

**DEPARTMENT OF TRANSPORTATION****Notice of Application for Certificates of Public Convenience and Necessity and Foreign Air Carrier Permits Filed Under Subpart Q During the Week Ending December 19, 1997**

The following Applications for Certificates of Public Convenience and Necessity and Foreign Air Carrier Permits were filed under Subpart Q of the Department of Transportation's Procedural Regulations (See 14 CFR 302.1701 et. seq.). The due date for Answers, Conforming Applications, or Motions to Modify Scope are set forth below for each application. Following the Answer period DOT may process the application by expedited procedures. Such procedures may consist of the adoption of a show-cause order, a tentative order, or in appropriate cases a final order without further proceedings.

*Docket Number:* OST-97-3270.

*Date Filed:* December 19, 1997.

*Due Date for Answers, Conforming Applications, or Motion to Modify Scope:* January 16, 1998.

*Description:* Application of WestJet Express Airlines, Inc., pursuant to 49 U.S.C., 41102 and Subpart Q of the Regulations, request a certificate of public convenience and necessity authorizing WestJet to engage in interstate charter air transportation of person, property and mail. WestJet also requests that this application be processed through the use of expedited non-hearing procedures, and that if possible, the Department proceed directly to a Final Order in this matter.

*Docket Number:* OST-97-3273.

*Date Filed:* December 19, 1997.

*Due Date for Answers, Conforming Applications, or Motion to Modify Scope:* January 16, 1998

*Description:* Application of Continental Airlines, Inc., pursuant to 49 U.S.C. 41108, 41102 and Subpart Q of the Regulations, applies for a certificate of public convenience and necessity authorizing Continental to provide scheduled foreign air transportation of persons, property and mail between Houston, Texas and Sao Paulo, Rio de Janeiro, Belo Horizonte, Brasilia, Curitiba and Porto Alegre, Brazil, and to combine this authority with Continental's other exemption and certificate authority consistent with applicable international agreements. Continental also asks for an allocation of the seven U.S.-Brazil combination frequencies which become available October 1, 1998, pursuant to the U.S.-

Brazil Memorandum of Consultations signed November 18, 1997.

**Paulette V. Twine,**

*Documentary Services.*

[FR Doc. 97-33903 Filed 12-29-97; 8:45 am]

BILLING CODE 4910-62-P

**DEPARTMENT OF TRANSPORTATION****National Highway Traffic Safety Administration**

**[Docket No. NHTSA-97-3268]**

**Panoz Auto Development Company; Receipt of Application for Second Renewal of Temporary Exemption From Federal Motor Vehicle Safety Standard No. 208**

Panoz Auto Development Company of Hoschton, GA., has applied for a second renewal of its exemption from paragraph S4.1.4 of Federal Motor Vehicle Safety Standard No. 208 *Occupant Crash Protection*. The basis of the reapplication is that compliance will cause substantial economic hardship to a manufacturer that has tried to comply with the standard in good faith.

This notice of receipt of an application for renewal is published in accordance with the requirements of 49 U.S.C. 30113(b)(2) and does not represent any judgment of the agency on the merits of the application.

Panoz received NHTSA Exemption No. 93-5 from S4.1.4 of Standard No. 208, an exemption for two years which was initially scheduled to expire August 1, 1995 (58 FR 43007). It applied for, and received, a renewal of this exemption for an additional two years, scheduled to expire on November 1, 1997 (61 FR 2866). On August 28, 1997, NHTSA received Panoz's application for second renewal, which was more than 60 days before the scheduled expiration date of its exemption. In accordance with 49 CFR 555.8(e), Panoz's filing of its application before the 60th day stays the expiration until the Administrator grants or denies the application for second renewal.

Panoz's original exemption was granted pursuant to the representation that its Roadster would be equipped with a Ford-supplied driver and passenger airbag system, and would comply with Standard No. 208 by April 5, 1995 after estimated expenditures of \$472,000. As of April 1993, the company had expended 750 man hours and \$15,000 on the project.

