

In accordance with revised 49 U.S.C. 31315 and 31136(e), Mr. Durham's exemption will be valid for 2 years unless revoked earlier by the OMCS. The exemption will be revoked if (1) he fails to comply with the terms and conditions of the exemption; (2) the exemption has resulted in a lower level of safety than was maintained before it was granted; or (3) continuation of the exemption would not be consistent with the goals and objectives of 49 U.S.C. 31315 and 31136(e). If the exemption is still effective at the end of the 2-year period, Mr. Durham may apply to the OMCS for a renewal under procedures in effect at the time.

Authority: 49 U.S.C. 322, 31315 and 31136; 49 CFR 1.73.

Issued on: December 6, 1999.

Brian M. McLaughlin,

*Director of Policy and Program Management,
Office of Motor Carrier Safety.*

[FR Doc. 99-32104 Filed 12-10-99; 8:45 am]

BILLING CODE 4910-22-M

DEPARTMENT OF TRANSPORTATION

Research and Special Programs Administration

[Docket No. RSPA-99-5143, Notice No. 99-15]

Safety Advisory: Unauthorized Marking of Compressed Gas Cylinders

AGENCY: Research and Special Programs Administration (RSPA), DOT.

ACTION: Safety advisory notice.

SUMMARY: This is to notify the public that high-pressure, compressed gas cylinders were marked but may not have been tested by Fire Extinguisher Sales & Service (FESS), 1100 Weimer Road, Bloomington, Indiana. Those cylinders may pose a safety risk to the public. During a September 28, 1998 compliance inspection, RSPA determined that FESS had marked an undetermined number of cylinders as having been properly retested in accordance with the Hazardous Materials Regulations (HMR) without retesting the cylinders. In addition, RSPA determined that FESS had marked cylinders as tested in accordance with the HMR without holding a Retester Identification Number (RIN) issued by RSPA.

A hydrostatic retest and visual inspection, conducted as prescribed in the HMR, are used to verify the structural integrity of a cylinder. If the hydrostatic retest and visual inspection are not performed in accordance with the HMR, a cylinder with compromised structural integrity may be returned to

service when it should be condemned. Serious personal injury, death, or property damage could result from rupture of a cylinder. Cylinders that have not been retested in accordance with the HMR may not be charged or filled with compressed gas or other hazardous material.

FOR FURTHER INFORMATION CONTACT:

Guadalupe Castellanos, Hazardous Materials Enforcement Specialist, Central Region, Office of Hazardous Materials Enforcement, Research and Special Programs Administration, US Department of Transportation, 2350 East Devon Avenue, Suite 136, Des Plaines, IL 60018. Telephone: (847) 294-8580, (847) 294-8590 fax.

SUPPLEMENTARY INFORMATION: Based on its inspection, RSPA learned from FESS that it had been servicing cylinders without holding a RIN for nearly 30 years. Furthermore, the condition of the equipment at the time of inspection indicated that it had not been used by FESS to hydrostatically test cylinders for quite some time. FESS indicated in a written statement to RSPA that it had represented cylinders as properly tested when no tests had been performed. Because FESS failed to maintain accurate records of retest and reinspection, it is impossible to determine the number of cylinders that FESS has marked without retesting or retested without a RIN. These cylinders may pose a safety risk to the public.

Cylinders serviced by FESS prior to November 23, 1998, are marked on their shoulders with the letters "M" and "L" separating the month and year of the alleged hydrostatic retest. For example:

M
5 98
L

Anyone who has a cylinder that was last serviced by FESS or marked with an "M" and "L" should consider the retest marking invalid and should not refill and offer the cylinder for transportation until it has been successfully retested.

It is further recommended that persons finding or possessing cylinders described in this safety notice contact Ms. Guadalupe Castellanos for additional information.

Issued in Washington, DC on December 8, 1999.

Robert A. McGuire,

*Deputy Associate Administrator for
Hazardous Materials Safety.*

[FR Doc. 99-32202 Filed 12-10-99; 8:45 am]

BILLING CODE 4910-60-P

DEPARTMENT OF TRANSPORTATION

Research and Special Programs Administration

[Docket No. RSPA-99-4523; Notice 2]

Pipeline Safety: Candidates for System Integrity Inspection Pilot Program

AGENCY: Office of Pipeline Safety, DOT.

