

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

with interstate pipeline operators. While OPS may exempt a participating operator from particular regulations if the operator needs such flexibility in implementing a comprehensive risk management project, regulatory exemption is neither a goal nor requirement of the Demonstration Program.

2. OPS Evaluation of SPLC Demonstration Project Proposal

Using the consultative process described in Appendix A of the Requests for Application for the Pipeline Risk Management Demonstration Program (62 FR 14719), published on March 27, 1997, OPS is prepared to finalize the agreement with Shell Pipe Line Corporation (SPLC) on the provisions for a demonstration project SPLC will conduct on two pipeline segments it operates. The consultative review process ensures that OPS considers and addresses comments on the SPLC proposal from all stakeholders and interested parties.

Several means have been used to provide information on the proposed project and solicit questions and concerns. These include: (1) Previous notices in the **Federal Register** (62 FR 40136 (July 25, 1997) and 62 FR 53052 (October 10, 1997)); (2) an Internet Information System (PRIMIS) available via the OPS Home Page; (3) broadcasts via the Federal Emergency Management Agency's (FEMA) Emergency Education Network (EENET) (OPS received over 2,000 "hits" on the website broadcast featuring SPLC); (4) a prospectus and map that OPS and SPLC produced and mailed to over 400 people, including representatives from Local Emergency Planning Committees (LEPC) along affected pipeline routes; and (5) a November 19, 1997, public meeting OPS hosted in Houston, TX.

OPS has also solicited comment on the SPLC proposal from other federal agencies (including the Department of Justice and, via the Regional Response Teams, the Environmental Protection Agency), state and local government officials, public interest groups, and industry and community representatives.

This notice is the last public comment opportunity prior to approval of SPLC's demonstration project. OPS will address and resolve any issues and concerns raised through the consultative process with SPLC.

Company History and Record

SPLC is a wholly owned subsidiary of Shell Oil Products Company, employing over 700 people, and operating approximately 8,000 miles of pipelines

in 18 states. Originally incorporated in 1919 (as the Ozark Pipe Line Corporation), SPLC today transports approximately 4.0 million barrels of crude oil, refined products, petrochemicals, carbon dioxide, and natural gas daily.

SPLC is headquartered in Houston, Texas. SPLC's parent corporation, Shell Oil Products Company, is currently seeking government approval to merge its refining, transportation, and marketing operations with Texaco and Saudi Refining Inc. The merger will affect SPLC, although the details are not yet known. In its Order approving SPLC's demonstration project, OPS would require that the merged company demonstrate that it will continue to commit to the objectives of the Demonstration Program, and to comply with the requirements of the Order.

Before entering into consultations with SPLC, OPS determined that SPLC was a favorable candidate for the Program, based on an examination of the company's safety and environmental compliance record, its accident history, and its commitment to working with OPS to develop a project meeting the Demonstration Program goals. Neither of the two pipeline segments SPLC is proposing for its demonstration project has experienced a release due to unsafe operation (Section 4 of this document describes the demonstration sites and the releases in the demonstration segments).

However, in December, 1988, another pipeline operated by SPLC spilled 20,554 barrels of crude oil into the Gasconade River near Vienna, Missouri. The cause of the spill was a manufacturing defect; the consequences were aggravated by SPLC's failure to quickly stop the pipeline flow. The subsequent OPS investigation of the spill found no violations by SPLC of the pipeline safety regulations. Following this spill, SPLC undertook a company-wide risk assessment and risk reduction effort resulting in improved employee training, new or more aggressive approaches to in-line inspection (smart pigging), hydrotesting, hydraulic surge and spill volume analysis, and installation of additional mainline block valves. Lessons learned from the December 1988, release and the subsequent company-wide assessments form the foundation for SPLC's proposed risk management demonstration project.

With regard to employee safety, from among some fifteen other candidates, SPLC was selected as the American Petroleum Institute (API) "Safest Major Pipeline Operator" in 1990, 1993, 1994,

and 1995, and was in second place in 1992 and 1996.

