(1) Introduction and swearing-in of the new Executive Director and new members.

(2) Progress report from the Subcommittee on PTP.

(3) Progress report from the Subcommittee on PCN.

(4) Status report on the International Safety Management (ISM) Code enforcement.

(5) Status report on the Hazardous Substance Response Plan (HSRP) rulemaking project.

(6) Status report on the 46 CFR 151 rulemaking project.

(7) Status report on the Chemical Hazards Response Information System (CHRIS) revision.

(8) Presentation on the American Waterways Operators (AWO) Responsible Carrier Program.

(9) Presentation on the alternative compliance program, an American Bureau of Shipping (ABS) prospective.

*Subcommitte on PTP.* The agenda includes the following:

(1) Review of work to date, program intent, and definitions of issues such as fatigue and fitness for duty.

(2) Review of long term tasks assignments and preparation for presentation to CTAC.

*Subcommittee on PCN.* The agenda includes the following:

(1) Review of the status of the subcommittee's previous meetings' work efforts.

(2) Finalization of recommendations to CTAC and preparation for presentation to CTAC.

## Procedural

All meetings are open to the public. Please note that the meetings may close early if all business is finished. At the Chairs' discretion, members of the public may make oral presentations during the meetings. If you would like to make an oral presentation at a meeting, please notify the Executive Director no later than September 18, 1998. Written material for distribution at a meeting should reach the Coast Guard no later than September 18, 1998. If you would like a copy of your material distributed to each member of the committee or subcommittee in advance of a meeting, please submit 25 copies to the Executive Director no later than September 11, 1998.

## Information on Services for Individuals With Disabilities

For information on facilities or services for individuals with disabilities or to request special assistance at the meetings, contact the Executive Director as soon as possible.

Dated: August 24, 1998.

**Joseph J. Angelo,**

*Director of Standards, Marine Safety and Environmental Protection.*

[FR Doc. 98–23445 Filed 8–31–98; 8:45 am]

BILLING CODE 4910–15–M

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# DEPARTMENT OF TRANSPORTATION

## Federal Aviation Administration

## Aviation Rulemaking Advisory Committee on Training and Qualifications; Meeting Cancellation

**AGENCY:** Federal Aviation Administration (FAA), DOT.

**ACTION:** Notice of meeting cancellation.

**SUMMARY:** The FAA is issuing this notice to advise the public that the September 10, 1998, meeting of the Aviation Rulemaking Advisory Committee (ARAC) scheduled to discuss Training and Qualifications Issues (63 FR 42094, August 6, 1998) has been cancelled. The meeting will be rescheduled in a later **Federal Register** notice.

**FOR FURTHER INFORMATION CONTACT:** Regina L. Jones, (202) 267–9822, Office of Rulemaking (ARM–104) Federal Aviation Administration, 800 Independence Ave., SW, Washington, DC 20591.

Issued in Washington, DC, on August 27, 1998.

**Jan Demuth,**

*Acting Assistant Executive Director for Training and Qualifications, Aviation Rulemaking Advisory Committee.*

[FR Doc. 98–23613 Filed 8–31–98; 8:45 am]

BILLING CODE 4910–13–M

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# DEPARTMENT OF TRANSPORTATION

## Research and Special Programs Administration

**[Docket No. RSPA–98–4034; Notice 14]**

## Pipeline Safety: Intent To Approve Project and Environmental Assessment for the Natural Gas Pipe Line Company of America Pipeline Risk Management Demonstration Program

**AGENCY:** Office of Pipeline Safety, Research and Special Programs Administration, DOT.

**ACTION:** Notice of intent to approve project and environmental assessment.

**SUMMARY:** As part of its Congressional mandate to conduct a Risk Management Demonstration Program, the Office of Pipeline Safety (OPS) has been authorized to conduct demonstration projects with pipeline operators to determine how risk management might be used to complement and improve the existing Federal pipeline safety regulatory process. This is a notice that OPS intends to approve Natural Gas Pipe Line Company of America (NGPL) as a participant in the Pipeline Risk Management Demonstration Program. This also provides an environmental assessment of NGPL's demonstration project. Based on this environmental assessment, OPS has preliminarily concluded that this proposed project will not have significant environmental impacts.

This notice explains OPS's rationale for approving this project, and summarizes the demonstration project provisions that would go into effect once OPS issues an order approving NGPL 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 NGPL demonstration project is one 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 or about this environmental assessment be submitted on or before October 1, 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–98–4034. 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. Comments may also be reviewed online at the DOT Docket Management System website at http://dms.dot.gov/.

**SUPPLEMENTARY INFORMATION:**

## 1. Background

The Office of Pipeline Safety (OPS) is the federal regulatory body overseeing pipeline safety. As a critical component of its federal mandate, OPS administers and enforces a broad range of regulations governing safety and environmental protection of pipelines. These regulations have contributed to a good pipeline industry safety record by assuring 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, offers opportunities to achieve:

(1) Superior safety, environmental protection, and service reliability;

(2) Increased efficiency and 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. A Presidential Directive to the Secretary of Transportation (October 16, 1996) stated that in implementing the Pipeline Risk Management Demonstration Program: ''The Secretary shall require each project to achieve superior levels of public safety and environmental protection when compared with regulatory requirements that otherwise would apply.'' Thus, the process to select operators for this Demonstration Program involves a comprehensive review to ensure that the proposed project will provide the superior safety and environmental protection required by this Directive. OPS may exempt a participating operator from particular regulations if the operator needs such flexibility in implementing a comprehensive risk management program; however, regulatory exemption is neither a goal nor requirement of the Demonstration Program. This document summarizes the key points of this review for NGPL's demonstration project, and evaluates the safety and environmental impacts of this proposed project.

