

Board and do not trigger an environmental review under the National Environmental Policy Act or the Board's environmental rules at 49 CFR 1105. Board approval is not required to improve or upgrade an existing line that does not extend the railroad's territory. Nor is approval required to construct or modify an existing connection, so long as the purpose and effect is not to extend the railroad's territory.

By the Board, Victoria J. Rutson, Chief,  
Section of Environmental Analysis.

**Vernon A. Williams,**

*Secretary.*

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BILLING CODE 4915-00-P

## DEPARTMENT OF TRANSPORTATION

### Transportation Security Administration

[Docket No. TSA-2002-13827]

#### Operation Safe Commerce

**SUMMARY:** The Transportation Security Administration (TSA), working in conjunction with an interagency Executive Steering Committee for Operation Safe Commerce (OSC), announces a program to identify and fund business driven initiatives to enhance security for the movement of cargo through the supply chain. The goal of OSC is to explore business processes and technology prototypes that protect commercial shipments from threats of terrorist attack, illegal immigration, and contraband while minimizing the economic impact upon the transportation system. The Ports of Los Angeles, Long Beach, Seattle, Tacoma, and the Port Authority of New York and New Jersey will be invited to submit proposals for funding consideration under this initiative. Persons and entities representing components of the supply chain may seek funding through these ports. The ports are encouraged to maximize their eligibility for funding by including representatives from all components of the supply chain, including major and minor load centers and feeder locations, their overseas customers and port partners, and the shipping lines serving these locations.

The TSA is requesting comments on the proposed project criteria for the selection of candidate projects submitted by the ports noted above for funding consideration as Operation Safe Commerce projects.

**DATES:** Send your comments on or before December 5, 2002.

**ADDRESSES:** Address your comments to the Docket Management System, U.S. Department of Transportation, Room Plaza 401, 400 Seventh Street, SW., Washington, DC 20590-0001. You must identify the docket number TSA-2002-13827 at the beginning of your comments, and you should submit two copies of your comments. If you wish to receive confirmation that TSA received your comments, include a self-addressed, stamped postcard.

You may also submit comments through the Internet to <http://dms.dot.gov>. You may review the public docket containing comments to these proposed regulations in person in the Dockets Office between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The Dockets Office is on the plaza level of the NASSIF Building at the Department of Transportation at the above address. Also, you may review public dockets on the Internet at <http://dms.dot.gov>.

#### FOR FURTHER INFORMATION CONTACT:

Walter (Bud) Hunt, Office of Maritime and Land Security, Transportation Security Administration, 400 Seventh Street, SW., TSA-8, Washington, DC 20590; e-mail: [WalterBud.Hunt@tsa.dot.gov](mailto:WalterBud.Hunt@tsa.dot.gov); telephone: 202-772-1045.

#### Background

Over the past several years, the U.S. Department of Transportation (DOT) has sponsored numerous studies, conferences, outreach initiatives, and operational tests designed to facilitate and improve the efficiency of inter-modal freight movement. Much of this work has direct applicability to ensuring container cargo security within the transportation environment.

In December 2001, Secretary of Transportation Mineta established the Container Working Group (CWG), which is co-chaired by the DOT and the U.S. Customs Service (Customs). This group, largely comprised of Federal agency representatives and members of the trade and transportation communities, has put forth a number of recommendations for improving the security of the cargo supply chain that need to be operationally tested.

Building upon the successes of their existing programs, Customs has launched two key programs to ensure cargo security: the Customs-Trade Partnership Against Terrorism (C-TPAT) and the Container Security Initiative (CSI). Under C-TPAT, Customs is working with importers, carriers, brokers and other industry sectors in creating a seamless security conscious environment throughout the entire international commercial process.

By providing a forum in which the business community and Customs can exchange anti-terrorism ideas, concepts and information, C-TPAT allows both the government and the business community to increase the security and efficiency of the entire commercial process from the point of manufacture through importation and distribution. Private sector participants in C-TPAT have made a commitment to improve the overall security of their supply chains, and communicate their established security procedures, guidelines, and expectations to their business partners.

