

identify the underlying cause for the mortgagee's high default and claim rate. The review must be conducted and issued by an independent Certified Public Accountant (CPA) qualified to perform audits under Government Auditing Standards as provided by the General Accounting Office. The mortgagee must also submit a written

corrective action plan to address each of the issues identified in the CPA's report, along with evidence that the plan has been implemented. The application for a new Agreement should be in the form of a letter, accompanied by the CPA's report and corrective action plan. The request should be sent to the Director, Office of Lender Activities and Program

Compliance, 451 Seventh Street, SW., Room B133-P3214, Washington, DC 20410-8000 or by courier to 490 L'Enfant Plaza, East, SW., Suite 3214, Washington, DC 20024.

*Action:* The following mortgagees have had their Agreements terminated by HUD:

Mortgagee name	Mortgagee branch address	HUD office jurisdictions	Termination effective date	Home ownership centers
Allied Home Mortgage Capital .....	251 Keisler Drive, Ste 100, Cary, NC 27511.	Greensboro, NC	2/17/2004	Atlanta.
Americap Mortgage Corp .....	1979 Lakeside Parkway, Ste 450, Tucker, GA 30084.	Atlanta, GA .....	4/1/2004	Atlanta.
Centurion Mortgage Corp .....	5402 D Gateway Centre, Flint, MI 48507	Grand Rapids, MI	4/1/2004	Philadelphia.
CH Mortgage Co. I LTD .....	1100 South Tryon St., Ste 101, Charlotte, NC 28203.	Greensboro, NC	4/1/2004	Atlanta.
Diversified Mortgage, Inc .....	26133 U.S. 19 North, Ste 412, Clearwater, FL 33763.	Tampa, FL .....	4/1/2004	Atlanta.
Equity One, Inc. ....	301 Lippincott Drive, Marlton, NJ 08053	Philadelphia, PA	4/1/2004	Philadelphia.
First Florida State Mortgage Corp .....	2090 Sarno Road, Melbourne, FL 32935	Orlando, FL .....	4/1/2004	Atlanta.
First Rochester Mortgage Corp .....	2024 W Henrietta Rd., Ste 2A, Rochester, NY 14623.	Buffalo, NY .....	4/1/2004	Philadelphia.
First City Mortgage, Inc .....	325 Country Club Drive, Stockbridge, GA 30281.	Atlanta, GA .....	4/1/2004	Atlanta.
Go Blue, Inc .....	5583 Davis Blvd., Ste 200, North Richland Hill, TX 76180.	Fort Worth, TX ....	4/1/2004	Denver.
Homeowners Mortgage of America, Inc ..	501 Village Trace Bldg., Marietta, GA 30067.	Atlanta, GA .....	4/1/2004	Atlanta.
Lenders Choice Mortgage Services, Inc	13930 SW 47 St. #203, Miami, FL 33175.	Miami, FL .....	2/17/2004	Atlanta.
Lodge Mortgage, Inc .....	19221 I 45 South, Ste 330, Conroe, TX 77385.	Houston, TX .....	4/1/2004	Denver.
Lone Star Realty Investment, Inc .....	620 E Southlake Blvd., Southlake, TX 76092.	Fort Worth, TX ....	4/1/2004	Denver.
McKinley Mortgage LLC .....	9825 Kenwood Rd., Ste 203, Cincinnati, OH 45242.	Cincinnati, OH ....	4/1/2004	Philadelphia.
Mortgage Express, Inc .....	374 Meridian Parke Ln, Ste A, Greenwood, IN 46142.	Indianapolis, IN ...	4/1/2004	Atlanta.
Sensible Mortgage Solutions, Inc .....	6112 Arlington Road, Jacksonville, FL 32211.	Jacksonville, FL ..	2/17/2004	Atlanta.
Tropical Mortgage of North Florida, Inc ...	2002 Southside Blvd., Ste 100-C, Jacksonville, FL 32216.	Jacksonville, FL ..	4/1/2004	Atlanta.