ACTION: Notice.

SUMMARY: The Office of Pipeline Safety (OPS) has completed an initial screening of three candidate companies for the System Integrity Inspection (SII) Pilot Program. They are Conoco Pipe Line Company, El Paso Natural Gas Company, and Portland Pipe Line Corporation. OPS believes these companies' SII project proposals satisfy the established eligibility and screening criteria, based on a review of each company's Application Letter and safety and compliance record. OPS is beginning discussions with these companies to explore their proposed SII projects in more detail. Before making its final selection of SII Pilot Program participants, OPS invites public comment on any aspect of a candidate company's participation in the SII Pilot Program. OPS will consider this feedback in the final selection of SII Pilot Program companies. OPS may later screen additional candidate companies, and will publish summaries of their proposals in subsequent **Federal Register** Notices.

The appendix to this notice provides information on how OPS will examine the management processes each company employs for conducting and documenting internal audits for regulatory compliance.

DATES: OPS requests that comments to this Notice be submitted on or before February 11, 2000, so that public input can be fully considered before OPS selects qualified SII Pilot Program participants.

ADDRESSES: You may submit written comments to the Dockets Facility, U.S. Department of Transportation, Plaza 401, 400 Seventh Street, SW., Washington, DC 20590-0001. Comments should identify the docket number RSPA-99-4523. Submit the original comment document and one (1) copy. If you wish to receive confirmation of receipt of your comments, you 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 a.m. to 5 p.m., Monday

through Friday, except on Federal holidays. You may also submit comments to the docket electronically. To do so, log on to the Dockets Management System web site at <http://dms.dot.gov>. Click on Help & Information to obtain instructions for filing a document electronically.

FOR FURTHER INFORMATION CONTACT:

Donald Moore (816) 426-2654 or any of the five OPS Regional Directors: William Gute (202) 366-4580, Frederick Joyner (404) 562-3530, Ivan Huntoon (816) 426-2654, Rodrick Seeley (713) 718-3746, or Christopher Hoidal (303) 231-5701. Contact the Dockets Unit, (202) 366-5046, for docket material.

SUPPLEMENTARY INFORMATION:

I. Background

The Office of Pipeline Safety (OPS) is in the process of improving its regulatory programs to assure greater levels of safety, environmental protection, and service reliability. An important part of this effort is re-examining the approach OPS uses to inspect interstate pipeline operators and searching for more effective processes. Traditionally, OPS inspections have focused on ensuring compliance with applicable pipeline safety regulations. While this focused approach assures that operators are complying with all regulatory requirements, it may not be the most effective approach to improving safety.

The System Integrity Inspection (SII) Pilot Program is designed to test whether a more broad-based examination of an operator's safety and pipeline integrity programs, including many areas not currently considered during a typical inspection, will improve performance. Although OPS will continue to require an operator's compliance with the pipeline safety regulations, under the SII approach, an SII Team (composed of OPS and interstate agency personnel) will work cooperatively with the operator to address pipeline system integrity issues, including areas that the regulations may not address. To ensure continued pipeline safety regulatory compliance, a participating operator must conduct comprehensive internal audits for compliance that will be subject to external verification by OPS. To be accepted into the program, the candidate company must demonstrate that:

- A formal internal audit process is in place;
- Internal audits are regularly conducted;
- Audit findings are documented and communicated;

- Corrective actions to address audit findings are defined and implemented; and
- Corrective action status is tracked and communicated.

After a company is accepted into the SII Pilot Program, the SII Team will verify internal audit records and field performance to ensure that the company is effectively implementing its internal audit process. The Appendix to the notice describes the approach OPS will use for conducting this verification.

This enhancement of current inspection practices will improve communication and information sharing between operators and the government, and focus management attention and resources on the most important risks to pipeline safety. After reasonable experience with the pilot, OPS will determine whether and in what form the SII approach should be incorporated into the Federal pipeline safety program on a permanent basis.

The Notice "Pipeline Safety: Request for System Integrity Inspection Pilot Program Applications" (63 FR 68819) published on December 14, 1998, announced the initiation of the SII Pilot Program, and requested that operators interested in participating in this program submit Application Letters to OPS. The Notice also described the SII Pilot Program, and the process to select operators for this program.