Through the CSI, Customs is working with the foreign ports that send the highest volume of container traffic into the United States, as well as the governments in these locations, to facilitate the detection of potential problems in the supply chain at the earliest possible opportunity. CSI will establish the necessary foundation for a more secure international supply chain through the implementation of the four core CSI elements: (1) Establishing security criteria to identify high-risk containers; (2) pre-screening those containers identified as high-risk before they arrive at U.S. ports; (3) using technology to quickly pre-screen high-risk containers; and (4) developing and using smart and secure containers.

Operation Safe Commerce (OSC) is an innovative public-private partnership dedicated to enhancing security throughout international and domestic supply chains while facilitating the efficient cross-border movement of legitimate commerce. This initiative began in New England as a local public-private partnership where Federal, State and local law enforcement entities and key private sector entities combined efforts to design, develop, and implement a means to test available technology and procedures in order to develop secure supply chains. The OSC New England initiative analyzed a supply chain shipment between Eastern Europe and New Hampshire. The full container shipment was fitted with onboard tracking, sensors and door seals. It was constantly monitored through the various transportation modes as it traveled through numerous countries and government control functions.

OSC intends to build upon existing freight and information system operational tests sponsored by DOT and to support the procedural programs sponsored by Customs (*e.g.* C-TPAT and CSI) and to coordinate these efforts with new initiatives brought forward by the partnerships that carry out OSC operational testing. The synergies

among these various efforts are critical to the success of OSC.

Congress, through the 2002 Supplemental Appropriations Act for Further Recovery From and Response To Terrorist Attacks on the United States, provided funds for OSC to improve the security of international and domestic supply chains through discreet pilot projects involving the three largest container load centers. *See* Pub. L. 107-206, 116 Stat. 820 (Aug. 2, 2002); S. Rep 107-156, 107th Cong., 2nd sess. 84-85 (May 29, 2002). As a result, the Ports of Los Angeles, Long Beach, Seattle, Tacoma, and the Port Authority of New York and New Jersey (hereafter referred to as load centers) will be invited to submit proposals for funding consideration under this initiative. Persons and entities representing components of the supply chain may seek funding through these ports. The ports are encouraged to maximize their eligibility for funding by including representatives from all components of the supply chain, including major and minor ports or port authorities and feeder locations, their overseas customers and port partners, and the shipping lines serving these locations.

An Executive Steering Committee (ESC) provides OSC oversight, guidance, and support. The ESC is co-chaired by the Associate Deputy Secretary of the Department of Transportation and the Deputy Commissioner of the U.S. Customs Service, and includes representatives of the Transportation Security Administration, the U.S. Coast Guard, the Departments of State, Justice, and Commerce, and the Office of Homeland Security. Other appropriate government agencies may be invited to provide a representative to the ESC.

### Goals

The goal of OSC is to explore commercially viable options that support cargo management systems that keep pace with expanding trade while protecting commercial shipments from threats of terrorist attack, illegal immigration, illegal drugs and other contraband. OSC will address three key components to secure the supply chain through pilot projects funded by TSA. OSC will demonstrate what is needed to ensure that parties associated with commercial shipping exert reasonable care and due diligence in packing, securing and manifesting the contents of a shipment of goods in a container. OSC will also demonstrate various methods to ensure that the information and documentation associated with these shipments is complete, accurate and secure from unauthorized access. These methods may entail transmitting the

associated shipping information and documentation in a secure electronic format. OSC will also test supply chain security procedures and practices in order to determine the impact of these procedures when combined with the implementation of enhanced manifest data elements and container sealing procedures (including effective intrusion detection). The ESC will examine the three components to determine the most effective method to lessen the susceptibility of a container shipment to being compromised while in transit in the international or domestic supply chain.

OSC will serve as a technology and business practice "laboratory" to identify and explore innovative solution sets that support the principles and objectives associated with numerous Federal initiatives such as the CWG, CSI, C-TPAT, and other ongoing initiatives like the DOT Intelligent Transportation System. The ESC believes successful operational tests will require innovative public-private partnerships that bring all the necessary participants together. Private companies will need to join with representatives from key Federal, State, and local authorities to support these tests.

