

Practice (Title 49 CFR Part 211.25), by a representative designated by the FRA.

The hearing will be a nonadversary proceeding and, therefore, there will be no cross-examination of persons presenting statements. The FRA representative will make an opening statement outlining the scope of the hearing. After all initial statements have been completed, those persons wishing to make brief rebuttal statements will be given the opportunity to do so in the same order in which they made their initial statements. Additional procedures, if necessary for the conduct of the hearing, will be announced at the hearing.

Issued in Washington, D.C. on August 11, 1998.

Michael J. Logue,

Acting Deputy Associate Administrator for Safety Compliance and Program Implementation.

[FR Doc. 98-22217 Filed 8-17-98; 8:45 am]

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DEPARTMENT OF TRANSPORTATION

National Highway Traffic Safety Administration

[Docket No. NHTSA-98-4320; Notice 1]

Shelby American, Inc.; Application for Temporary Exemption From Federal Motor Vehicle Safety Standard No. 208

Shelby American, Inc., of Las Vegas, Nevada ("Shelby"), has applied for an exemption until July 1, 2000, from the automatic restraint provisions of Federal Motor Vehicle Safety Standard No. 208 *Occupant Crash Protection* (S4.1.5.3). The basis of the application is that compliance would cause substantial economic hardship to a manufacturer that has tried in good faith to comply with the standard.

This notice of receipt of the petition is published in accordance with agency regulations on the subject and does not represent any judgment by the agency about the merits of the petition.

Shelby is a Texas corporation, privately held and wholly owned by Carroll Shelby. Its current business activities are conducted by three wholly owned subsidiaries. The first of these subsidiaries is Shelby Series One, Inc., the unit that will produce a new sports car which is the subject of this application for a temporary exemption. These vehicles currently exist in prototype form only, and none have been produced. The second subsidiary is Shelby CSX4000, Inc., which produces "a component vehicle sold without engine or transmission," to individuals who will install the power

train of their choice. Shelby sold 75 of these Cobra replica assemblies in the past year. The third subsidiary is Shelby Original 427S/Cs, Inc., whose business is to assemble automobiles "from certain new old stock parts surviving from the original 1965 Shelby Cobra production run . . . supplemented by newly manufactured parts utilizing original tooling." Two such vehicles have been assembled and sold to date.

The Series I is a two-passenger open convertible sports car, powered by the Oldsmobile Aurora engine. The first prototypes were shown in early 1997. Shelby has asked to be excused from compliance with the automatic restraint requirements of Standard No. 208. Shelby is working "with many outside companies" to complete the vehicle development and certification. Development of the Series I started in March 1995 (i.e., engineering tasks subsequent to initial design development). To date, Shelby has spent an estimated total of 400 man hours and \$75,000 related to air bag development. As with development of the engine and interior, Shelby must contract the air bag development to an outside company. This cost will total \$4,643,500 over the period of time for which it has asked for an exemption. Additional expenditures of \$546,000 will be necessary to cover the costs of testing, and integration of airbag wiring. In the interim, the Series I will be equipped with a three-point driver and passenger restraint system. It is optimistic that it can sell 500 Series I cars in the period for which it has requested exemption. With these sales "Shelby American will be able to support the estimated \$216,229 monthly development expenditure necessary for implementation of the airbag at the end of the two year period."

Shelby had no material operations in 1995. Its unaudited consolidated balance sheet shows a net loss of \$738,415 for 1996, and a net income of \$147,904 for 1997.

The applicant argues that "the production of the Shelby Series I is in the best interest of the public and the US economy." The company is opening a new 100,000 square foot facility in June 1998 in Las Vegas to produce the Series I. The new facility "will provide direct employment to approximately 200 employees." In addition, "there are approximately 25 development/partner companies working with Shelby American on the development of the Shelby Series I, providing indirect employment for those companies' personnel . . ." The car will be sold through select Oldsmobile dealers . . . providing employment to many sales

and service personnel at the dealership level." Most major components are produced in the United States, including the engine (Oldsmobile), tires (Goodyear), and transmission (ZF, from RBT, a US company). The Series I is technically advanced, combining "an aluminum chassis with a carbon-fiber body, a new concept amongst production vehicles, which provides strength and durability while minimizing weight." Shelby believes that "the reduced weight achieved with this vehicle will translate into a new standard for improved emissions and fuel efficiency. Aside from Standard No. 208, the car will be certified as conforming to all applicable Federal motor vehicle safety standards.

Interested persons are invited to submit comments on the application described above. Comments should refer to the docket and notice number, and be submitted to: Docket Management, National Highway Traffic Safety Administration, room PL-401, 400 Seventh Street, SW, Washington, DC 20590. It is requested that two copies be submitted.

All comments received before the close of business on the comment closing date below will be considered, and will be available for examination in the docket at the above address both before and after that date, between the hours of 10 a.m. and 5 p.m. To the extent possible, comments filed after the closing date will also be considered. Notice of final action on the petition will be published in the **Federal Register** pursuant to the authority indicated below.

Comment closing date: September 17, 1998.

Authority: 49 U.S.C. 30113; delegations of authority at 49 CFR 1.50 and 501.4.

Issued on: August 13, 1998.

L. Robert Shelton,

Associate Administrator for Safety Performance Standards.

[FR Doc. 98-22209 Filed 8-17-98; 8:45 am]

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DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 33626]

Union Pacific Railroad Company and Central Kansas Railway—Joint Relocation Project Exemption—in Wichita, Sedgwick County, KS

Union Pacific Railroad Company (UP) has filed a notice of exemption under 49 CFR 1180.2(d)(5) to relocate lines of railroad in the City of Wichita,