

North Carolina inshore waters; and, therefore, there may be some impact to sea birds from all of the alternatives.

### Social and Economic Impacts

Under the no action alternative, all large mesh gillnet fishing in Pamlico Sound in the fall of each year would be closed per NMFS regulations (CFR 223.206(d)(7)). Interactions and subsequent mortality of sea turtles in large mesh gillnet gear would be prevented in that area. Due to the seasonal nature of the flounder fishery, no fisherman is exclusively dependent on the flounder fishery, rather the participants are diversified into other fisheries, such as blue crab trap and gillnets in the ocean and other inshore areas for various target species. As such, the fall Pamlico Sound large mesh gillnet closure would not result in a total loss of revenue from the flounder fishery or for the participating fisherman.

Under the no action alternative, NCDMF would not receive an exemption from the ESA prohibitions against take; therefore, any incidental takes of sea turtles resulting from the North Carolina commercial inshore gillnet fishery would not be exempted. If NCDMF continues to operate an inshore gillnet fishery without an ITP, and sea turtle takes continue to occur, both NCDMF and the individual fisherman could be liable under third party lawsuits and enforcement action by NMFS for violating the ESA and illegally taking endangered or threatened species.

Alternatives 2 and 3 may result in a minimal additional burden to licensed North Carolina inshore gillnet fisherman, through a requirement to carry or work closely with observers within the fishery and for reporting sea turtle takes to NCDMF. The North Carolina observer program is not expected to cause significant additional

burden to the fisherman because this fishery is already subject to both NCDMF and NMFS observer coverage independent of the state program; and, further, the gillnet fisherman in North Carolina have been working within the monitoring framework of the proposed application since 2010, through measures put in place by NCDMF's 2010 Proclamation. Fishermen will be required to report incidental takes to NCDMF and undertake specific measures to resuscitate turtles as necessary and follow disposition guidelines; however, as mentioned above, fishermen have been subject to these requirements since 2010. This ITP issuance is not expected to cause further socio-economic burden.

### Implementing Agreement

NMFS and NCDMF are developing an implementing agreement to define roles and responsibilities of each party and provide a common understanding of actions to be undertaken to minimize and mitigate the effects of anchored gillnet fishing in inshore waters on threatened and endangered sea turtles. The agreement describes obligations of both parties, including how changed and unforeseen circumstances will be addressed, as well as the responsibilities of each party in implementing the conservation plan. Additionally, the agreement describes the process for initiating and implementing adaptive management as needed to achieve the Plan's biological objectives or respond to new information (e.g., observer data).

### Next Steps

This notice is provided pursuant to section 10(c) of the ESA. The application, supporting documents, public comments, and views already received by the agency, as well as those submitted in response to this notice, will be fully considered and evaluated as we prepare the final EA and

determine whether to issue a Finding of No Significant Impact. The final NEPA document and ITP determinations will not be completed until after the end of the 15-day comment period. NMFS will publish a record of its final action in the **Federal Register**. We will also make any final NEPA documents available to the public.

Dated: July 10, 2013.

**Donna S. Wieting,**

*Director, Office of Protected Resources,  
National Marine Fisheries Service.*

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**BILLING CODE 3510-22-P**

## DEPARTMENT OF DEFENSE

### Office of the Secretary

[Transmittal Nos. 13-37]

### 36(b)(1) Arms Sales Notification

**AGENCY:** Department of Defense, Defense Security Cooperation Agency.

**ACTION:** Notice.

**SUMMARY:** The Department of Defense is publishing the unclassified text of a section 36(b)(1) arms sales notification. This is published to fulfill the requirements of section 155 of Public Law 104-164 dated July 21, 1996.

**FOR FURTHER INFORMATION CONTACT:** Ms. B. English, DSCA/DBO/CFM, (703) 601-3740.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittals 13-37 with attached transmittal, policy justification, and Sensitivity of Technology.

Dated: July 11, 2013.