Through these public and private partnerships, OSC requires the use of an actual operating environment to assess various prototypes for the secure movement of containerized freight. Utilizing these partnerships, OSC provides a "virtual laboratory" for designing and evaluating security and transportation solutions. OSC thus supports identification of an appropriate set of standard security practices to govern the handling and movement of cargo throughout the supply chain. The results of these tests offer decision makers a timely and sound basis for developing Federal standards.

### Criteria for Operation Safe Commerce Projects

OSC seeks proposals from the transport sector practitioners who can recognize and propose projects that will meet these goals. If these technologies and procedures are to be successful and minimize the impact upon all parties, they must employ efficient and cost effective methods of validating the security of processes for stuffing and deconsolidating containers, physically securing and monitoring the containers throughout the supply chain, and exchanging timely and reliable information. These cost effective solutions must have the ability to be replicated and scaled for use in commercial shipping applications.

Projects receiving funding under OSC should analyze and prototype a secure and efficient supply chain by addressing one or more of the following key components to secure the supply chain:

- Validate security at the point of origin, to include the security of the shipment itself (*i.e.*, the security of the facility and the people where the container is stuffed) and the information that describes it;
- Secure the supply chain from the point of origin of the shipment to its final destination, which shall include all waypoints;
- Enhance the accuracy and communication of cargo information used by Federal agencies, carriers, and shippers;
- Monitor the movement and integrity of cargo in transit (*e.g.*, pilot the use of commercial-off-the-shelf (COTS) technology and emerging technologies such as Global Positioning System (GPS) transceivers, sensors, electronic seals, container design, and data querying).

The ESC will provide oversight, guidance and support to OSC projects so they can integrate with broader governmental objectives and communicate governmental efforts to address container security and efficiency. The ESC will review, coordinate, and monitor the projects funded by OSC. The ESC is considering adopting the following funding criteria which proposed projects must meet for the ESC to recommend the project for funding through the TSA:

(a) A private/public partnership (hereafter referred to as the "partnership") must be established that includes participants in the supply chain such as all affected shippers (*e.g.*, exporters, importers, manufacturers), carriers (all modes), intermediaries (*e.g.*, freight forwarders, freight consolidators, freight brokers), terminal operators, labor, local DOT and Customs, and other relevant local and State governmental officials as needed, depending on the supply chain being proposed. Partnerships requesting funding for projects must be sponsored by one of the following U.S. based load centers: Ports of Los Angeles, Long Beach, Seattle, Tacoma, and the Port Authority of New York and New Jersey.

(b) The partnership's proposal should articulate how the operational test will complement and include stakeholders currently participating in existing freight and information system operational tests sponsored by DOT, and the supply chain security initiatives sponsored by Customs (*e.g.* C-TPAT and CSI).

(c) The partnership must obtain signed letters of commitment from all members of the partnership that describe and quantify the assets they will utilize during the operational tests.

(d) The partnership must be willing to have all information resulting from the analysis available to supply chain participants. Prototyped solutions should reside in the public domain. Proprietary information (*i.e.*, data relating to specific, identifiable transactions or assets of participants that are sensitive and of commercial value to their competitors, or reveals specific threats to the supply chain that could be exploited) is not considered to be part of the public domain for purposes of these analyses and operational tests, and will be made available only by authorized release from the owner of the information.

(e) The partnership must establish a point-of-contact and an alternate to interface with the ESC or its representative. The point of contact must be included in the written application.

(f) The partnership must be willing to assemble participants in the supply chain to test procedures and technologies identified as potential solutions. The partnership should also consider including typical supply chain activities originating or transshipped outside the immediate port area.

(g) The TSA will provide full or partial funding for selected projects. TSA encourages grant recipients to consider partial funding of projects from other sources including internal funding.

TSA invites comments on these proposed criteria. Once finalized, these criteria may also be used in the selection of future projects under OSC.

#### Proposal Submission

Partnerships that meet the above criteria should submit their applications for grants to the address provided in the forthcoming Grant Program Announcement (GPA).

#### External Funding Through Grants

The GPA will contain instructions on how to submit the application. Subject matter experts, in accordance with a Technical Evaluation Plan, will review the applications. Evaluations and final selection of the application will be based on criteria published in the GPA. TSA will administer the grants issued under the OSC.