According to its 1995 application for renewal,

Panoz has continued the process of researching and developing the installation

of a driver and passenger side airbag system on the Roadster since the original exemption petition was submitted to NHTSA on April 5, 1993. To date, an estimated 1680 man-hours and approximately \$50,400 have been spent on this project.

At that time, Panoz used a 5.0L Ford Mustang GT engine and five speed manual transmission in its car. Because "the 1995 model year and associated emission components were revised by Ford", this caused

a delay in the implementation of the airbag system on the Roadster due to further research and development time requirements and expenditure of additional monies to evaluate the effects of these changes on the airbag adaptation program.

Shortly before filing its application for first renewal, Panoz learned that Ford was replacing the 5.0L engine and emission control system on the 1996 Mustang and other passenger cars with a modular 4.6L engine and associated emission components. The 1995 system did not meet 1996 On-Board Diagnostic emission control requirements, and Panoz was faced with using the 1996 engine and emission control system as a substitute. The majority of the money and man hours at that time had been spent on adapting an airbag system to the 5.0L engine car, and the applicant had to concentrate on adapting it to a 4.6L engine car. Panoz listed eight types of modifications and testing necessary for compliance that would cost it \$337,000 if compliance were required at the end of a one-year period. It asked for and received a two-year renewal of its exemption.

However, Panoz found integration of the 4.6L engine into its existing chassis more difficult than anticipated, primarily because the 4.6L was 10 inches wider than the engine it replaced. This required a total redesign of the chassis, requiring expenditure of "a significant amount of resources." Simultaneously, it designed the vehicle to allow for the integration of the Ford Mustang driver-side and passenger-side airbag systems. Panoz describes these steps in some detail and estimates that between May 1995 and August 1997 it spent 2200 man-hours and \$66,000 on these efforts. In the same time period, it spent \$47,000 in static and dynamic crash testing of a 4.6L car related to airbag system development. Panoz concludes by describing the additional modifications and testing required to adapt the Ford system to its car. These costs total \$358,000. A two-year renewal of its exemption would provide sufficient time to generate sufficient income (approximately \$15,000 a month through sales of vehicles and private

funding) to fund the modifications and testing.

Panoz sold 13 cars in 1993 and 13 more in 1994. It did not state its sales in 1995. Because of the effort needed to meet Federal emission and safety requirements, Panoz did not build any 1996 model year vehicles. It reports sales of 23 model year 1997 vehicles in the 12 months preceding its application for second renewal. At the time of its original petition, Panoz's cumulative net losses since incorporation in 1989 were \$1,265,176. It lost an additional \$249,478 in 1993, \$169,713 in 1994, \$721,282 in 1995, and \$1,349,241 in 1996.

The applicant reiterated its original arguments that an exemption would be in the public interest and consistent with the objectives of traffic safety. Specifically, the Roadster is built in the United States and uses 100 percent U.S. components, bought from Ford and approximately 80 other companies. It provides employment for 45 full time and three part time employees. The Roadster is said to provide the public with a classic alternative to current production vehicles. It is the only vehicle that incorporates "molded aluminum body panels for the entire car", a process which continues to be evaluated by other manufacturers and which "results in the reduction of overall vehicle weight, improved fuel efficiency, shortened tooling lead times, and increased body strength." With the exception of S4.1.4 of Standard No. 208, the Roadster meets all other Federal motor vehicle safety standards including the 1997 side impact provisions of Standard No. 214.

Interested persons are invited to submit comments on the application described above. Comments should refer to the docket number and the notice number, and be submitted to: Docket Section, National Highway Traffic Safety Administration, room 5109, 400 Seventh Street, SW, Washington, DC 20590. It is requested but not required that 10 copies be submitted.

All comments received before the close of business on the comment closing date indicated below will be considered, and will be available for examination in the docket at the above address both before and after that date. To the extent possible, comments filed after the closing date will also be considered. Notice of final action on the application will be published in the **Federal Register** pursuant to the authority indicated below. Comment closing date: January 29, 1998.