Dated: May 21, 2004.  
**Sean Cassidy,**  
*General Deputy, Assistant Secretary for Housing.*  
 [FR Doc. 04-12649 Filed 6-3-04; 8:45 am]  
**BILLING CODE 4210-27-P**

**DEPARTMENT OF THE INTERIOR**  
**Fish and Wildlife Service**  
**Availability of the Final Environmental Impact Statement/Environmental Impact Report for an Incidental Take Permit for the Multiple Habitat Conservation Program, Carlsbad, CA.**

**AGENCY:** Fish and Wildlife Service, Interior.  
**ACTION:** Notice of availability and receipt of application.

**SUMMARY:** On December 9, 1999, the City of Carlsbad, California, applied to

the U.S. Fish and Wildlife Service (Service) for an incidental take permit pursuant to section 10(a)(1)(B) of the Endangered Species Act of 1973, as amended (Act). The Service is requesting public comment on the Carlsbad Subarea Plan/Habitat Management Plan (HMP), draft Urgency Ordinance, and Implementing Agreement. We are also seeking public comments on the final Environmental Impact Statement/Environmental Impact Report (EIS/EIR) for the Multiple Habitat Conservation Program for the Cities of Carlsbad, Encinitas, Escondido, Oceanside, San Marcos, Solana Beach, and Vista (MHCP), and are making available for public review the responses to comments on the draft MHCP EIS/EIR. The proposed permit on the HMP would authorize the incidental take of 19 animal species, including 12 unlisted species should any of them

become listed, under the Act, during the term of the proposed 50-year permit. The permit is needed to authorize take of listed animal species (including harm, injury and harassment) during public and private development, and during monitoring and management of preserve areas in the approximately 6,786-acre Plan Area in Carlsbad, California. The permit would also include two listed and four unlisted plant species, the take of which is not prohibited under Federal law, in recognition of the conservation benefits provided to these species under the larger seven city MHCP and the Carlsbad HMP.

**DATES:** We must receive your written comments on or before July 6, 2004.

**ADDRESSES:** Please send comments to Mr. Jim Bartel, Field Supervisor, U.S. Fish and Wildlife Service, Carlsbad Fish and Wildlife Office, 6010 Hidden Valley

Road, Carlsbad, California 92009; facsimile (760) 431-9618.

**FOR FURTHER INFORMATION CONTACT:** Ms. Therese O'Rourke, Assistant Field Supervisor, Carlsbad Fish and Wildlife Office (see **ADDRESSES**), telephone number (760) 431-9440.

**SUPPLEMENTARY INFORMATION:**

**Public Review Process**

On June 28, 2000, a notice of receipt of an incidental take permit application and availability of an Environmental Assessment for the HMP was published in the **Federal Register** for a 30-day public comment period (65 FR 39919). We received a total of 32 comment letters on the draft Environmental Assessment. In response to comments received during the 30-day public review period, the Service chose to complete its obligations under the National Environmental Policy Act through the EIS/EIR prepared for the MHCP Plan, in which the City of Carlsbad's HMP is fully analyzed. Notice of availability of the draft EIS/EIR and draft MHCP Plan was published in the **Federal Register** on December 28, 2001 for a 120-day public comment period (66 FR 67292). The draft EIS/EIR analyzed the potential environmental impacts that may result from the Federal action of authorizing incidental take anticipated to occur with implementation of the MHCP, and identified various alternatives. We received a total of 41 comment letters on the draft EIS/EIR. A response to each comment has been included in volume 2 of the final EIS/EIR.

The Carlsbad HMP has been modified by addendum, since the draft EIS/EIR was published, as a result of responding to comments from the California Coastal Commission (CCC) in order to receive a Federal consistency determination from the CCC. All of the changes made to the HMP, as a result of the CCC (included in the addendum), are limited to the coastal zone of the City, and do not substantially change the effects analysis and proposed action in the final EIS/EIR. Thus, no additional NEPA analysis was conducted of these changes.

Due to the amount of time that has passed since the public comment period on the original application for an incidental take permit for the Carlsbad HMP, we are publishing this notice to inform the public of the proposed action and to make available for review the final MHCP EIS/EIR, which includes responses to public comments received on the draft EIS/EIR.