OPS has completed an initial screening of three candidate companies for the SII Pilot Program: Conoco Pipe Line Company, El Paso Natural Gas Company, and Portland Pipe Line Corporation. OPS believes these companies' SII project proposals satisfy the eligibility and screening criteria delineated in the December Federal Register Notice, based on a review of each company's Application Letter and safety and compliance record. OPS has begun discussion with these companies to better understand their proposed SII projects. These discussions will focus on:

- Operating history and a more detailed description of the pipeline system proposed for the SII Pilot Program.
- Internal audit program and processes the operator uses to ensure regulatory compliance.
- System integrity activities, processes, and programs the operator uses to monitor, maintain, and improve pipeline integrity, including programs that exceed regulatory requirements in addressing potential safety and environmental threats from system operation.
- Management processes used to identify and prioritize the most

significant threats to pipeline integrity, and how maintenance and capital projects are identified, prioritized, and implemented to address these threats.

- New technologies, or innovative applications of existing technologies, to improve operation and enhance safety and environmental performance.

- Performance measures to assure that a company's integrity management program is effective, including indicators of the company's understanding of pipeline system-wide condition, familiarity with and implementation of risk assessment and risk control approaches, integration and communication of system integrity-related information, effectiveness of its internal audit program and processes, performance assessment, feedback and results orientation, and visibility of company management commitment to safety.

Before making its final selection of SII Pilot Program participants, OPS invites public comment on any aspect of a candidate company's participation in the SII Pilot Program. Each company's Application Letter is available via an internet-accessible information system that can be reached through the OPS web site at <http://ops.dot.gov>. OPS will also consult with eligible state pipeline safety agencies from the states affected¹ by a proposed SII project. This feedback will be considered in the final selection of SII Pilot Program companies.

OPS may screen additional SII Pilot Program candidates in the near future. Summaries of their application letters will be published in subsequent **Federal Register** Notices.

II. Application Letter Summaries

Each of three pipeline operators identified in this notice submitted an Application Letter to the SII Pilot Program. In these letters, senior management committed to improving the safety and environmental performance of its operations, and to the SII approach as a means of furthering that objective. These companies have committed to work with OPS, openly discussing and sharing information on integrity issues that might not be fully addressed through the traditional inspection process. The letters also summarized each company's internal audit process for assuring compliance, and its system integrity program that goes beyond the minimum regulatory requirements to address potential risks to its pipeline system. In discussions

¹ "Affected states" means states through which the pipeline system proposed for the SII Pilot Program passes. An eligible state pipeline safety agency is one that has active Interstate Agent status.

with each company, OPS intends to explore these programs in more detail to be sure they will support a meaningful demonstration of the SII approach. The remainder of this section describes the pipeline systems proposed for the SII Pilot Program.

1. **Conoco Pipeline Company** (Conoco): Conoco is proposing a total of 2,610 pipeline miles in nine different pipeline systems for the SII Pilot Program. A summary description of each system follows.

Glacier Pipeline System: The Glacier System transports crude oil from the U.S.-Canadian border near Carway, Alberta, to several locations in Montana. The system is composed of 8-inch, 10-inch, and 12-inch diameter mainlines, and several lateral lines that deliver oil to refineries in Billings and Laurel, Montana, and tank storage areas. The Glacier system also consists of an 8-inch diameter line that transports crude oil from Byron, Wyoming, to Laurel and Billings, Montana. The total pipeline system mileage is approximately 775 miles, located in Montana and Wyoming.

Yellowstone Pipe Line Company: The Yellowstone system delivers refined petroleum products through a 10-inch diameter mainline and two 6-inch diameter spurs. The mainline provides products from the refineries in Billings, Montana, to terminals in Bozeman, Helena, and Missoula, Montana, and Spokane, Washington. The Moses Lake spur connects Moses Lake, Washington, and Spokane. This spur includes delivery stations at Fairchild Air Force Base and Geiger International Airport. The Great Falls spur extends from Helena to Great Falls, Montana. The total pipeline system mileage is approximately 742 miles, located in Montana, Idaho, and Washington.

Seminole Pipeline System: The Seminole system is located in Montana and Wyoming. The Seminole system consists of an 8-inch diameter refined products line extending 335 miles from Billings, Montana, to Sinclair, Wyoming. The system passes through Casper, Wyoming, where interim storage tanks are located.

