

transaction does not relieve the other taxable parties of their obligation to disclose the transaction to a tax-exempt entity that is a party to the transaction in accordance with this section, if the designated taxable party fails to disclose the transaction to the tax-exempt entity in a timely manner.

(i) *Penalty for failure to provide disclosure statement.* See section 6707A for penalties applicable to failure to disclose a prohibited tax shelter transaction in accordance with this section.

(j) *Effective/applicability date.* This section will apply with respect to transactions entered into by a tax-exempt entity after May 17, 2006.

**Par. 11.** Section 301.6033-5 is added to read as follows:

**§ 301.6033-5 Disclosure by tax-exempt entities that are parties to certain reportable transactions.**

[The text of this section is the same as the text of § 301.6033-5T published elsewhere in this issue of the **Federal Register**].

**Kevin M. Brown,**

*Deputy Commissioner for Services and Enforcement.*

[FR Doc. E7-12902 Filed 7-5-07; 8:45 am]

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**DEPARTMENT OF THE INTERIOR**

**Fish and Wildlife Service**

**50 CFR Part 17**

**RIN 1018-AU53**

**Endangered and Threatened Wildlife and Plants; Designating the Northern Rocky Mountain Population of Gray Wolf as a Distinct Population Segment and Removing This Distinct Population Segment From the Federal List of Endangered and Threatened Wildlife**

**AGENCY:** Fish and Wildlife Service, Interior.

**ACTION:** Proposed rule; reopening of comment period; notice of public hearing.

**SUMMARY:** The U.S. Fish and Wildlife Service (Service, we or us) announces the reopening of the comment period for the proposed rule to establish a distinct population segment (DPS) of the gray wolf (*Canis lupis*) in the Northern Rocky Mountains (NRM) of the United States and to remove the gray wolf in the NRM DPS from the List of Endangered and Threatened Wildlife under the Endangered Species Act of 1973, as amended (Act). The State of Wyoming

has a new statute and has advised the Service that it is appropriate to analyze a new draft wolf management plan that the Service believes could allow the wolves in northwestern Wyoming outside the National Parks to be removed from the protections of the Act. We are reopening the proposal's comment period to ensure that the public has full access to, and an opportunity to comment on, the proposed rule in light of this new information. We also announce the location and time of an additional public hearing to receive public comments on the proposal in light of the new information. If you have previously submitted comments, please do not resubmit them because we have already incorporated them in the public record and will fully consider them in our final decision.

**DATES:** The public comment period is reopened until August 6, 2007. We may not consider any comments we receive after the closing date. We will hold a public hearing on this proposed rule on July 17, 2007. For more information, see "Public Hearing and Comments" below.

**Public Hearing**

An open house (a brief presentation about the proposed rule and revised plan with a question and answer period) will be held from 4:30 p.m. to 5:30 p.m., and will be followed by a public hearing from 5:30 p.m. to 8:30 p.m., on July 17, 2007, at the Cody Auditorium Facility, 1240 Beck Avenue, Cody, WY 82414.

**ADDRESSES:** If you wish to comment, you may submit comments and materials concerning this proposal, identified by "RIN number 1018-AU53," by any of the following methods:

1. You may submit comments through the Federal e-Rulemaking Portal at <http://www.regulations.gov>. Follow the instructions for submitting comments.

2. You may send comments by electronic mail (email) directly to the Service at [WesternGrayWolf@fws.gov](mailto:WesternGrayWolf@fws.gov). Include "RIN number 1018-AU53" in the subject line of the message.

3. You may mail or hand-deliver comments to the U.S. Fish and Wildlife Service, Western Gray Wolf Recovery Coordinator, 585 Shepard Way, Helena, MT 59601.

Comments and materials received, as well as supporting documentation used in preparation of this proposed action, will be available for inspection following the close of the comment period, by appointment, during normal business hours, at our Helena office at the address above.