#### Federal Advisory Committee

The OSC ESC will seek industry and private sector input and discussion on OSC related issues by soliciting

feedback and comments from existing Federal Advisory Committees already designated to afford the Departments of Treasury and Transportation advice. Consequently, the Customs Operational Advisory Committee (COAC) and the Marine Transportation System National Advisory Committee (MTSNAC) will serve this purpose and will be invited to afford the OSC ESC comments, input, and advice on OSC related issues at the request of the OSC ESC.

#### Comments

TSA is providing a 15-day comment period during which members of the public are invited to submit comments on the selection criteria for projects to be funded under OSC. Before finalizing the selection criteria, consideration will be given to any written comments that are received by the TSA prior to the end of the comment period. A 15-day comment period is being provided due to the urgent necessity for TSA to move forward in achieving the goals of OSC. Comments received after the comment period will be considered to the extent that it is practicable. The TSA specifically requests comments on the project criteria for OSC and comments on specific potential projects including whether consideration should be given to projects that test shipments originating in specific countries of interest. Commenters should not use this process to propose projects for funding under OSC. They should follow the process described in the forthcoming GPA.

Issued in Washington, DC on November 12, 2002.

**J.M. Loy,**

*ADM, Acting Under Secretary of Transportation for Security.*

[FR Doc. 02-29441 Filed 11-19-02; 8:45 am]

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#### DEPARTMENT OF THE TREASURY

##### Internal Revenue Service

#### Open Meeting of the Taxpayer Advocacy Panel, SB/SE Payroll Taxes Committee

**ACTION:** Notice.

**SUMMARY:** An open meeting of the Taxpayer Advocacy Panel, SB/SE Payroll Taxes Committee will be conducted (via teleconference).

**DATES:** The meeting will be held Tuesday, December 3, 2002.

**FOR FURTHER INFORMATION CONTACT:** Mary Peterson or Judi Nicholas at 1-888-912-1227, or 206-220-6096.

**SUPPLEMENTARY INFORMATION:** Notice is hereby given pursuant to section 10(a)(2) of the Federal Advisory Committee Act, 5 U.S.C. App. (1988) that an open meeting of the Taxpayer Advocacy Panel, SB/SE Payroll Taxes Committee will be held Tuesday, December 3, 2002, from 3 pm e.s.t. to 5 pm e.s.t. via a telephone conference call. The public is invited to make oral comments. Individual comments will be limited to 5 minutes. If you would like to have the TAP consider a written statement, please call 1-888-912-1227 or 206-220-6096, or write Mary Peterson, 915 2nd Avenue, MS W-406, Seattle, WA 98174. Due to limited conference lines, notification of intent to participate in the telephone conference call meeting must be made with either Mary Peterson or Judi Nicholas. Ms. Peterson and Ms. Nicholas can be reached at 1-888-912-1227 or 206-220-6096.

The agenda will include the following: various IRS issues.

**Note:** Last minute changes to the agenda are possible and could prevent effective advance notice.

Dated: November 7, 2002.

**John J. Mannion,**

*Director, Program Planning & Quality.*

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**BILLING CODE 4830-01-P**

#### DEPARTMENT OF THE TREASURY

##### Internal Revenue Service

#### Open Meeting of the Taxpayer Advocacy Panel

**ACTION:** Notice.

**SUMMARY:** An open meeting of the Joint Committee of the Taxpayer Advocacy Panel will be conducted (via Conference call).

**DATES:** The meeting will be held Tuesday, November 19, 2002.

**FOR FURTHER INFORMATION CONTACT:** Barbara Toy at 1-888-912-1227, or 414-297-1611.

**SUPPLEMENTARY INFORMATION:** Notice is hereby given pursuant to section 10(a)(2) of the Federal Advisory Committee Act, 5 U.S.C. App. (1988) that an open meeting of the Joint Committee of the Taxpayer Advocacy Panel will be held Tuesday, November 19, 2002, from 1 pm e.s.t. to 2 pm e.s.t. via a telephone conference call. If you would like to have the TAP consider a written statement or would like to attend the conference call, please call 1-888-912-1227 or 414-297-1611, or write Barbara Toy, Taxpayer Advocacy