shall include, as appropriate, discussion of the environmental issues identified at this early stage in the TPSC process, and

recommendations on how they should be addressed.

2. USTR, through the TPSC, shall conduct the ER. Environmental issues shall be analyzed by the relevant TPSC subcommittee(s) conducting the negotiation and/or, as appropriate, an ERG established for such purpose. Membership in the ERG shall be open to all interested agencies, and shall include, at a minimum, those agencies with relevant expertise in economic and environmental assessment.

3. In order for the Executive Order to be effectively implemented, it is essential that adequate resources be available. Upon request from USTR, with the concurrence of the Deputy Director for Management of the Office of Management and Budget, Federal agencies shall, to the extent permitted by law and subject to the availability of appropriations, provide analytical and financial resources and support, including the detail of appropriate personnel to USTR to carry out these Guidelines.

4. While environmental analyses of an agreement shall draw upon multiple agency perspectives, CEQ and agencies with environmental expertise shall play a prominent role in the conduct of environmental reviews. Environmental agencies shall bear principal responsibility for providing the expertise necessary to analyze impacts on environmental media and natural resources within their areas of specialization.

B. Implementation and Oversight

1. CEQ and USTR shall jointly exercise general oversight of the implementation of these Guidelines including their periodic review and update as necessary.

2. These Guidelines are intended only to improve the internal management of the executive branch and do not create any right, benefit, trust or responsibility, substantive or procedural, enforceable at law or equity by a party against the United States, its agencies, its officers or any person.

Appendix A: Public Participation Considerations

This appendix provides details on the format for particular elements of public participation described in the Guidelines. The time between key steps in the trade negotiation process will vary depending on the type and scope of the proposed agreement as well as the dynamics of the negotiation. For that reason, the precise number and timing of **Federal Register** notices and other mechanisms for public participation cannot be prescribed with specificity.

Federal Register notices shall also normally be posted on USTR's internet web site.

I. Minimum Requirements for Public Participation in Environmental Review Process

A. At a minimum, the public shall be involved at the following stages of the Environmental Review process:

1. Notice of Intent to Conduct Environmental Review (may be combined with other notices USTR issues early in the development of a trade agreement)

2. Notification of Intent to Initiate Environmental Review and Request for Comments on the Scope of Environmental Review

3. Notification of Availability of the Draft Environmental Review document and Request for Comments (in the normal case where a draft document is prepared)

4. Notification of Availability of the Final Environmental Review document

B. USTR shall also normally seek public views on environmental issues through periodic meetings with advisory committees and the interested public.

II. Guidance for Particular Public Notifications

A. Notice of Intent to Conduct Environmental Review

1. USTR shall notify the public of a decision to conduct an Environmental Review of the agreement. This notice may be combined with USTR notices requesting comment on broad issues early in the development of a trade agreement, which normally will request comment on environmental issues.

B. Notice of Intent to Initiate Environmental Review and Request for Comments on Scope

1. The notice and request shall normally provide information on the following subjects:

- a. key US negotiating objectives,
- b. the elements and topics expected to be under consideration for coverage by the proposed agreement,
- c. the countries expected to participate in the agreement,
- d. the sectors of the US economy likely to be affected (if known),
- e. environmental issues already identified through the interagency process as potentially significant.

2. The notice may also explain how the public can obtain more information about the scoping process.

3. It may be possible to combine this notice with **Federal Register** notices issued for other purposes (e.g., when USTR issues requests

comment on broad issues associated with the trade agreement early in its development).

4. It may also be appropriate to request comments on the scope of the environmental review on multiple occasions as new information emerges and/or negotiating objectives shift.

C. Notice of Availability of Draft Environmental Review Document and Request for Comments

1. In the normal circumstance where a Draft Environmental Review document is prepared, the Draft ER shall be made available to the public through publication of a notice of availability in the **Federal Register**, and comments from the public will be requested.

D. Notice of Availability of Final Environmental Review Document

1. The Final Environmental Review document shall be made available to the public through publication of a notice of availability in the **Federal Register**.