**FOR FURTHER INFORMATION CONTACT:** Edward E. Bangs, Western Gray Wolf Recovery Coordinator, U.S. Fish and Wildlife Service, at our Helena office (see **ADDRESSES**) or telephone (406) 449-5225, extension 204. Persons who use a Telecommunications Device for the Deaf may call the Federal Information Relay Service at (800) 877-8339, 24 hours a day, 7 days a week.

**SUPPLEMENTARY INFORMATION:**

**Background**

On February 8, 2007, we published a proposal to establish a DPS of the gray wolf in the NRM of the United States and to remove the NRM DPS from the List of Threatened and Endangered Wildlife (72 FR 6106) if Wyoming adopted a state law and management plan that adequately conserved wolves. The initial comment period on this proposal was open from February 8, 2007 to April 9, 2007. Due to the complexity of this proposed action, we extended the comment period to May 9, 2007 to allow the public ample opportunity to comment (72 FR 14760; March 29, 2007).

At the time of this proposal, Wyoming had not provided an adequate regulatory framework to ensure conservation of a recovered wolf population into the foreseeable future (for more information, see our 12-month finding on Wyoming's petition to establish and delist the NRM gray wolf population (71 FR 43410; August 1, 2006) at <http://www.fws.gov/mountain-prairie/species/mammals/wolf/FR08012006.pdf>). Therefore, in the preamble we indicated we would consider excluding the significant portion of the range of the NRM DPS occurring in Wyoming, outside Yellowstone National Park, John D. Rockefeller Jr. Memorial Parkway, and Grand Teton National Park (hereafter collectively referred to as National Parks) from the delisting. This alternative in the preamble also considered delisting the wolf on National Park Service lands and in those portions of Wyoming not determined to be a significant portion of the range. The exact boundaries are described in the proposed rule (72 FR 6119; February 8, 2007). A map can be found at <http://www.fws.gov/mountain-prairie/species/mammals/wolf/wyomingwolves2006.pdf>. However, the rule proposed to delist all of the NRM DPS if Wyoming adopted a State law and wolf management plan that the Service determined to be in compliance with the Act (72 FR 6138; February 8, 2007).

## New Information

In February 2007, the Wyoming governor signed legislation (Wyoming House Bill 213) that proposes to revise Wyoming State statutes pertaining to wolf management. If this were to become effective, it would appear to allow for adequate wolf management by the Wyoming Game and Fish Department (WGFD). Furthermore, in May 2007, the Governor of Wyoming stated it was appropriate to analyze a revised wolf management plan that would maintain a recovered wolf population for the foreseeable future (Freudenthal 2007). This draft wolf management plan requires final State approval from the Wyoming Game and Fish Commission (Commission) and may require further legislative action so that certain recent changes in State law could become effective.

The legislation contains a list of actions that are to occur for the law to become effective. These actions are summarized below and may be viewed in the House bill at <http://gf.state.wy.us/downloads/pdf/HB0213%202007%20Wolf%20Engrossed.pdf>.

(1) On or before February 29, 2008, the Service shall have published the final rule to delist the gray wolf in the entire State of Wyoming; and

(2) The Service has either published a final rule modifying the existing 2005 special regulation under section 10(j) of the Act or has executed an agreement with the State of Wyoming that provides adequate protection for Wyoming's wild ungulates; and

(3) All claims in the lawsuit brought by the State of Wyoming contesting the Service's actions finding Wyoming's statute and plan inadequate have been resolved or settled; and

(4) The governor of Wyoming shall certify to the Secretary of State of Wyoming that the actions described in the statute have occurred.

The revised wolf management plan provides that the designation of wolves as a trophy game animal shall include any gray wolf within the boundaries that are now consistent with those the Service has deemed necessary for maintaining a recovered wolf population. For specific boundaries, see the House bill at the above website and the revised management plan.