Pioneer Pipe Line Company: The Pioneer system is located in Wyoming and Utah. The Pioneer system consists of an 8-inch diameter refined products pipeline, which extends 291 miles from Sinclair, Wyoming, to Salt Lake City, Utah. Refined products are delivered to Conoco's Rock Springs, Wyoming, product terminal and to Salt Lake Terminal Company's North Salt Lake tank storage facility.

Rocky Mountain Pipeline System: The Rocky Mountain system is a crude oil

system located in Wyoming and Colorado. This 288-mile system originates at Lance Creek, Wyoming, where it receives crude oil from various other pipeline companies and gathering systems. The system passes through Guernsey, Wyoming, and on to Cheyenne, Wyoming, transporting oil in 8-inch and 10-inch diameter lines. At Cheyenne, the oil is delivered to a refinery or to breakout tanks, where it is subsequently transported to Denver, Colorado, via a 10-inch diameter line.

Centennial Pipeline System: The Centennial system transports crude oil via a 12-inch diameter pipeline from Guernsey to Cheyenne. This 82-mile system is located entirely in Wyoming.

Cheyenne Products Pipeline System: The Cheyenne system is a 6-inch diameter refined products line that extends 105 miles from Cheyenne, Wyoming, to Sidney, Nebraska.

DIA Jet Fuel Pipeline System: This system transports commercial jet fuel from Conoco's Denver refinery to the Chase Pipe Line terminal that services Denver International Airport. The system consists of 8-inch, 6-inch, and 4-inch diameter lines totaling approximately 7.5 miles.

Denver Diesel Pipeline System: This system is a 4-inch, 2.75-mile pipeline that transports diesel fuel from Conoco's Denver refinery to the Union Pacific Railroad tank farm.

2. **El Paso Natural Gas Company** (El Paso): El Paso is proposing to include two interstate natural gas pipelines in the SII Pilot Program. These systems collectively comprise over 10,000 miles of pipeline and are powered by 58 compressor stations.

El Paso Natural Gas System: The El Paso system provides interstate gas transmission services from the major producing regions in West Texas, New Mexico, Colorado, and Oklahoma to industrial end-user customers and to local natural gas distribution companies in California, Nevada, Arizona, New Mexico, Texas, and northern Mexico. The approximately 9,870-mile system is located in Arizona, Colorado, New Mexico, Oklahoma, and Texas.

Mojave Pipeline Operating Company: The Mojave system connects the Bakersfield, California, area with northwest Arizona, providing natural gas to industrial users and distribution companies in California. This 362-mile system is located almost entirely in California with a compressor station just east of the Colorado River in Arizona.

1. **Portland Pipe Line Corporation** (Portland): Portland Pipe Line Corporation, along with Montreal Pipe Line Limited, comprise the Portland-Montreal Pipe Line System. This system

transports crude oil from South Portland, Maine, to Montreal East, Quebec. Portland owns the portion of this system that is located in the United States, and is proposing these facilities for the SII Pilot Program. The Portland portion of the system has 18-inch and 24-inch diameter pipelines laid side-by-side in the same right-of-way. Together these lines comprise 332 pipeline miles traversing the states of Maine, New Hampshire, and Vermont. The systems enter Canada near Highwater, Quebec. The Portland system has a tanker unloading terminal and tank farm at South Portland, Maine.

III. Information Available to the Public

The **Federal Register** Notice, "Pipeline Safety: Request for System Integrity Inspection Pilot Program Applications" describes the SII approach that will be evaluated during the Pilot Program. In addition, OPS provides current information on the SII Pilot Program through a web site that can be reached via the OPS home page at <http://ops.dot.gov>. This web site contains descriptive information about the SII Pilot Program, frequently asked questions and answers, and access to program-related documents. OPS will announce its selections of SII Pilot Program participants through the web site. After selection, information on a company's performance will be available through this site. The SII web site also supports OPS's on-going communication and outreach efforts by providing an opportunity for the public to communicate directly to OPS using the "Feedback" feature on the web site. OPS welcomes comments and input throughout the SII Pilot Program.

Issued in Washington, DC, on December 7, 1999.

Stacey L. Gerard,

Director, Policy, Regulations and Training.

