

requirements and thus provide a higher level of public protection than exists today.

B. Offers a good opportunity to evaluate risk management as a component of the Federal pipeline safety regulatory program. OPS believes the Demonstration Program could benefit from SPLC's participation, given some of the distinguishing features of its proposed demonstration project, including:

- Comprehensive evaluation of two distinctly different pipeline systems transporting different products, in different locations with substantially different surroundings, representing significantly different risks;
- Emphasis on improving damage prevention and emergency response coordination;
- Concentrated public outreach and risk communications efforts;
- A good illustration (on the Texas-Louisiana line) of how companies can use risk management to improve safety without seeking to reduce costs incurred by existing regulations;
- Willingness to share information with OPS and state pipeline safety agencies on the specific risks associated with the demonstration line segments, as well as its risk management program and processes (which is far more information than is typically provided in the existing compliance process). This additional information allows OPS to more effectively ensure safe operation, as well as helps OPS understand how risk management might be employed to supplement the existing regulatory framework; and
- Systematic allocation of resources to potentially higher-risk operations.

How Will OPS Oversee This Project?

OPS retains its full authority to administer and enforce all regulations governing pipeline safety. Except for the increase in maximum operating pressure over the initial 25-mile segment of the Cortez line, SPLC is not requesting any regulatory relief or exemptions. Both of these lines will be subject to routine OPS inspection to ensure compliance with the applicable Federal Pipeline Safety Regulations. In addition, subsequent to approval, the Demonstration Project will be monitored by a Project Review Team (PRT) consisting of OPS headquarters and regional staff and state pipeline safety officials. The PRT is designed to be a more comprehensive oversight process, which draws maximum technical experience and perspective from all affected OPS regional and headquarters offices as well as any affected state agencies that would not

normally provide oversight on interstate transmission projects. One of the primary functions of this Team will be to conduct periodic risk management audits, which will be performed in addition to the normal OPS inspections. These risk management audits will be used to ensure company compliance with the specific terms and conditions of the OPS Order authorizing this Demonstration Project. OPS is developing a detailed audit plan, tailored to the unique requirements of the SPLC Demonstration Project. This plan will describe the audit process (e.g., types of inspections, methods, and their frequency), as well as the specific requirements for reporting information and performance measure data to OPS.

Information Provided to the Public

OPS has previously provided information to the public about the SPLC project, and has requested public comment, using many different sources. OPS aired two electronic "town meetings" (June 5, 1997, and September 17, 1997) enabling viewers of the two-way live broadcasts to pose questions and voice concerns about candidate companies (including SPLC). Two earlier **Federal Register** notices (62 FR 40135; July 25, 1997 and 62 FR 53052; October 10, 1997) informed the public that SPLC was interested in participating in the Demonstration Program, provided general information about technical issues and risk control alternatives to be explored, and identified the geographic areas the demonstration project would traverse.

Since August, OPS has used an Internet-accessible data system called the Pipeline Risk Management Information System (PRIMIS) at <http://www.cycla.com/opsdemo> to collect, update, and exchange information about all demonstration candidates, including SPLC.

At a November 19, 1997, public meeting OPS hosted in Houston, TX, SPLC officials presented a summary of the proposed demonstration project and answered questions from meeting attendees. (Portions of this meeting were broadcast on December 4, 1997. This broadcast is available on demand via our OPS website ops.dot.gov/tmvid.htm.)

OPS has provided a prospectus, which includes a map of the demonstration sites, to State officials and community representatives who may be interested in reviewing project information, providing input, or monitoring the progress of the project. This notice is the last public comment opportunity prior to approval of SPLC's demonstration project.

Issued in Washington, DC on December 23, 1997.

Richard B. Felder,

Associate Administrator for Pipeline Safety.

[FR Doc. 97-33863 Filed 12-29-97; 8:45 am]

BILLING CODE 4910-60-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 33529]

City of Charlotte, North Carolina— Acquisition Exemption—

Certain Assets of the North Carolina Railroad Company

The City of Charlotte, NC (the City), a noncarrier, has filed a verified notice of exemption under 49 CFR Part 1150, Subpart D—*Exempt Transactions* to acquire from the North Carolina Railroad Company (NCR) certain physical assets of an approximately 1.1-mile line of railroad (the Line) located between 2nd Street and 12th Street in Charlotte, Mecklenburg County, NC.¹ The City will purchase the Line from NCR for the purpose of constructing and operating a passenger rail transit system. The City is acquiring the Line subject to a preexisting lease between NCR and Norfolk Southern Railway Company (NS)², whereby NS will provide all common carrier service on the Line. NCR will retain an exclusive freight operating easement sufficient to accommodate both NS's continuing common carrier obligation and NCR's own residual common carrier obligation. Consummation of the transaction is expected on or after December 18, 1997, the effective date of the exemption.

This notice is filed under 49 CFR 1150.31. If the notice contains false or misleading information, the exemption is void *ab initio*. A petition to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction. An original and 10 copies of all pleadings, referring to Finance Docket No. 33529, must be filed with the Surface Transportation Board, Office of the Secretary, Case Control Branch, 1925 K Street, N.W., Washington, DC 20423—

¹ The City simultaneously filed a motion to dismiss the notice of exemption. The Board will address the jurisdictional issue raised by the motion to dismiss in a subsequent decision.

² The lease was executed in 1895 by NCR and Southern Railway Company (NS's predecessor). See *Norfolk Southern Railway Company and Atlantic and East Carolina Railroad Company—Lease and Operation Exemption—North Carolina Railroad Company*, Finance Docket No. 32820 (ICC served Dec. 22, 1995).