E. Availability of Public Comments

1. Public comments on environmental issues relating to the particular trade agreement shall be available for public review in the USTR reading room.

F. Revision of Guidelines

1. USTR and CEQ through the TPSC may on occasion find it appropriate to revise and/or update these Guidelines. Public participation in the revision process shall include notification of the intent to revise and an opportunity for public comment on any significant revisions.

Appendix B: Types of Potential Environmental Impacts for Consideration

This appendix provides a list of types of impacts and may be useful for identifying the range of reasonably foreseeable environmental impacts for a proposed trade agreement. The list is illustrative and is intended to provide a general frame-of-reference for assisting in establishing the scope of the ER. The scope of any review must be determined on a case-by-case basis and all reasonably foreseeable environmental effects, both positive and negative, should be considered during scoping for the environmental review whether or not they are included on this list.

Scoping with respect to economic effects typically will result from an iterative exchange between those responsible for economic analysis and those with expertise in various areas of environmental concern.

Similarly, with respect to the potential effects on environmental regulations of proposed trade disciplines, the scoping will typically involve an iterative exchange between those expert in the development and interpretation of trade texts and those expert in the development and interpretation of various fields of environmental regulation.

I. Regulatory Effects

A. Potential impacts of the proposed trade agreement on U.S. environmental regulations, statutes, other binding obligations such as multilateral environmental agreements.

B. Potential impacts of the proposed trade agreement on environmental policy instruments and other commitments.

II. Economic Effects (Compared to a Base or Projected Baseline)

A. Products, processes, environmentally sensitive sectors or regions that may be affected by the proposed trade agreement.

B. Changes in types or characteristics of goods and services and their distribution.

C. Changes in volume, pattern, and modes of transportation (e.g., relating to invasive species or pollution impacts of transportation equipment and infrastructure).

D. Structural changes (e.g., expansion or contraction of an environmentally sensitive sector in a certain country or region).

E. Technology effects involving changes in the process of production, including use of environmentally responsible technology.

F. Effect of the size of economies involved.

III. Environmental Effects (Related to Economic Effects Identified Above)

A. Changes in level, intensity, geographic distribution and temporal scope of variables used to measure the affected environment in comparison with base values (using either base year or baseline trend as appropriate).

B. Interaction of trade-related impacts with other impacts on the relevant media or resources.

C. Environmental effects resulting from any changes of standards that stem from economic effects.

IV. Environmental Media and Resources

A. Air quality and atmosphere (including climate, ozone).

B. Fresh water quality and resources (including both surface and ground), soil retention and quality.

C. Protected or environmentally sensitive terrestrial and marine areas, (e.g., national parks, national wildlife refuges, wetlands, marine sanctuaries).

D. Endangered species and other species identified as significant under law (e.g., marine mammals, migratory birds).

E. Marine, aquatic and terrestrial biodiversity, including species, genetic variety and ecosystems and the potential for invasive species to compromise such biodiversity; also ecosystem productivity and integrity, living resources and ecosystem services.

F. Environmental quality related to human health, including changes in environmental exposure to toxic substances (e.g., increases or decreases in exposure to pesticide residues on food).

G. Transboundary and global impacts may include those on:

1. Places not subject to national jurisdiction or places subject to shared jurisdiction, such as Antarctica, atmosphere (including ozone and climate change features), outer space, and the high seas;
2. Migratory species, including straddling and highly migratory fish stocks and whale;
3. Impacts relating to other environmental problems identified by the international community as having a global dimension and warranting a global response;
4. Transboundary impacts involving the boundaries of the United States.