Appendix A—Internal Audit Program Review

An essential element of the SII Pilot Program approach is the operator's internal program for conducting assessments to ensure compliance with pipeline safety regulations. During the SII Pilot Program, standard inspections for compliance with the Federal pipeline safety regulations will not be conducted on the operator's system. Instead, the operator must conduct regular internal audits on its system to ensure compliance with applicable regulatory requirements. OPS will then verify the operator's internal audits during the annual SII Team reviews.

For this approach to be successful, it is imperative that the operator have a formal, comprehensive, and effective internal audit program. After an operator is accepted into the SII Pilot Program, the SII Team will

review its internal audit program to confirm that it ensures compliance with the pipeline safety regulations. During this review, the SII Team will examine the company's management processes for conducting and documenting internal audits, and will check records and facilities to confirm that the program is effective.

This appendix describes the key elements of the SII Team's internal audit program review. It is divided into three sections. The first section deals with review of the internal audit program and processes; the second part discusses field verification of performance; and the final section describes the summary report documenting the internal audit program review.

A.1 Internal Audit Program Review

Prior to conducting the on-site internal audit review, the SII Team members will review the operator's safety and environmental performance history, its compliance record, and the key facility and pipeline system design features. This will assure that the Team members are well-informed when they arrive at the company's offices so the review can quickly focus on the internal audit program and its documentation. This advance preparation will include:

- Reviewing recent compliance history as documented in Safety-Related Condition Reports, Annual Reports (for gas operators), compliance actions, documentation and findings from recent OPS or interstate agent inspections, and any accident/incident documentation.
- Reviewing the Federal Emergency Management Agency (FEMA) hazard index and other information sources to identify geographic or environmental areas of special concern.
- Reviewing the results of the joint Operations and Maintenance Manual Review, and how the company has addressed any findings from this review.
- Obtaining information from OPS inspectors, interstate agents from affected states, Regional Directors, and OPS Headquarters Program Directors on:
 - ▶ Company program strengths and innovative approaches to internal evaluation;
 - ▶ Use of technology to support internal evaluation;
 - ▶ Recurring areas of concern identified during inspections and receptiveness to OPS/interstate agent recommendations to address these issues;
 - ▶ Lessons learned and actions taken following leaks, incidents, or other abnormal operational events; and
 - ▶ State, local, or regional issues, and any public complaints.

The on-site review of the operator's internal audit program will involve an examination of the company's internal audit program documentation and records, as well as interviews with key management personnel responsible for implementation of the process. While the specific SII Team review activities will be tailored for the company's management system and tools, the major activities are expected to include:

- Reviewing formal documentation of the operator's internal audit program. This

includes the policies, procedures, guidelines, and manuals that describe how the company conducts its program. In examining this documentation, the SII Team will look for the following elements:

- ▶ A description of a comprehensive process assuring the company critically examines the operations for compliance with Federal pipeline safety regulations. This process should also include:
 - Conducting internal audits,
 - Documenting and communicating internal audit findings,
 - Defining corrective actions to address audit findings,
 - Reviewing, approving, and authorizing corrective actions to address findings,
 - Tracking and communicating the status of corrective actions,
 - Ensuring timely and successful completion of corrective actions, and closing out original audit findings,
 - Documenting and communicating internal audit results to appropriate company management and personnel,
 - Establishing the schedule by which systems or portions of systems are to be audited (based on risk, past performance, and previous audit results),
 - Obtaining regulatory interpretation on potential compliance issues,
 - Ensuring that new regulatory requirements are implemented appropriately and consistently, and
 - Developing and updating the company's internal audit program documentation and procedures.
- ▶ A delineation of the roles, responsibilities, and authority for each of these internal audit activities.
- ▶ Training for the company's audit personnel.
- ▶ A schedule identifying which systems (or portions of systems) will be audited in the near-term, and the frequency at which all systems are evaluated for regulatory compliance.
- ▶ A description of the internal audit records and documentation that are prepared, and their management review and retention requirements.
- ▶ A management review process that periodically evaluates the suitability, adequacy, and effectiveness of the company's internal auditing process, and the need for improvements to the internal auditing policies, process, or procedures.
- ▶ Performance measures used by the company to understand, evaluate, and communicate their regulatory compliance status, and the effectiveness of their internal audit program.
- Interviewing key personnel involved in implementing the operator's internal audit process, including the managers responsible for the internal audit program as well as personnel who actually perform internal audits. The purpose of these discussions is to understand how the operator actually implements the internal audit process described in the company's program documentation.
- Meeting with company management to understand the level of management support and awareness of the internal audit process. These discussions will also address how the

results of the audits are communicated and used in the company.