**Availability of Documents**

Copies of the three volume subregional MHCP Plan, Carlsbad HMP

for the proposed permit, Implementing Agreement, draft Urgency Ordinance, and final EIS/EIR are available for review at the following locations in California:

1. City of Carlsbad—1635 Faraday Avenue, Carlsbad, CA 92008.
2. Carlsbad City Hall—1200 Carlsbad Village Drive, Carlsbad, CA 92008.
3. U.S. Fish and Wildlife Service—6010 Hidden Valley Road, Carlsbad, CA 92009.
4. Carlsbad City Library (South)—1775 Dove Lane, Carlsbad, CA 92009.
5. Georgina Cole Library (North)—1250 Carlsbad Village Drive, Carlsbad, CA 92009.

The responses to comments on the draft Environmental Assessment for the Carlsbad HMP are available upon request (see **FOR FURTHER INFORMATION CONTACT**).

**Background**

The City of Carlsbad seeks an incidental take permit and assurances for 19 animal species (5 endangered, 2 threatened, and 12 unlisted), and assurances for 6 plant species (1 endangered, 1 threatened, and 4 unlisted). The animal species include 16 bird species (5 endangered, 2 threatened, and 9 unlisted); 2 unlisted insect species; and 1 unlisted reptile species. Collectively the 25 listed and unlisted species are referred to as Covered Species by the HMP.

An additional six plant species (one endangered, one threatened, and four unlisted) are included in the HMP, but coverage would not be granted until the respective other City which has the critical population of the plant receives a permit under section 10(a)(1)(B) of the Act for their subarea plan/HMP. Please note that two of these plant species (one threatened and one unlisted) also need a commitment of funding for management and monitoring before coverage would be granted. Lastly, 10 plants (3 endangered, 2 threatened, and 5 unlisted) and 2 endangered crustaceans are also included in the HMP, but coverage would not be granted until a funding source (such as regional funding) is available to the City of Carlsbad to fund management and monitoring necessary to adequately protect these species. Please note that even if the City of Carlsbad acquires the necessary funding to receive coverage for the 10 plant species above, one of the unlisted plants would remain not covered until another MHCP City receives a permit under section 10(a)(1)(B) of the Act. Lastly, six vernal pool species (two endangered plants, two endangered crustaceans, one threatened plant, and one unlisted

plant) could not receive coverage until the City of Carlsbad also receives legal control over the protection, management, and monitoring of the vernal pools located adjacent to the Poinsettia Train Station.

The species for which coverage is proposed under the Carlsbad HMP are presently included as exhibit A to the draft Implementing Agreement. It is intended that exhibits A, B, and C to the Implementing Agreement will be added to the Carlsbad HMP, if approved by the Carlsbad City Council. This, if approved, will be reflected in the final documents submitted in application for the section 10(a)(1)(B) permit.

A permit is needed because section 9 of the Act and Federal regulations prohibit the "take" of animal species listed as endangered or threatened. Take of listed animal species, as defined under the Act, includes actions that kill, harm, or harass such species. Harm includes significant habitat modification or degradation that actually kills or injures listed animals by significantly impairing essential behavioral patterns, including breeding, feeding, and sheltering [50 CFR 17.3(c)]. Under limited circumstances, the Service may issue permits to authorize incidental take; *i.e.*, take that is incidental to, and not the purpose of, otherwise lawful activity.

The take prohibitions of the Act do not apply to listed plants, although section 9 of the Act does prohibit certain acts, including the removal or destruction of listed plants in violation of State law. Although take of listed plants is not prohibited under the Act, we propose to name one endangered and one threatened plant species on the permit in recognition of the conservation measures and benefits that would be provided to them under the proposed HMP.

Assurances to the City of Carlsbad in case of changed or unforeseen circumstances would be provided as stated in the Service's regulations at 50 CFR 17.22(b)(5), and 17.32(b)(5). Regulations governing incidental take permits for threatened and endangered species are found in 50 CFR 17.32 and 17.22.

**Proposed Action**

The Service's proposed action is to issue an incidental take permit to the City of Carlsbad. The permit application from the City includes a Subarea Plan/HMP that qualifies as both a Habitat Conservation Plan pursuant to Federal law and a Natural Community Conservation Plan pursuant to State law. On December 10, 1993, we issued a final special rule for the coastal

California gnatcatcher (*Poliophtila californica californica*) pursuant to section 4(d) of the Act (58 FR 65088). This rule allows incidental take of the gnatcatcher if such take results from activities conducted under a plan prepared pursuant to the State of California's Natural Community Conservation Planning Act of 1991, its associated Process Guidelines, and the Southern California Coastal Sage Scrub Conservation Guidelines. Consistent with the Conservation Guidelines, while planning for natural communities is underway, the special rule allows interim loss of no more than five percent of the coastal sage scrub habitat in specified areas (subregions).