(49 U.S.C. 30113; delegations of authority at 49 CFR 1.50. and 501.8)

Issued on December 23, 1997.

**L. Robert Shelton,**

*Associate Administrator for Safety Performance Standards.*

[FR Doc. 97-33954 Filed 12-29-97; 8:45 am]

BILLING CODE 4910-59-P

## DEPARTMENT OF TRANSPORTATION

### Research and Special Programs Administration (RSPA), DOT

[Docket No. RSPA-97-3224; Notice 10]

#### Pipeline Safety: Intent To Approve Shell Pipe Line Corporation for the Pipeline Risk Management Demonstration Program

AGENCY: Office of Pipeline Safety, DOT.

ACTION: Notice.

**SUMMARY:** The Research and Special Programs Administration's (RSPA) Office of Pipeline Safety (OPS) plans to approve Shell Pipe Line Corporation (SPLC) as a participant in the Pipeline Risk Management Demonstration Program. OPS believes the SPLC demonstration project will provide superior safety by applying numerous risk control measures which exceed regulatory requirements, including increased right-of-way surveillance; smart pig inspections; close interval cathodic protection surveys; enhanced communications with One-Call, excavators, and the public; additional overpressure protection; and selected depth-of-cover surveys. This notice explains OPS's rationale for approving this project, and summarizes the demonstration project provisions (including affected locations, risk control and monitoring activities, and regulatory exemptions) that would go into effect once OPS issues an order approving SPLC as a Demonstration Program participant. OPS seeks public comment on the proposed demonstration project so that it may consider and address these comments before approving the project. The SPLC demonstration project is the first of several projects OPS plans to approve and monitor in assessing risk management as a component of the Federal pipeline safety regulatory program.

**ADDRESSES:** OPS requests that comments to this notice be submitted on or before February 4, 1998, so they can be considered before project approval. However, comments on this or any other demonstration project will be accepted in the Docket throughout the 4-year demonstration period. Comments should be sent to the Dockets Facility, U.S. Department of Transportation,

Plaza 401, 400 Seventh Street, SW, Washington, DC 20590-0001, or you can E-Mail your comments to ops.comments@rspa.dot.gov. Comments should identify the docket number RSPA-97-3224. Persons should submit the original comment document and one (1) copy. Persons wishing to receive confirmation of receipt of their comments must include a self-addressed stamped postcard. The Dockets Facility is located on the plaza level of the Nassif Building in Room 401, 400 Seventh Street, SW, Washington, DC. The Dockets Facility is open from 10:00 a.m. to 5:00 p.m., Monday through Friday, except on Federal holidays.

**FOR FURTHER INFORMATION CONTACT:** Elizabeth Callsen, OPS, (202) 366-4572, regarding the subject matter of this notice. Contact the Dockets Unit, (202) 366-5046, for docket material.

#### SUPPLEMENTARY INFORMATION:

##### 1. Background

The Office of Pipeline Safety (OPS) is the federal regulatory body overseeing pipeline safety. As a critical component of its mandate, OPS administers and enforces a broad range of regulations governing safety of pipelines and environmental protection. These regulations have contributed to a good pipeline industry safety record by ensuring that risks associated with pipeline design, construction, operations, and maintenance are understood, managed, and reduced.

Preserving and improving this safety record is OPS's top priority. On the basis of extensive research, and the experience of both government and industry, OPS believes that a risk management approach, properly implemented and monitored through a formal risk management regulatory framework, offers opportunities to achieve:

- (1) Superior safety and environmental protection;
- (2) Increased efficiency and service reliability of pipeline operations; and
- (3) Improved communication and dialogue among industry, the government, and other stakeholders.

A key benefit of this approach is the opportunity for greater levels of public participation.

As authorized by Congress, OPS is conducting a structured Demonstration Program to evaluate the use of a comprehensive risk management approach in the operations and regulation of interstate pipeline facilities. This evaluation will be performed under strictly controlled conditions through a set of demonstration projects to be conducted