0001. In addition, a copy of each pleading must be served on Kevin M. Sheys, Oppenheimer Wolff & Donnelly, 1020 Nineteenth Street, N.W., Suite 400, Washington, DC 20036-6105.

Decided: December 18, 1997.

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

Vernon A. Williams,

Secretary.

[FR Doc. 97-33856 Filed 12-29-97; 8:45 am]

BILLING CODE 4915-00-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 33528]

Effingham Railroad Company, Operation Exemption—Line Owned by Total Quality Warehouse

Effingham Railroad Company (ERRC), a Class III rail carrier,¹ has filed a verified notice of exemption under 49 CFR 1150.31 to operate over approximately 9,201 feet of railroad line that will be constructed for and acquired by Total Quality Warehouse (TQW), located in an industrial park in Effingham, IL,² connecting TQW's facility with the Illinois Central Railroad Company.

Construction of the track is expected to begin in January 1998, and ERRC will begin operations under agreement with TQW, as soon as construction is completed.

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.³ The filing of a petition to revoke will not automatically stay the transaction.

An original and 10 copies of all pleadings, referring to STB Finance

Docket No. 33528, must be filed with the Surface Transportation Board, Office of the Secretary, Case Control Unit, 1925 K Street, N.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on John M. Robinson, 9616 Old Spring Road, Kensington, MD 20895.

Decided: December 19, 1997.

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

Vernon A. Williams,

Secretary.

[FR Doc. 97-33857 Filed 12-29-97; 8:45 am]

BILLING CODE 4915-00-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 33516]

Illinois Railnet, Inc.; Acquisition and Operation Exemption—The Burlington Northern and Santa Fe Railway Company

Illinois Railnet, Inc. (IR), a noncarrier, has filed a verified notice of exemption under 49 CFR 1150.31 to acquire from The Burlington Northern and Santa Fe Railway Company (BNSF) and to operate approximately 56.67 miles of rail line between milepost 40.73, near Montgomery, and milepost 97.40, at Streator, in Kendall and LaSalle Counties, IL. In addition, IR will acquire for a 99-year period incidental overhead trackage rights from BNSF between milepost 40.73, near Montgomery, and milepost 33.4, near Eola, including operations over tracks 1, 2, and 3 in the Sheep Yard near milepost 40.0, in the vicinity of Montgomery and over all tracks in the Eola rail yard.¹

The earliest the transaction could be consummated was December 9, 1997, the effective date of the exemption (7 days after the exemption was filed).

This transaction is related to STB Finance Docket No. 33517, *North American Railnet, Inc.—Continuance in Control Exemption—Illinois Railnet, Inc.*, wherein North American Railnet, Inc. has concurrently filed a verified notice to continue in control of IR upon its becoming a Class III rail carrier.

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 revoke will not automatically stay the transaction.

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 33516, must be filed with the Surface Transportation Board, Office of the Secretary, Case Control Unit, 1925 K Street, N.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on John D. Heffner, Rea, Cross & Auchincloss, 1920 N Street, N.W., Suite 420, Washington, DC 20036.

Decided: December 16, 1997.

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

Vernon A. Williams,

Secretary.

[FR Doc. 97-33858 Filed 12-29-97; 8:45 am]

BILLING CODE 4915-00-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 33517]

North American Railnet, Inc.; Continuance in Control Exemption— Illinois Railnet, Inc.

North American Railnet, Inc. (Railnet) has filed a notice of exemption to continue in control of the Illinois Railnet, Inc. (IR), upon IR's becoming a Class III railroad.

The earliest the transaction could be consummated was December 9, 1997, the effective date of the exemption (7 days after the exemption was filed).

This transaction is related to STB Finance Docket No. 33516, *Illinois Railnet, Inc.—Acquisition and Operation Exemption—The Burlington Northern and Santa Fe Railway*, wherein IR seeks to acquire and operate a rail line from The Burlington Northern and Santa Fe Railway.

Applicant controls one existing Class III railroad: Nebraska, Kansas, & Colorado Railnet, Inc., operating in the States of Kansas, Nebraska, and Colorado.

Applicant states that: (i) The rail lines to be operated by IR do not connect with any railroad in the corporate family; (ii) the transaction is not part of a series of anticipated transactions that would connect IR's lines with any railroad in the corporate family; and (iii) the transaction does not involve a Class I carrier. Therefore, the transaction is exempt from the prior approval requirements of 49 U.S.C. 11323. See 49 CFR 1180.2(d)(2).

¹ ERRC became a carrier pursuant to a notice of exemption in *Effingham Railroad Company—Operation Exemption—Line Owned by Agracel Corporation*, STB Finance Docket No. 33468 (STB served Oct. 22, 1997), when it became the operator of approximately 206.05 feet of track, owned by the Agracel Corporation, which connects with a Consolidated Rail Corporation line and serves a facility in the Effingham industrial park.

² ERRC states that it will also operate an additional 400 feet of track, within the industrial park, connecting its existing line of railroad with TQW's facility, as a side track, exempt from regulation pursuant to 49 U.S.C. 10906.

³ On December 9, 1997, Joseph C. Szabo, on behalf of United Transportation Union-Illinois Legislative Board, filed a petition to stay the operation of the notice of exemption, as well as to reject the notice or to revoke the exemption. By decision served December 16, 1997, the petition for stay was denied. A subsequent decision will be issued by the Board on the request to reject or to revoke the exemption.

¹ On December 11, 1997, a petition to stay operation of the exemption filed by IR was filed by Joseph C. Szabo, on behalf of United Transportation Union-Illinois Legislative Board. The petition for stay was denied by the Board in *Illinois Railnet, Inc.—Acquisition and Operation Exemption—The Burlington Northern and Santa Fe Railway Company*, STB Finance Docket No. 33516 (STB served Dec. 16, 1997).