When effective, this law and wolf management plan would commit the State to maintain at least 15 breeding pairs in the northwestern portion of the State including the National Parks, with 7 of these breeding pairs occupying areas outside the National Parks. The State of Wyoming would ensure that Wyoming's wolf population, including

wolves in National Parks, never drops below 10 breeding pairs and 100 wolves (WGFD 2007, p. 1). Furthermore, the plan now incorporates the Service's definition of a breeding pair as an adult male and female raising two or more pups-of-the-year until December 31 (WGFD 2007, pp. 1–3; 72 FR 6129, February 8, 2007).

Under this law and plan, if the NRM DPS is delisted, Wyoming would designate the gray wolf as a trophy game animal in the area that conforms to our determination of the significant portion of the range in Wyoming (72 FR 6119; February 8, 2007). Outside this area in Wyoming, wolves would be classified as predatory animals (WGFD 2007, pp. 1, 2, 4, 5, 10). These designations would remain constant regardless of changes in the number of breeding pairs in the State.

Since the State does not have the legal authority to manage wolves within the National Parks, its management emphasis would be applied to maintaining seven breeding pairs that primarily inhabit areas outside the National Parks (WGFD 2007, p. 10). Because the State also does not have any authority to manage wildlife occurring on the Wind River Reservation, the Tribes are not obligated under the State's wolf management plan to manage for a specific number of wolves. Any breeding pairs that might become established on the reservation would not reduce Wyoming's commitment to maintain at least seven breeding pairs outside the National Parks in northwestern Wyoming. WGFD will continue to coordinate with appropriate authorities on the Reservation for the purpose of developing mutually agreeable wolf management objectives (WGFD 2007, p. 10).

The wolf trophy game area would be designated as the Northwest Wyoming Wolf Data Analysis Unit (DAU) and would consist of three wolf management units (WMU). WGFD uses such an approach to manage all other species of big game and trophy game animals. The DAU is used to manage a population of animals, while WMUs are used to manage specific harvest objectives within the DAU. Wolves that occupy the DAU would be actively managed, and public take would be regulated under appropriate State statutes and Commission regulations at the WMU level to ensure that at least seven breeding pairs occupy this DAU (WGFD 2007, p. 10). The size of the DAU would allow for some flexibility where the minimum of seven breeding pairs would be maintained. In the event pack densities need to be reduced in one area to minimize wildlife or livestock

conflicts, WGFD would manage for replacement breeding pairs in an area within the DAU that is more suitable for wolves (WGFD 2007, p. 11).

Hunting and trapping regulations would be implemented through the same rulemaking processes used for other trophy game animals in Wyoming and would include public input. WGFD may use a variety of harvest regimes, including harvest quotas, to maintain at least seven breeding pairs of wolves outside the National Parks. Seasons would be closed when the mortality quota is reached, or if the Commission deems it necessary to limit take in additional areas that are designated for trophy game animal protection. The wolf management plan states that, as with mountain lions (*Puma concolor*) and black bears (*Ursus americanus*), license sales would not be restricted unless limited quota harvest regimes are necessary. We anticipate that a limited harvest quota would likely be necessary for WGFD to maintain at least seven breeding pairs outside the National Parks in northwestern Wyoming. Wolf mortality quotas would be based on desired pack densities for each WMU and total numbers of packs at the DAU level (WGFD 2007, p. 15).

It is currently unlawful in Wyoming to take trophy game animals by trapping. However, if delisted, gray wolves classified as trophy game animals could be legally trapped as set forth by Wyoming Statute 23–2–303(d). In the event of delisting, WGFD would first need to adopt regulations setting forth the specifications for traps and snares used for the taking of gray wolves (WGFD 2007, p. 16).

In recognition of the importance of sufficient dispersal and exchange of wolves in maintaining genetic variability, WGFD would not remove lone wolves dispersing through areas outside of the trophy game area unless conflicts with human activities arise. However, wolves in these areas may be subject to liberal public take regulations. Public education efforts would emphasize that lone wolf sightings do not necessarily mean a pack is forming in the area (WGFD 2007, p. 17).