**Aaron Siegel,**

*Alternate OSD Federal Register Liaison  
Officer, Department of Defense.*

**BILLING CODE 5001-06-P**



DEFENSE SECURITY COOPERATION AGENCY  
 201 12TH STREET SOUTH, STE 203  
 ARLINGTON, VA 22202-5408

The Honorable John A. Boehner  
 Speaker of the House  
 U.S. House of Representatives  
 Washington, DC 20515

JUL 01 2013

Dear Mr. Speaker:

Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, as amended, we are forwarding herewith Transmittal No. 13-37, concerning the Department of the Navy's proposed Letter(s) of Offer and Acceptance to Australia for defense articles and services estimated to cost \$83 million. After this letter is delivered to your office, we plan to issue a press statement to notify the public of this proposed sale.

Sincerely,

William E. Landay III  
 Vice Admiral, USN  
 Director

Enclosures:

1. Transmittal
2. Policy Justification
3. Sensitivity of Technology



BILLING CODE 5001-06-C

Transmittal No. 13-37

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b)(1) of the Arms Export Control Act, as Amended

- (i) *Prospective Purchaser:* Australia
- (ii) *Total Estimated Value:*

Major Defense Equipment * ..	\$ 61 million
Other .....	\$ 22 million
<b>Total .....</b>	<b>\$ 83 million</b>

(iii) *Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:* up to 100 MK 54 All-Up-Round Torpedoes, 13 MK 54 Exercise Sections, 13 MK 54 Exercise Fuel Tanks, 5 Recoverable Exercise Torpedoes, support and test equipment for Maintenance Facility upgrade to MK 695 Mod 1 capability, spare and repair parts, technical data and publications, personnel training and training equipment, U.S. government and

\* as defined in Section 47(6) of the Arms Export Control Act.

contractor engineering, technical and logistics support services, and other related elements of logistics support.

- (iv) *Military Department:* Navy (AZO)
- (v) *Prior Related Cases, if any:* FMS case AHV-\$168M-12Sep11
- (vi) *Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid:* None
- (vii) *Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold:* See Annex attached
- (viii) *Date Report Delivered to Congress:* 01 July 2013

**POLICY JUSTIFICATION***Australia—MK 54 Lightweight Torpedoes*

The Government of Australia has requested a possible sale of up to 100 MK 54 All-Up-Round Torpedoes, 13 MK 54 Exercise Sections, 13 MK 54 Exercise Fuel Tanks, 5 Recoverable Exercise Torpedoes, support and test equipment for Maintenance Facility upgrade to MK 695 Mod 1 capability, spare and repair parts, technical data and publications, personnel training and training equipment, U.S. government and contractor engineering, technical and logistics support services, and other related elements of logistics support. The estimated cost is \$83 million. Australia is an important ally in the Western Pacific that contributes significantly to ensuring peace and stability in the region. Australia's efforts in peacekeeping and humanitarian operations have made a significant impact on regional, political and economic stability and have served U.S. national security interests.

Australia will use the MK 54 torpedo on its MH-60R helicopters and intends to use the torpedo on a planned purchase of the P-8A Increment 2 Maritime Patrol and Response aircraft. Australia, which currently has MK 54 torpedoes in its inventory, will have no difficulty absorbing these additional torpedoes into its armed forces.

The proposed sale of this equipment and support will not alter the basic military balance in the region. The principal contractor will be Raytheon Integrated Defense Systems in Keyport, Washington. There are no known offset agreements proposed in connection with this potential sale. Implementation of this proposed sale will not require the assignment of U.S. Government or contractor representatives to Australia. There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.

Transmittal No. 13-37

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b)(1) of the Arms Export Control Act

Annex

Item No. vii

*(vii) Sensitivity of Technology:*

1. The MK 54 is a conventional torpedo that can be launched from surface ships, helicopters, and fixed wing aircraft. The MK 54 is an upgrade of the MK 46 torpedo. The upgrade to MK 54 entails replacement of the torpedo's sonar and guidance and control systems with updated

technology using a mixture of commercial off-the-shelf and custom-built electronics. The warhead, fuel tank, and propulsion system from the MK 46 torpedo are reconfigured for use in the MK 54. The MK 54 is highly effective against modern diesel and nuclear submarines, but currently does not have the capability to attack surface ships. The MK 54 uses advanced logic to detect and prosecute threat submarines operating in challenging littoral environments and is effective in the presence of advanced acoustic countermeasures.