The MHCP is one of several large, multiple-jurisdictional habitat planning efforts in San Diego County, each of which constitutes a "subregional" plan under the State of California's Natural Community Conservation Planning Act of 1991. The MHCP is intended to protect viable populations of native plant and animal species and their habitats in perpetuity through the creation of a preserve system, while accommodating continued economic development, in northwestern San Diego County. The MHCP encompasses 175 square miles comprised of the following seven incorporated cities: Carlsbad, Encinitas, Escondido, Oceanside, San Marcos, Solana Beach, and Vista. The MHCP is designed to be implemented through individual Subarea Plans prepared by participating cities, such as the City of Carlsbad.

The MHCP would create a preserve system that protects, manages, and monitors in perpetuity 67 percent of coastal sage scrub, 70 percent of chaparral, 53 percent of coastal sage/chaparral mix, and 100 percent of riparian and estuarine habitats in the study area. (Please note that the December 28, 2001 **Federal Register** notice requesting public comments on the draft EIS/EIR inaccurately stated the level of preservation for coastal sage/chaparral mix to be 80 percent when the stated amount of this habitat type to be preserved according to the draft EIS/EIR was 50 percent.) A major component of the preserve is the conservation of 400 to 500 acres of contiguous coastal sage scrub centered around the cities of Carlsbad, Encinitas, and the extreme southwest portion of San Marcos, which supports 16 to 23 pairs of the federally threatened coastal California gnatcatcher. In addition, 338 acres of coastal sage scrub would be restored in key locations within the preserve area. Overall, 20,428 acres (68 percent) of the natural habitats found in the total MHCP study area would be conserved.

Activities proposed for coverage in the City of Carlsbad Subarea Plan/HMP, which require discretionary action by a permittee, subject to consistency with the MHCP and HMP policies, include: public and private development projects, including a City Municipal golf course; various infrastructure projects such as roads, recreational trails and facilities; and management of preserve areas.

As described in the subregional MHCP, Subarea Plan/HMP, and EIS/EIR, the City of Carlsbad proposes to create a preserve system to mitigate the impact of public and private development over a 50-year period by protecting 6,786 acres (6,478 acres within the City of Carlsbad and 308 outside the City of Carlsbad) of habitat for the Covered Species. The majority of the preserve (5,928 acres) consists of existing and proposed "hard-lined" areas designated for 100 percent conservation. Up to 550 acres would be conserved on lands designated as "standards" areas which have established assured levels of conservation through applying biological criteria (rather than delineating the project footprint by a hard-line). An additional 308 acres would be conserved outside of the City of Carlsbad's Subarea for impacts that would occur within the City's Subarea. Total conservation within the MHCP Subregional Preserve as a result of the City of Carlsbad's Subarea Plan/HMP is estimated to be 6,786 acres. The preserve within the City's Subarea would contain, at a minimum, the following habitats: Coastal sage scrub (2,139 acres), chaparral (676 acres), southern maritime chaparral (342 acres), grassland (707 acres), oak woodland (24 acres), eucalyptus woodland (99 acres), marsh (1,252 acres), riparian (494 acres), and other non-habitat lands (745 acres). In addition, the subregional MHCP and Subarea Plan/HMP include measures to avoid and minimize incidental take of the Covered Species, emphasizing project design modifications to protect both habitats and species' individuals. A monitoring and reporting plan would gauge the Plan's success based on achievement of biological species objectives and reserve design criteria, and would ensure that conservation keeps pace with open space conversion. The subregional MHCP and Subarea Plan/HMP also include adaptive management which allows for changes in the conservation program if the biological species objectives are not met, or new information becomes available to improve the efficacy of the MHCP's and HMP's conservation strategy.