- Reviewing representative records documenting the internal audit process, such as:

- ▶ Completed checklists,
- ▶ Compliance tracking software output,
- ▶ Internal audit reports,
- ▶ Management summary reports,
- ▶ Corrective action tracking database output,
- ▶ Corrective action status reports,
- ▶ Transmittal letters communicating findings and action items to appropriate personnel, and
- ▶ Company reports documenting management review of the internal audit process and recommended improvements.

- Reviewing the results of internal company evaluations of the effectiveness of its internal audit process. This will help the SII Team understand how the company has evolved and improved its internal audit program.

Exhibit A of the **Federal Register** Notice announcing the SII Pilot Program (63 FR 68819) delineates some key internal audit process features that the SII Team will be considering in conducting the activities listed above.

A.2 Internal Audit Field Validation

After the review of the operator's internal audit program, processes, and documentation, the SII Team will conduct field validation checks. These validation checks will confirm that the operator is in compliance, and that the operator's internal audit program has been effective in identifying and correcting any noncompliance situations. These field validation checks will serve to further verify the effective implementation of the internal audit process.

The selection of field inspection sites will consider the operator's internal audit findings and exceptions, system performance data, and accident/incident information. Where possible, the SII Team will perform an integrated review of information from a variety of sources (e.g., internal inspection results, close interval surveys, leak history, and other observed conditions) in selecting field validation check sites. Portions of the system that are crucial for public and environmental protection and operations reliability will be given special emphasis by OPS in selecting field validation sites. In addition, OPS has also identified several specific areas that will be given high priority in field validation site selection:

- Pipe in, across, or over bridges, streams, national parks, wild and scenic rivers, cultural areas, populated areas, wetlands, environmentally sensitive areas, large reservoirs and aquifers with water for human consumption, high hazard and high consequence areas (as identified in FEMA reports);
- Pipe at supports;
- Locations with marginal cathodic potential readings, including those identified during close interval surveys, or areas where disbonded coating is suspect;
- Right-of-way locations where there may be localized issues or areas of unique interest identified in patrolling records;

- Locations with anomalous or unusual SCADA system output;
- Locations with ongoing operation/maintenance (e.g., re-coating, lowering in-service lines, or pipe replacement activities);
- Rehabilitation projects, condition of rehabilitated pipe and coatings;
- Class location change sites; and
- Overpressure device settings.

During the field validation checks, the SII Team will examine records, equipment used to transport and treat the product, and other evidence to confirm compliance. The Team will also interview selected field personnel to give the Team a practical perspective from which to review field records and other evidence. These discussions will also help the SII Team understand how well the company's internal audit process is institutionalized, and the operator's commitment to compliance.

A.3 Summary Report

After the SII Team has completed the internal audit program review and the field validation checks, the Team will prepare a summary report. This summary report will contain the SII Team's observations on the operator's internal audit program and processes, as well as on the effectiveness of this program in achieving compliance. The report will document the positive features of the company's internal audit program and any areas that need improvement. If the SII Team and the operator have agreed upon specific internal audit programmatic improvements that must be made, these improvements will be articulated in the report, as well as a schedule for their completion. If any compliance issues are discovered during the review, the resolution of those issues will be included in this report.

[FR Doc. 99-32203 Filed 12-10-99; 8:45 am]
BILLING CODE 4910-60-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 33815]

Maryland and Pennsylvania Railroad Company and Yorkrail, Inc.— Intracorporate Family Transaction Exemption

Emons Transportation Group, Inc. (Emons), Emons Railroad Group, Inc. (Emons Rail), Maryland and Pennsylvania Railroad Company (MPA), Yorkrail, Inc. (YKR), Maryland and Pennsylvania Railroad, LLC (M&P LLC) and Yorkrail, LLC (Yorkrail LLC) have filed a verified notice of exemption. The exempt transaction involves the merger of MPA and YKR into the newly formed York Railway Company (York), with York as the successor corporation.¹

¹ MPA and YKR are two connecting Class III carriers operating in the State of Pennsylvania. York will be a wholly owned subsidiary of Emons Rail,

Certain physical assets of MPA and YKR will be transferred to, respectively, M&P LLC and Yorkrail LLC, two newly formed limited liability companies.²

The transaction was expected to be consummated on December 1, 1999.