Appendix C: Structure and Content of Environmental Review Documents

This appendix provides details on the structure and content of the draft and final environmental review documents. In certain circumstances (e.g. confidentiality, compressed schedule) it may be necessary to adopt a modified documentation format, however, each ER document shall normally consist of the following sections:

- (1) Summary
- (2) Table of Contents
- (3) Objectives of the Proposed Trade Agreement
- (4) Scope of Environmental Impacts Reviewed
- (5) Environmental Impacts & Response Options
- (6) Findings and Conclusions
- (7) List of Preparers
- (8) Appendices

I. Guidance for Particular ER Document Sections

A. The *Objectives* section of the ER document should present an overview of the goals and negotiating history of the particular trade agreement under consideration. This section may highlight the perceived benefits of the agreement and related objectives for pursuing it.

B. The *Scope of Impacts* section should describe only those resources and/or regulations that were selected for review through the scoping process. This section

should not be a compendium of all potentially impacted areas, but only those considered by the ERG to be sufficiently important to warrant analysis in the ER. This section of the ER document should also provide a brief presentation of the rationale employed during the issue prioritization process and the criteria used for establishing the scope of the ER and eliminating issues deemed irrelevant.

C. The *Environmental Impacts* section of the document should describe the expected impacts of those negotiating positions selected for review, which should be compared to a base or baseline scenario that estimates conditions that would exist in the absence of the proposed trade agreement. The described impacts should include both beneficial and adverse impacts. This section should summarize the analytical methodology used in determining the environmental impacts, including assumptions made and uncertainties in the data and methodology (a description of the methodology may best be provided in an appendix). The Environmental Impacts section of the ER document may also include a description of actions proposed for addressing negative impacts and/or for enhancing beneficial consequences of the proposed trade agreement.

D. The *Conclusions* section of the document should summarize the potential environmental impacts expected from the proposed trade agreement, and may present options for addressing those impacts. This section of the document may also include discussion of any post-agreement actions when responsible agencies determine that such actions are warranted or desirable.

E. The number and nature of *Appendices* for each Environmental Review document will vary according to the nature of the trade agreement under review. In general, the use of appendices is encouraged whenever inclusion of technical and/or supporting data would improve clarity and aid in the understanding of the review process. At a minimum, a summary of key issues identified by the public during the ER process should be included as an appendix of both the draft and final ER documents.

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BILLING CODE 3190-01-U

DEPARTMENT OF TRANSPORTATION

Federal Highway Administration

Environmental Impact Statement: Fairfax County, Virginia

AGENCY: Federal Highway Administration, DOT.

ACTION: Notice of intent.

SUMMARY: The Federal Highway Administration (FHWA) is issuing this notice to advise the public of its intent to prepare an Environmental Impact Statement in cooperation with the Virginia Department of Transportation (VDOT) for proposed improvements to the Capital Beltway (Interstate 495) in Fairfax County, Virginia for approximately 14 miles from Backlick Road (Route 617) to the American Legion Memorial Bridge at the Virginia/Maryland State line.

FOR FURTHER INFORMATION CONTACT: Edward Sundra, Environmental Specialist, Sr., Federal Highway Administration, Post Office Box 10249, Richmond, Virginia 23240-0249, Telephone 804-775-3338.

SUPPLEMENTARY INFORMATION: In 1997, a Major Investment Study (MIS) was completed in accordance with 23 CFR 450.318 which examined the transportation problems associated with the Capital Beltway in Virginia and identified possible solutions to address those problems as well as future transportation needs in the area. The MIS resulted in the determination that highway improvements which promote high occupancy vehicle (HOV) and bus transit use would be the most effective transportation investment to serve current and future demand on the Capital Beltway. The MIS also recommended that potential rail transit improvements serving the Capital Beltway corridor be studied on a regional basis by an appropriate transit agency or multi-jurisdictional team.

In 1998, FHWA and VDOT initiated the National Environmental Policy Act (NEPA) process for the proposed recommendations resulting from the MIS. Based on a preliminary assessment of the project area and potential environmental impacts, FHWA and VDOT cooperatively agreed to prepare an Environmental Assessment in accordance with 40 CFR 1501.3(b) and 23 CFR 771.119(a) which permits the preparation of an Environmental Assessment when the significance of the environmental impacts are not clearly established and the preparation of the Environmental Assessment would assist agency decision making regarding the