The wolf management plan emphasizes that interagency efforts to maintain linkage zones and movement corridors in the northern Rockies for grizzly bears (*Ursus arctos horribilis*), forest carnivores, and big game will also benefit wolves. WGFD commits, to the extent practicable, to ensure that genetic and connectivity issues do not threaten Wyoming's wolf population. Conservation measures could include, but would not be limited to, working with other States to promote natural

dispersal into and within various portions of the Greater Yellowstone Area, and, if necessary, by relocation or translocation (WGFD 2007, p. 17).

Under the new wolf management plan, WGFD would monitor the number of breeding pairs residing in Wyoming, regardless of legal classification, and document their distribution, reproduction, and mortality. WGFD would be responsible for monitoring these parameters in all occupied habitat outside of National Parks, the National Elk Refuge, and the Wind River Reservation. The National Park Service intends to continue to monitor wolves inside the National Parks, and the Service intends to monitor wolves on the National Elk Refuge. WGFD would coordinate and share monitoring data with these agencies, Montana, Idaho, and Tribes. WGFD would monitor wolves outside the DAU less intensively (WGFD 2007, p. 12).

In conclusion, it appears the regulatory framework provided by the State statute and proposed revised wolf management plan, would if adopted, provide assurance that Wyoming's share of the tri-State NRM wolf population would be maintained above recovery levels into the foreseeable future and that a significant portion of the range in Wyoming would continue to be occupied by wolf packs. This type of management framework is consistent in its general principles with those already adopted and accepted as being adequate regulatory frameworks for delisting wolves in the States of Minnesota, Michigan, Wisconsin, Montana, and Idaho. The plan would provide adequate assurances that a viable wolf population would be maintained in the NRM DPS. However, if the statute does not go into effect or if the plan is not adopted by the Commission, our final rulemaking could employ the alternative described in the preamble to the February 18, 2007, proposed rule to keep wolves in the significant portion of their range (outside the National Parks) in Wyoming as a nonessential experimental population with continued protections under the Act.

The February 8, 2007, proposed rule may be viewed at [http://www.fws.gov/mountain-prairie/species/mammals/wolf/NRM\\_wolf\\_DPS\\_%2002082007.pdf](http://www.fws.gov/mountain-prairie/species/mammals/wolf/NRM_wolf_DPS_%2002082007.pdf). The revised draft Wyoming wolf management plan may be viewed at [http://gf.state.wy.us/wildlife/wildlife\\_management/wolf/index.asp](http://gf.state.wy.us/wildlife/wildlife_management/wolf/index.asp).

In addition to having new information regarding State management of wolves in Wyoming, the Wind River Reservation recently submitted a wolf management plan to us for approval.

Wolf management on Tribal lands within the NRM DPS will be beneficial, but is not necessary to either achieving or maintaining a recovered wolf population in the NRM (72 FR 6135; February 8, 2007).

The Wind River Reservation occurs just outside the significant portion of the range in northwestern Wyoming and currently does not solely support any breeding pairs, although two adjacent packs range inside the reservation boundary (Shoshone and Arapahoe Tribal Fish and Game Department 2007, pp. 4–5). As such, the Shoshone and Arapahoe Tribal Fish and Game Department has prepared a wolf management plan for the reservation for our review.

We have approved the Tribal plan because it is consistent with maintaining a recovered population of wolves in Wyoming after delisting and the guidelines of the 2005 10(j) rule (King 2007). Our approval of the plan provides the Shoshone and Arapahoe Tribal Fish and Game Department with the ability to manage listed wolves according to provisions for controlling problem wolves in our 2005 special regulation under section 10(j) of the Act (70 FR 1286, January 6, 2005). If the wolf is delisted, the Shoshone and Arapahoe Tribal Fish and Game Department would designate it as a game animal and would establish hunting and trapping seasons (Shoshone and Arapahoe Tribal Fish and Game Department 2007, p. 9). The Shoshone and Arapahoe Tribal Fish and Game Department would not manage for a specific number of breeding pairs (Shoshone and Arapahoe Tribal Fish and Game Department 2007, p. 9), because the Wind River Reservation is not considered essential to maintaining a recovered wolf population in Wyoming. Any wolves that establish themselves on the reservation would be in addition to those managed by the State of Wyoming for maintaining a recovered population.