Consultative Evaluation

During the consultations, representatives from OPS headquarters and Southwest Region, pipeline safety officials from Texas, Louisiana, and Colorado, and risk management experts, met with SPLC to discuss SPLC's risk assessment, supporting analyses, proposed risk control activities, performance measures, and means of administering risk management within the company. The discussions addressed technical validation of all proposed activities, demographics and terrain along affected pipelines, communications with outside stakeholders, and monitoring and auditing of results once the demonstration project is underway. The demonstration project provisions described in this notice evolved from these consultations, as well as from any public comments received to date. Once OPS and SPLC consider and address comments received on this notice, OPS plans to issue an Order approving the SPLC demonstration project.

3. Statement of Project Goals

OPS and SPLC believe SPLC's demonstration project will improve safety through the application of numerous risk control measures that exceed regulatory requirements on both pipeline segments, particularly in the area of third party damage prevention. 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 are some of the more significant activities that will be added to existing measures to improve safety.

SPLC is proposing that segments of two pipeline systems (the Texas-Louisiana System and the Cortez System) comprise its demonstration project. SPLC conducted a thorough and systematic risk assessment to identify hazards and risks associated with operating both of the pipeline segments. SPLC then identified various activities that are intended to result in reduced risk and superior safety and reliability on both pipeline segments.

SPLC's risk assessment process relies heavily on the expertise of people familiar with the operation, maintenance, construction, and history of the pipeline. With an average length of service of over 25 years, several of the people who participated in SPLC's risk assessments have worked on the

proposed demonstration segments since the segments were constructed. The risk assessments confirmed expectations, outlined previously in SPLC's Letter of Intent, that third-party damage (i.e., contractors, landowners, or others who accidentally strike pipelines during excavation and/or other activities) is the most significant risk posed to either pipeline segment. Therefore, SPLC's highest priority for its risk management demonstration project is to prevent this type of damage.

For the Texas-Louisiana System, SPLC will supplement the required activities it now performs with numerous new and additional risk control activities based on SPLC's comprehensive risk assessment. SPLC seeks no regulatory exemption on the Texas-Louisiana system. SPLC makes a strong case that the risk of a release on this system will be reduced, and superior safety will result. Releases from the Texas-Louisiana System pose little, if any, risk to the environment due to the volatile nature of the commodity transported (ethylene).

For the Cortez System, SPLC has also identified new and additional risk control activities and has performed several technical validations supporting a pressure increase beyond present regulatory limits at an existing pump station in Cortez, CO. SPLC's assessment shows that a combination of risk control activities, coupled with installation of redundant overpressure protection systems, will offset any increase in risk from the pressure increase that the company is requesting for the Cortez segment. With the flexibility to raise pressure above regulatory limits, SPLC can increase throughput (the amount of commodity transported) without having to construct an intermediate pump station in Blanco, NM. The Cortez System transports carbon dioxide (CO₂), which is a naturally occurring component of the air and presents no environmental hazard. The regulatory exemption would apply to a 25-mile segment of the pipeline located in a rural and sparsely populated area in Colorado.

For both pipeline segments, SPLC will improve emergency preparedness through increased discussions with and the sharing of the results of dispersion modeling with local emergency responders.

4. Demonstration Project Pipeline Segments

The Texas-Louisiana System

SPLC's 250-mile Texas-Louisiana Ethylene Pipeline System (the Texas-Louisiana System) transports chemical-

grade ethylene between Shell Oil Product's Deer Park, TX, manufacturing complex and its Napoleonville, LA, transfer facility. SPLC's customers use ethylene for manufacturing plastics, detergents, antifreeze, and other consumer products. Ethylene is a flammable, highly volatile liquid that becomes a slightly lighter-than-air gas when released to the atmosphere. Under certain conditions, it could form an explosive vapor cloud until diluted or dispersed. SPLC proposes to include 205 miles of this system—from its Mont Belvieu, TX, compressor station to a block valve at the western edge of the Atchafalaya Basin east of New Iberia, LA—in its risk management demonstration project. Although routed mostly through rural areas, the line passes near five large industrial and developing residential areas, and includes more than 40 road crossings and 12 water crossings. Due to its volatile nature, ethylene is not considered a water pollutant.