If the Service approves the City of Carlsbad's Subarea Plan/HMP, and

issues an incidental take permit to the City of Carlsbad, the five percent limit on interim loss of coastal sage scrub, imposed as part of the Natural Community Conservation Planning Program and the special rule for the gnatcatcher, would be replaced by the conditions of the permit and the Implementing Agreement. Carlsbad would then exercise its land-use review and approval powers in accordance with the permit, Subarea Plan/HMP, and Implementing Agreement to implement the City of Carlsbad's Subarea Plan/HMP and assemble its preserve. The City would amend its General Plan to include the Subarea Plan/HMP as part of the Open Space and Conservation Element of the General Plan.

Additionally, the City of Carlsbad would use its local regulatory authority to create or modify ordinances to implement the City's Subarea Plan/HMP. Initially an urgency ordinance would be used to implement the plan, but ultimately a new Habitat Loss and Incidental Take (HLIT) ordinance would be created to implement the conservation and development standards contained in the Subarea Plan/HMP for those development projects outside of Covered Projects (*i.e.*, specific projects identified in the Subarea Plan/HMP that could be covered for incidental take pursuant to the proposed incidental take permit). The HLIT ordinance would also provide local regulations for narrow endemic species and wetlands. The City would also amend its existing Grading ordinance to provide regulations for clearing and grubbing of sensitive habitats and require compliance with the City's Subarea Plan/HMP prior to grading of sensitive habitat. Special standards would be applied to those areas of sensitive habitat within the designated Coastal Zone, pursuant to Carlsbad's certified Local Coastal Program.

#### Alternatives

The Draft EIS/EIR considered three alternatives in addition to the preferred alternative/proposed project described above: (1) A reduced preservation alternative; (2) an increased preservation alternative; and (3) a no project alternative.

Under the reduced preservation alternative, the preserve system would be similar to the proposed project; however, the preserve system would not include: Preservation of the 400 to 500 acres of contiguous coastal sage scrub in the coastal California gnatcatcher core area and the restoration of 338 acres of coastal sage scrub habitat throughout

the MHCP planning area. Overall, 19,928 acres (67 percent) of the habitat in the total MHCP study area would be conserved under this alternative.

Under the increased preservation alternative, all large contiguous areas of habitat, all areas supporting major and critical species populations or habitat areas, and all important functional linkages and movement corridors between them would be conserved. Approximately 83 percent of coastal sage scrub, 93 percent of chaparral, 95 percent of coastal sage/chaparral mix, and 100 percent of riparian and estuarine habitats would be conserved in the total MHCP study area. Overall, 24,565 acres (82 percent) of the habitat in the study area would be conserved under this alternative.

Under the no project alternative, only listed species and habitat occupied by such species would receive protection. It was estimated that conservation levels would include 19 percent of coastal sage scrub, 31 percent of chaparral, and 18 percent of coastal sage/chaparral mix within the MHCP study area. Overall, 8,989 acres (30 percent) of natural habitats in the study area would be conserved under this alternative.

#### **Purpose of Final EIS/EIR**

The analysis provided in the final EIS/EIR is intended to accomplish the following: Inform the public of the Service's proposed action; address public comments received on the draft MHCP EIS/EIR; disclose the direct, indirect, and cumulative environmental effects of our proposed action; and indicate any irreversible commitment of resources that would result from implementation of the proposed action. This notice is provided pursuant to section 10 of the Act and National Environmental Policy Act (1972) regulations (40 CFR 1506.6).

#### **Decision**

We will consider all comments received during the comment period. We also will evaluate the permit application and associated documents to determine whether the application meets the requirements of section 10(a) of the Act. If we determine that the requirements are met, we will issue an incidental take permit to the City of Carlsbad. Subsequent to this decision, we will publish a separate notice of the availability of our Record of Decision and other decision documents.

#### **D. Kenneth McDermond,**

*Deputy Manager, Region 1, California/Nevada Operations Office, Sacramento, California.*  
[FR Doc. 04-11875 Filed 6-3-04; 8:45 am]