The Wind River Reservation plan may be viewed at: [http://www.fws.gov/mountain-prairie/species/mammals/wolf/Wind\\_River\\_Res\\_Wolf\\_Plan\\_20070413.pdf](http://www.fws.gov/mountain-prairie/species/mammals/wolf/Wind_River_Res_Wolf_Plan_20070413.pdf).

#### Public Hearing and Comments

We intend that any final action resulting from the proposal will be as accurate and as effective as possible. Therefore, we solicit comments or suggestions from the public, concerned governmental agencies, the scientific community, industry, or any other interested party concerning the proposed rule. Specifically, we seek information, data, and comments

concerning the proposed delisting of all of the NRM DPS throughout Wyoming considering the adequacy of Wyoming's regulatory framework as represented by its revised State law, if adopted, and State and Tribal wolf management plans.

If you previously submitted comments on the delisting proposal, please do not resubmit them, as we have already incorporated them into the public record and will fully consider them in our final decision. However, we welcome any new comments pertaining to the proposed delisting throughout Wyoming in light of the new regulatory framework.

You may submit comments as indicated under **ADDRESSES**. If you wish to submit comments by e-mail, please submit them in ASCII file format and avoid the use of special characters and any form of encryption.

Due to the high level of interest in this rulemaking process, we may post comments on our Web site. 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.

Comments and other information received, as well as supporting information used to write the proposed rule, will be available for public inspection, by appointment, during normal business hours at the Helena, Montana Field Office (see **ADDRESSES**). In making a final decision on the proposal, we will take into consideration the comments and any additional information we receive. Such communications may lead to a final regulation that differs from the proposal.

Anyone wishing to make an oral statement at the public hearing for the record is encouraged to provide a written copy of their statement to us at the hearing. In the event there is a large attendance, the time allotted for oral statements may be limited. Speakers can sign up only at the open houses and hearings. Oral and written statements receive equal consideration. There are no limits on the length of written comments submitted to us. If you have any questions concerning the public hearing or need reasonable accommodations to attend and participate in the public hearing, please contact Sharon Rose at (303) 236-4580 as soon as possible, but no later than 1

week to before the hearing date, to allow sufficient time to process requests. Information regarding the proposal is available in alternative formats upon request.

#### Authority

The authority for this action is the Endangered Species Act of 1973, as amended (16 U.S.C. 1531 *et seq.*).

Dated: June 28, 2007.

**Kevin Adams,**

*Acting Director, U.S. Fish and Wildlife Service.*

[FR Doc. 07–3273 Filed 7–2–07; 8:45 am]

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## DEPARTMENT OF THE INTERIOR

### Fish and Wildlife Service

#### 50 CFR Part 17

#### RIN 1018–AV39

### Endangered and Threatened Wildlife and Plants; Proposed Revision of Special Regulation for the Central Idaho and Yellowstone Area Nonessential Experimental Populations of Gray Wolves in the Northern Rocky Mountains

**AGENCY:** Fish and Wildlife Service, Interior.

**ACTION:** Proposed rule.

**SUMMARY:** We, the U.S. Fish and Wildlife Service (Service), propose revisions to the 2005 special rule for the central Idaho and Yellowstone area nonessential experimental population of the gray wolf (*Canis lupus*) in the northern Rocky Mountains (NRM). Specifically, this rule proposes to modify the definition of “unacceptable impacts” to wild ungulate populations so that States and Tribes with Service-approved post-delisting wolf management plans can better address the impacts of a biologically recovered wolf population on ungulate populations and herds while wolves remain listed. We also propose to modify the 2005 special rule to allow private citizens in States or on Tribal lands with approved post-delisting wolf management plans to take wolves that are in the act of attacking their stock animals or dogs. All other provisions of the 2005 special rule, including the process to obtain Service approval and the conditions for reporting all wolf take, would remain unchanged. As under the existing terms of the 2005 special rule, these proposed modifications would not apply with respect to States or Tribes without approved post-delisting wolf

management plans and would not impact wolves outside the Yellowstone or central Idaho nonessential experimental population areas. A draft environmental assessment will be prepared on this proposed action.