2. If a technologically advanced adversary were to obtain knowledge of the specific hardware and software elements, the information could be used to develop countermeasures which might reduce weapon system effectiveness or be used in the development of a system with similar or advanced capabilities.

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**BILLING CODE 5001-06-P**

**DEPARTMENT OF ENERGY**

[OE Docket No. EA-342-A]

**Application to Export Electric Energy; Royal Bank of Canada**

**AGENCY:** Office of Electricity Delivery and Energy Reliability, DOE.

**ACTION:** Notice of application.

**SUMMARY:** Royal Bank of Canada (RBC) has applied to renew its authority to transmit electric energy from the United States to Canada pursuant to section 202(e) of the Federal Power Act.

**DATES:** Comments, protests, or motions to intervene must be submitted on or before August 15, 2013.

**ADDRESSES:** Comments, protests, or motions to intervene should be addressed to: Lamont Jackson, Office of Electricity Delivery and Energy Reliability, Mail Code: OE-20, U.S. Department of Energy, 1000 Independence Avenue SW., Washington, DC 20585-0350. Because of delays in handling conventional mail, it is recommended that documents be transmitted by overnight mail, by electronic mail to [Lamont.Jackson@hq.doe.gov](mailto:Lamont.Jackson@hq.doe.gov), or by facsimile to 202-586-8008.

**FOR FURTHER INFORMATION CONTACT:** Lamont Jackson (Program Office) at 202-586-0808, or by email to [Lamont.Jackson@hq.doe.gov](mailto:Lamont.Jackson@hq.doe.gov).

**SUPPLEMENTARY INFORMATION:** Exports of electricity from the United States to a foreign country are regulated by the

Department of Energy (DOE) pursuant to sections 301(b) and 402(f) of the Department of Energy Organization Act (42 U.S.C. 7151(b), 7172(f)) and require authorization under section 202(e) of the Federal Power Act (16 U.S.C. 824a(e)).

On September 4, 2008, DOE issued Order No. EA-342, which authorized RBC to transmit electric energy from the United States to Canada as a power marketer for a five-year term using existing international transmission facilities. That authority expires on September 4, 2013. On July 3, 2013, RBC filed an application with DOE for renewal of the export authority contained in Order No. EA-342 for an additional five-year term.

In its application, RBC states that it does not own, operate or control any electric generating or transmission facilities nor does the applicant have a franchised service area. The electric energy that RBC proposes to export to Canada would be surplus energy purchased from electric utilities, Federal power marketing agencies, and other entities within the United States. The existing international transmission facilities to be utilized by RBC have previously been authorized by Presidential permits issued pursuant to Executive Order 10485, as amended, and are appropriate for open access transmission by third parties.

*Procedural Matters:* Any person desiring to be heard in this proceeding should file a comment or protest to the application at the address provided above. Protests should be filed in accordance with Rule 211 of the Federal Energy Regulatory Commission's (FERC) Rules of Practice and Procedures (18 CFR 385.211). Any person desiring to become a party to these proceedings should file a motion to intervene at the above address in accordance with FERC Rule 214 (18 CFR 385.214). Five copies of such comments, protests, or motions to intervene should be sent to the address provided above on or before the date listed above.

Comments on the RBC application to export electric energy to Canada should be clearly marked with OE Docket No. EA-342-A. An additional copy is to be provided directly to Matthew S. Arnold, Senior Counsel, Royal Bank of Canada, 200 Bay Street, 14th Floor, North Tower, Toronto, Ontario, Canada M5J 2J5 and Elizabeth Jordan, Director, Compliance, RBC Capital Markets, 200 Bay Street, 9th Floor, South Tower, Toronto, Ontario, Canada M5J 2J2. A final decision will be made on this application after the environmental impacts have been evaluated pursuant to DOE's National Environmental Policy