

finding using the best scientific evidence available that the total of such taking for the regulatory period will have no more than a negligible impact on these species and will not have an unmitigable adverse impact on the availability of these species for taking for subsistence use by Alaska Natives. These regulations set forth: (1) Permissible methods of taking; (2) the means of effecting the least practicable adverse impact on the species and their habitat and on the availability of the species for subsistence uses; and (3) requirements for monitoring and reporting.

The term "take," as defined by the Act, means to harass, hunt, capture, or kill, or attempt to harass, hunt, capture, or kill, any marine mammal. Harassment as defined by the Act, as amended in 1994, "means any act of pursuit, torment, or annoyance which (i) has the potential to injure a marine mammal or marine mammal stock in the wild" (the Act calls this type of harassment Level A harassment), "or (ii) has the potential to disturb a marine mammal or marine mammal stock in the wild by causing disruption of behavioral patterns, including, but not limited to, migration, breathing, nursing, breeding, feeding, or sheltering." (the Act calls this type of harassment Level B harassment). As a result of 1986 amendments to the Act, we amended 50 CFR 18.27 (*i.e.*, regulations governing small takes of marine mammals incidental to specified activities) with a final rule published on September 29, 1989. Section 18.27(c) included a revised definition of "negligible impact" and a new definition for "unmitigable adverse impact" as follows. Negligible impact is "an impact resulting from the specified activity that cannot be reasonably expected to, and is not reasonably likely to, adversely affect the species or stock through effects on annual rates of recruitment or survival." Unmitigable adverse impact means "an impact resulting from the specified activity (1) that is likely to reduce the availability of the species to a level insufficient for a harvest to meet subsistence needs by (i) causing the marine mammals to abandon or avoid hunting areas, (ii) directly displacing subsistence users, or (iii) placing physical barriers between the marine mammals and the subsistence hunters; and (2) that cannot be sufficiently mitigated by other measures to increase the availability of marine mammals to allow subsistence needs to be met." Industry conducts activities such as oil and gas exploration, development, and production in marine mammal habitat

and, therefore, risks violating the prohibitions on the taking of marine mammals.

Although Industry is under no legal requirement to obtain incidental take authorization, since 1993 Industry has chosen to seek authorization to avoid the uncertainties of taking marine mammals associated with conducting activities in marine mammal habitat.

On November 16, 1993 (58 FR 60402), we issued final regulations to allow the incidental, but not intentional, take of small numbers of polar bears and Pacific walrus when such taking(s) occurred in the course of Industry activities during year-round operations in the area described later in this proposed rule in the section "Description of Geographic Region." The regulations were effective for 18 months. At the same time, the Secretary of the Interior directed us to develop, and then begin implementation of, a polar bear habitat conservation strategy before extending the regulations beyond the initial 18 months for a total 5-year period as allowed by the Act. On August 14, 1995, we completed development of and issued our Habitat Conservation Strategy for Polar Bears in Alaska to ensure that the regulations met with the intent of Congress. On August 17, 1995, we issued the final rule and notice of availability of a completed final polar bear habitat conservation strategy (60 FR 42805). We then extended the regulations for an additional 42 months to expire on December 15, 1998.

On August 28, 1997, BP Exploration (Alaska), Inc., submitted a petition for itself and for ARCO Alaska, Inc., Exxon Corporation, and Western Geophysical Company for rulemaking pursuant to section 101(a)(5)(A) of the Act, and section 553(e) of the Administrative Procedure Act (APA; 5 U.S.C. 553). Their request sought regulations to allow the incidental, but not intentional, take of small numbers of polar bears and Pacific walrus when takings occurred during Industry operations in Arctic Alaska. Specifically, they requested an extension of the incidental take regulations that begin at 50 CFR 18.121 for an additional 5-year term from December 16, 1998, through December 15, 2003. The geographic extent of the request was the same as that of previously issued regulations that begin at 50 CFR 18.121 that were in effect through December 15, 1998 (see above).

The petition to extend the incidental take regulations included two new oil fields (Northstar and Liberty). Plans to develop each field identified a need for an offshore gravel island and a buried sub-sea pipeline to transport crude oil to existing onshore infrastructure. The

Liberty prospect was subsequently abandoned, while the Northstar prospect moved toward production. At the time, based on the preliminary nature of the information related to sub-sea pipelines published in a Draft Environmental Impact Statement (DEIS) for the Northstar project, we were unable to make a finding of negligible impact and issue regulations for the full 5-year period as requested by Industry.

On November 17, 1998, we published proposed regulations (63 FR 63812) to allow the incidental, unintentional take of small numbers of polar bears and Pacific walrus in the Beaufort Sea and northern coast of Alaska for a 15-month period. These regulations did not authorize the incidental take of polar bears and Pacific walrus during construction or operation of sub-sea pipelines in the Beaufort Sea. On January 28, 1999, we issued final regulations effective through January 30, 2000 (64 FR 4328).

The U.S. Army Corps of Engineers finalized the Northstar Final Environmental Impact Statement (FEIS) in February 1999. On February 3, 2000, we issued regulations effective through March 31, 2000 (65 FR 5275), in order to finalize the subsequent longer term regulations without a lapse in coverage. After a thorough analysis of the Northstar FEIS and other data related to oil spills, on March 30, 2000, we issued regulations effective for a 3-year duration, through March 31, 2003 (65 FR 16828). This assessment included a polar bear oil spill risk analysis, a model that simulated oil spills and their subsequent effects on estimated polar bear survival on the basis of distribution in the Beaufort Sea. The likelihood of polar bear mortality caused by oil spills during different seasons (open-water, ice-covered, broken ice) was also analyzed. A 3-year period was selected, rather than a 5-year period, due to the potential development of additional offshore oil and gas production sites, such as the offshore Liberty Development, which would need increased oil spill analysis if development proceeded. The Liberty Development Plan was subsequently withdrawn by the operator to be re-evaluated.

Between January 1994 and March 2003, we issued 223 LOAs for oil and gas related activities. Activities covered by LOAs included: exploratory operations, such as seismic surveys and drilling; development activities, such as construction and remediation; and production activities for operational fields. Between January 1, 1994, and March 31, 2000, 77 percent (n=89) of LOAs issued were for exploratory