**DATES:** Comments from all parties on both the proposal and the draft environmental assessment must be received by August 6, 2007. We will hold three public hearings on this proposed rule in July. See **SUPPLEMENTARY INFORMATION** for the dates, times, and locations.

**ADDRESSES:** If you wish to comment, you may submit comments and materials concerning this proposal, identified by “RIN 1018–AV39,” by any of the following methods:

1. You may mail or hand deliver written comments to the U.S. Fish and Wildlife Service, Western Gray Wolf Recovery Coordinator, 585 Shepard Way, Helena, Montana 59601;

2. You may send comments by electronic mail (e-mail) directly to the Service at [WolfRuleChange@fws.gov](mailto:WolfRuleChange@fws.gov). Include “RIN number 1018–AV39” in the subject line of the message. See the Public Comments Solicited section below for file format for electronic filing; or

3. You may submit your comments through the Federal e-Rulemaking Portal—<http://www.regulations.gov>. Follow the instructions for submitting comments.

Comments and materials received, as well as supporting documentation used in preparation of this proposed action, will be available for inspection following the close of the comment period, by appointment, during normal business hours, at our Helena office (see **ADDRESSES**).

**FOR FURTHER INFORMATION CONTACT:** Edward E. Bangs, Western Gray Wolf Recovery Coordinator, U.S. Fish and Wildlife Service, at our Helena office (see **ADDRESSES**) or telephone (406) 449–5225, extension 204.

#### **SUPPLEMENTARY INFORMATION:**

##### **Public Comments Solicited**

We intend that any final action resulting from this proposal will be as accurate and as effective as possible. Therefore, data, comments, new information, or suggestions from the public, other concerned governmental agencies, the scientific community, industry, or any other interested party concerning this proposed rule are hereby solicited. We particularly seek comments concerning (1) our proposed modifications to the 2005 experimental population rule to allow private citizens to take wolves in the act of attacking

their stock animals or dogs; and (2) our establishing a reasonable process for States and Tribes with approved post-delisting wolf management plans to allow removal of wolves that are scientifically demonstrated to be impacting ungulate populations to the degree that they are not meeting respective State and Tribal management goals. We specifically ask for comments regarding whether the proposed modifications would reasonably address conflicts between wolves and domestic animals or wild ungulate populations; would provide sufficient safeguards to prevent misuse of the modified rule; would provide an appropriate and transparent public process that ensures decisions are science-based; and would provide adequate guarantees that wolf recovery will not be compromised.

If you wish to comment, you may submit your comments and materials concerning this proposed rule by any one of several methods, as listed above in the **ADDRESSES** section. If you submit comments by e-mail, please submit them in ASCII file format and avoid the use of special characters and encryption. Please note that the e-mail address will be closed at the termination of the public comment period.

Our practice is to make comments, including names and home addresses of respondents, available for public review during regular business hours. 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. Comments and materials received will be available for public inspection, by appointment, during normal business hours (see **ADDRESSES** section).

#### **Peer Review**

In accordance with our joint policy published in the **Federal Register** on July 1, 1994 (59 FR 34270), and the Office of Management and Budget’s (OMB) Final Information Quality Bulletin for Peer Review, dated December 16, 2004, we will seek independent review of the science in this rule. The purpose of such review is to ensure that our final rule is based on scientifically sound data, assumptions, and analyses. We will send peer reviewers copies of this proposed rule immediately following publication in the **Federal Register**. We will invite these peer reviewers to comment,