The Texas-Louisiana line has experienced 2 reportable releases since it was commissioned in 1979, both the result of third party damage. These two releases resulted in no fatalities or injuries, although a fire and explosion did occur during the latter of these releases (1981). There was no fire or explosion associated with the first release (1979). The total volume of ethylene released to the atmosphere in these two events was the equivalent of approximately 14,000 barrels of liquid. Neither event affected the environment. There have been six minor, unreportable releases totalling the equivalent of approximately 220 barrels of liquid, caused by miscellaneous mechanical failures. Four additional "near miss" events of third party damage to the pipeline system (one in the past few months) have also occurred, none of which resulted in a release.

The Cortez System

The 502-mile Cortez carbon dioxide (CO₂) Pipeline System (the Cortez System) carries naturally-occurring commercial-grade CO₂ from Cortez, CO, across New Mexico to Denver City, TX. CO₂ is injected into oil wells to aid in the production of crude oil. CO₂ is a nonflammable, inert, non-toxic liquid that, when released to the atmosphere, becomes a heavier-than-air gas. Although CO₂ is a naturally occurring component of air and presents no environmental hazard, at high concentrations in confined, low lying areas, it can present an asphyxiation hazard until it is dispersed or diluted. The operating pressures on this line presently range from 2147 pounds per

square inch gauge (psig) to 2999 psig. These pressures are high compared to pipelines in general, but are typical for pipelines transporting CO₂.

SPLC proposes to include the northwestern half of the Cortez System (roughly 260 miles), from the Cortez pump station to the inlet of its pressure-reducing station at Edgewood, NM (east of Albuquerque). The line traverses rolling hills, mountainous areas, and sandy soils, passing near five small communities. The route crosses four major rivers and about 15 major roads. The segment of the Cortez line in the demonstration project is located mostly in sparsely populated, rural areas.

The Cortez line has experienced no releases since it was commissioned in 1984. There have been four "near miss" events of third-party damage to the pipeline system. OPS databases have no records of any releases from CO₂ pipelines that have resulted in injury or death.

Neither demonstration segment is likely to impact the environment.

5. Project Description

The following risk control and monitoring activities would be included in the Order OPS issues formally approving the SPLC demonstration project.

Risk Control Activities

The company proposes using inspection techniques on both demonstration pipelines to determine if there has been any past, unknown damage while simultaneously applying a combination of risk control activities and risk communications to reduce the likelihood and the consequences of future third-party damage. In addition, the company believes that several of these risk control activities will help prevent third party damage on its newly constructed propylene pipeline, which runs parallel to parts of the Texas-Louisiana line. The activities proposed by SPLC to address damage from outside parties go beyond the minimum requirements in the existing Federal Pipeline Safety Regulations.

SPLC has committed to:

- Increasing scheduled air patrol of the lines from every two weeks to weekly;
- Improving air patrol effectiveness through enhanced staff training, including techniques for more immediate reporting and evaluation of potential instances of third party encroachment to responsible SPLC personnel in the vicinity;
- Adding traffic barriers to aboveground equipment near roadways

to reduce the likelihood of vehicle accidents impacting the pipeline;

- Reviewing locations of and supplementing where appropriate existing right-of-way markers that identify the presence of a pipeline, including adding Global Positioning System (GPS) locating information on markers;
- Increasing ground surveillance of the lines in densely populated areas;
- Enhancing company sponsorship of the local One-Call system (the system in which excavators provide notification of their intent to dig so that underground utilities like pipelines can be located and protected prior to digging);
- Significantly upgrading public/neighbor education and awareness efforts (including media usage);
- Conducting community-based emergency planning, training, and drills, so that both the company and local officials will be better prepared in the event of an accident;
- Using a warning "mesh" for backfilling during new construction or significant repairs (excavators digging near a line would encounter this mesh before hitting the pipe);
- Running in-line inspection device(s) on the Texas-Louisiana demonstration segment to determine if there is any existing mechanical damage to the pipeline from prior third party encroachments; and
- Assessing other risk control measures and staffing requirements.

SPLC will also perform dispersion analyses for the Texas-Louisiana ethylene demonstration segment to better understand the potential consequences of a release, and thus help improve emergency response planning and communications with local responders.