**BILLING CODE 4310-55-P**

## **DEPARTMENT OF THE INTERIOR**

### **Minerals Management Service**

#### **Outer Continental Shelf (OCS), Central Planning Area, Oil and Gas Lease Sale 194 (2005)**

**AGENCY:** Minerals Management Service (MMS), Interior.

**ACTION:** Preparation of an environmental assessment.

**SUMMARY:** The MMS is beginning preparation of an environmental assessment (EA) for proposed Lease Sale 194 (scheduled for March 2005) in the Central Planning Area (CPA) of the Gulf of Mexico (GOM). The preparation of this EA is the first step in the decision process for Lease Sale 194. The proposal and alternatives for Lease Sale 194 were identified by the MMS Director in January 2002 following the Call for Information and Nominations/Notice of Intent to Prepare an Environmental Impact Statement (EIS) and were analyzed in the Final Environmental Impact Statement for Proposed Central Gulf of Mexico OCS Oil and Gas Lease Sales 185, 190, 194, 198, and 201, and Proposed Western Gulf of Mexico OCS Oil and Gas Lease Sales 187, 192, 196, and 200 (Final EIS). A CPA proposed action analyzed in the Final EIS was the offering of all available unleased acreage in the CPA. Three alternatives were analyzed: exclude blocks within 15 miles of Baldwin County, Alabama, coast; exclude blocks near biologically sensitive topographic features; and cancel the lease sale. The analysis in the EA will reexamine the potential environmental effects of the proposed action and its alternatives based on any new information regarding potential impacts and issues that were not available at the time the Final EIS was prepared.

**FOR FURTHER INFORMATION CONTACT:** Mr. Dennis Chew, Minerals Management Service, Gulf of Mexico OCS Region, 1201 Elmwood Park Boulevard, New Orleans, Louisiana 70123-2394. You may also contact Mr. Chew by telephone at (504) 736-2793.

**SUPPLEMENTARY INFORMATION:** In November 2002, MMS prepared a Final EIS that addressed nine proposed Federal actions that offer for lease areas on the GOM OCS that may contain economically recoverable oil and gas resources. Federal regulations allow for several related or similar proposals to be analyzed in one EIS (40 CFR 1502.4). Since each proposed lease sale and its projected activities are very similar each year for each planning area, a single EIS was prepared for the nine CPA and

Western Planning Area (WPA) lease sales scheduled in the Outer Continental Shelf Oil and Gas Leasing Program: 2002-2007 (the 5-Year Program). Under the 5-Year Program, five annual areawide lease sales are scheduled for the CPA (Lease Sales 185, 190, 194, 198, and 201) and five annual areawide lease sales are scheduled for the WPA (Lease Sales 184, 187, 192, 196, and 200). Lease Sale 184 was not addressed in the Final EIS; a separate EA was prepared for that proposal. The Final EIS addressed CPA Lease Sales 185, 190, 194, 198, and 201 scheduled for 2003, 2004, 2005, 2006, and 2007, respectively, and WPA Lease Sales 187, 192, 196, and 200 scheduled for 2003, 2004, 2005, and 2006, respectively. Although the Final EIS addresses nine proposed lease sales, at the completion of the EIS process, decisions were made only for proposed CPA Lease Sale 185 and proposed WPA Lease Sale 187. In the year prior to each subsequent proposed lease sale, an additional National Environmental Policy Act review will be conducted to address any new information relevant to that proposed action. After completion of the EA, MMS will determine whether to prepare a Finding of No New Significant Impact (FONNSI) or a Supplemental EIS. The MMS will then prepare and send Consistency Determinations (CD's) to the affected States to determine whether Lease Sale 194 is consistent with their federally-approved State coastal zone management programs. Finally, MMS will solicit comments via the Proposed Notice of Sale (PNOS) from the governors of the affected States on the size, timing, and location of Lease Sale 194. The tentative schedule for the pre-lease decision process for Lease Sale 194 is as follows: EA FONNSI or Supplemental EIS decision, October 2004; CD's sent to affected States, October 2004; PNOS sent to governors of the affected States, October 2004; Final Notice of Sale published in the **Federal Register**, February 2005; and Lease Sale 194, March 2005.

**Public Comments:** Federal, State, and local governmental agencies, and other interested parties are requested to send within 30 days of this Notice's publication comments regarding any new information or issues that should be addressed in the EA to the Regional Supervisor, Leasing and Environment (MS 5410), Gulf of Mexico OCS Region, Minerals Management Service, 1201 Elmwood Park Boulevard, New Orleans, Louisiana 70123-2394. Comments should be enclosed in an envelope labeled "Comments on CPA Lease Sale 194 EA." You may also send comments