The merger of MPA and YKR is intended to simplify

Emons' corporate structure, streamline accounting, finance and management functions, and facilitate improvements in the operational efficiency of Emons' rail holdings. The creation of M&P LLC and Yorkrail LLC will preserve certain favorable financing and funding arrangements available to Emons.

This is a transaction within a corporate family of the type specifically exempted from prior review and approval under 49 CFR 1180.2(d)(3). The parties state that the transaction will not result in adverse changes in service levels, significant operational changes, or a change in the competitive balance with carriers outside the corporate family.

Under 49 U.S.C. 10502(g), the Board may not use its exemption authority to relieve a rail carrier of its statutory obligation to protect the interests of its employees. Section 11326(c), however, does not provide for labor protection for transactions under sections 11324 and 11325 that involve only Class III rail carriers. Because this transaction involves Class III rail carriers only, the Board, under the statute, may not impose labor protective conditions for this transaction.

If the verified notice contains false or misleading information, the exemption is void *ab initio*. Petitions to reopen the proceeding to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to reopen will not automatically stay the transaction.

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 33815, must be filed with the Surface Transportation Board, Office of the Secretary, Case Control Unit, 1925 K Street, NW, Washington, DC 20423-0001. In addition, a copy of each pleading must be served on Thomas J. Litwiler, Esq., Oppenheimer Wolff Donnelly (Illinois), Two Prudential Plaza, 45th Floor, 180 North Stetson Avenue, Chicago, IL 60601-6710.

which in turn is a wholly owned subsidiary of Emons. York will assume all rail operations of MPA and YKR.

² M&P LLC and Yorkrail LLC will be controlled exclusively by York. M&P LLC and Yorkrail LLC will not conduct rail operations but will assume common carrier status by virtue of their ownership of the underlying rail assets that York will operate.

Board decisions and notices are available on our website at "WWW.STB.DOT.GOV."

Decided: December 6, 1999.

By the Board, David M. Konschnik,
Director, Office of Proceedings.

Vernon A. Williams,
Secretary.

[FR Doc. 99-32213 Filed 12-10-99; 8:45 am]

BILLING CODE 4915-00-P

DEPARTMENT OF THE TREASURY

Customs Service

[T.D. 99-92]

Extension of Customs Approval as a Commercial Gauger and Customs Accreditation as a Commercial Laboratory for Saybolt, Inc.

AGENCY: U.S. Customs Service,
Department of the Treasury.

ACTION: Notice of extension of approval as a commercial gauger and extension of accreditation as a commercial laboratory for Saybolt, Incorporated.

SUMMARY: Saybolt Inc. of Houston, Texas, an approved Customs gauger and accredited laboratory, has applied to U.S. Customs to extend its approval to gauge petroleum and petroleum products under § 151.13 of the Customs Regulations (19 CFR 151.13) and to extend its accreditation as a commercial laboratory under § 151.12 of the Customs Regulations (19 CFR 151.13) to their Tampa, Florida facility. Customs has determined that this office meets all of the requirements necessary for approval as a commercial gauger and accreditation as a commercial laboratory. Therefore, in accordance with § 151.13 of the Customs Regulations Saybolt Inc., of Tampa, Florida is approved to gauge the products named above in all Customs ports. Additionally, in accordance with § 151.12 of the Customs Regulations Saybolt Inc. of Tampa, Florida is granted accreditation to perform the following analysis: API Gravity; Distillation; Reid Vapor Pressure; Viscosity; Sediment by Extraction and Percent by Weight of Sulfur.

LOCATION: Incorporated approved site is located at: 1501 Delmar B. Drawdy Drive, Tampa, Florida, 33605.

EFFECTIVE DATE: September 6, 1999.

FOR FURTHER INFORMATION CONTACT: Michael Parker, Science Officer, Laboratories and Scientific Services, U.S. Customs Service, 1300 Pennsylvania Avenue, NW, Suite 1500 North, Washington, D.C. 20229 at (202) 927-1060.