Increased Throughput on the Cortez System

With implementation of the above activities to control the causes of the most significant risks to both of the demonstration segments, SPLC believes it can proceed with a plan to increase the Cortez System's throughput (the amount of product transported) while still delivering superior safety. This plan calls for increasing the maximum operating pressure by up to 11 percent beyond what is allowed by the regulations on the 25-miles of pipeline immediately downstream of the Cortez pump station. In the Order authorizing SPLC to commence its demonstration project, OPS will exempt SPLC from 49 CFR 195.406(a)(1-3), which addresses the maximum operating pressure for pipelines transporting hazardous liquids.

To support its evaluation of risk associated with increased operating pressure on the Cortez line, SPLC conducted several technical analyses. These include:

- A comprehensive review of the original pipe specifications; actual materials' properties; pipemill manufacture, inspection, and testing procedures; and field construction and inspection techniques that demonstrated the pipe's safety margin exceeds regulatory requirements, and thus can safely handle the proposed increase in operating pressure;
- Steady state transthermal hydraulic analysis and computer modeling to determine the actual pressure and corresponding safety factors at any point in the pipeline under normal and worst case operating conditions;
- Surge analyses and modeling to determine the pressure at any point in the pipeline under abnormal or unexpected operating events; and
- Dispersion analyses to better understand the potential consequences of a release, and thus help improve emergency response planning and communications with local responders.

Additional Risk Control Activities on the Cortez Line

In addition, prior to any increase in operating pressure on the Cortez segment (expected to occur in August-September, 1998), SPLC's plan also calls for:

- Conducting a Close Interval Survey, which involves inspection and electrical testing every two to three feet along the pipeline to confirm the ability of protection systems to mitigate corrosion, and to help detect if there is any coating damage that might indicate the presence of mechanical damage to the pipeline from possible prior third party encroachments.
- Performing a Depth-of-Cover Survey (from the Cortez Station to the 25-mile mark) to ensure adequate protection from external mechanical damage and loading.
- Developing a Geographic Information System (GIS) Data Base (from the Cortez Station to the 25-mile mark) to test its applicability and usefulness for pipeline operations, including emergency response.
- Installing additional equipment at the Cortez Station beyond that currently required by the regulations to provide four levels of redundant protection against overpressure situations. This will provide additional assurance that the pressures in the pipe will not exceed the safe levels determined from the system review noted above.

- Doubling the inspection frequency from once per year to every six months for the overpressure protection devices mentioned above.

Monitoring Demonstration Project Effectiveness

The SPLC Demonstration Project includes a comprehensive approach to performance monitoring that assures the superior protection of public safety, and achieves other project objectives. A key element of this monitoring plan is a set of performance measures that would track the growth and institutionalization of risk management within the company, measure the effectiveness of SPLC's risk control activities, validate analyses supporting current safety activities, and provide a basis for future improvement. Examples include: The number of SPLC-operated pipeline systems under risk management (should increase if risk management is feasible); the number of unmonitored encroachments on the pipeline right-of-way (should decrease due to improved communications); accuracy of One-Call reports (should improve due to improved pipeline markers); employee awareness of risk management process (should improve through training and participation in process); quantity/accessibility of data to support risk assessment (should improve as performance measure data accumulates). SPLC will report performance measure data and project progress regularly to OPS throughout the four year demonstration period. This information, as well as periodic OPS audits, will assure accountability for improved performance.

6. Regulatory Perspective

Why OPS Plans To Approve This Project

OPS is considering SPLC's proposed project for the Demonstration Program because, after extensive review, OPS is satisfied that the proposal:

- A. Provides superior safety for both of the demonstration segments. For the Cortez line, OPS is satisfied that the safety margin in the pipe can accommodate the proposed increase in pressure without adding significant additional risk to the public. Furthermore, SPLC has adequately demonstrated that the combination of third party damage and other risk control activities described earlier more than offset any increase in risk associated with the higher operating pressure in the first 25-miles of the line. For the Texas-Louisiana ethylene line, all of the proposed risk control activities go beyond the current regulatory

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).