## 2. OPS Evaluation of NGPL's 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 has reached agreement with NGPL on the provisions for a demonstration project covering NGPL's entire transmission pipeline system.

After addressing any public comment on this notice, OPS will consider issuing an order approving NGPL as a Demonstration Program participant. Although NGPL expects to request regulatory exemption as its demonstration project matures, the focus in the first year would be working with OPS to fully develop and document a formal risk management program and set of implementing procedures that correspond to the Risk Management Program Standard. Putting NGPL under a risk management order at this time would give OPS the best opportunity to influence the comprehensive development and uses of risk management in the company and to better understand and address system unique risk issues. Working closely with NGPL, OPS can observe quantitative risk assessment models unique to this project, and review and expedite technical justifications for risk control measures related to improved internal inspection, repair procedures, and damage prevention. Once the Project Review Team (PRT) is assured of the validity of NGPL's analyses, OPS would consider approving activities likely to result in superior safety. Section 5 of this notice describes some specific risk control actions which NGPL is considering as regulatory alternatives and the locations where they would be applied.

*Company History and Record:* NGPL is a subsidiary of MidCon Corporation. It serves natural gas customers located primarily in the Midwest. The company transports natural gas through about 13,000 miles of pipeline and pipeline facilities, and provides approximately 68% of the natural gas in the Northern Illinois, Chicago, Eastern Iowa and Northwest Indiana market from supply regions in and around Texas, Louisiana and Wyoming. NGPL also has pipelines in Arkansas, Kansas, Nebraska, New Mexico, Oklahoma, Missouri, Colorado, and Wisconsin.

In January 1998, KN Energy, Inc. acquired MidCon Corporation. Before the acquisition of MidCon, KN Energy operated over 4000 miles of pipeline. It now controls the additional 13,000 miles of NGPL pipelines. However, only the NGPL pipelines would comprise the demonstration project.

Before entering into consultations with NGPL, OPS determined that NGPL was a good demonstration program candidate 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. KN Energy has expressed the same management support for the project as demonstrated by NGPL in the past, and realizes continued participation in the Program depends on continued management commitment.

OPS records show that since 1984, NGPL has filed 49 reportable incidents, which is typical for a company of its size. Causes include corrosion (24), construction or material defects (8), outside forces (8), and other miscellaneous or unknown causes (9). The most significant accident, causing eleven deaths and three injuries, occurred October 3, 1989, when a fishing boat in the Gulf of Mexico near High Island, Texas, struck a sixteen inch diameter line about one half mile offshore at a water depth of approximately ten feet. OPS determined that NGPL violated no regulations in connection with this incident, and no enforcement actions resulted. Following the incident, OPS promulgated regulations to protect against future incidents involving submerged pipelines. NGPL complied by instituting a regular inspection program to assess the integrity of the pipelines in Gulf of Mexico shallow waters, exceeding the inspection frequency required by the regulations. The NGPL offshore damage protection program determines the available soil backfill protection, identifies potential or actual damage to the facilities, and makes repairs where needed. In addition, NGPL co-chaired a task force that has resulted in several offshore damage prevention/public awareness aids and initiatives, such as an educational video, an annual luncheon and program for mariners, development and installation of pictograph warning signs, and a developing offshore one-call system.

On March 29, 1998, NGPL experienced a corrosion failure of a thirty-six inch diameter pipeline approximately five miles south of Corrigan, Texas, in a forested and relatively isolated part of Polk County,

Texas. This failure resulted in some fire damage, but no harm to people. In September 1998, NGPL will pressure test approximately 40 miles of pipeline in the area where the failure occurred to specifically address the cause of this incident. Also in September, NGPL will perform in-line inspections to provide integrity information on pipe sections 55 miles upstream and 27 miles downstream from the rupture site. Finally, NGPL will examine approximately 600 miles of pipeline in the area to determine if the coatings and cathodic protection are providing adequate protection to reduce the future chance of this type of failure. OPS is monitoring NGPL's response to this incident and is presently conducting an accident investigation in conjunction with a standard audit of the affected pipeline.

At this time, OPS believes that the actions NGPL will take to address the specific causes of the incident, together with the system-wide application of NGPL's proposed Risk Management Program, are an adequate response to the incident and demonstrate a continued commitment to safety.

NGPL will incorporate information from all incidents into its proposed Risk Management Program to further reduce the likelihood of future incidents. NGPL's Program will also include frequent feedback from field personnel on the condition of the pipeline, risk modeling of the pipeline to provide faster and more thorough assessment of threats to pipeline integrity, and application of new technology from recent research to further reduce risk.

*Consultative Evaluation:* During the consultations, a Project Review Team (PRT) consisting of representatives from OPS headquarters, Central Region, Southwest Region, and Southern Region; pipeline safety officials from Illinois and Ohio; and risk management experts met with NGPL to discuss NGPL's existing Risk Management Program and the expected development of this program during the course of the demonstration project. These discussions included the current risk assessment and risk control processes NGPL uses, planned expansion, improvement, and integration of these processes during the demonstration program, potential regulatory alternatives that will be examined during the demonstration project, and proposed performance measures to ensure superior performance is being achieved. The discussions addressed the adequacy of NGPL's management systems and technical processes, communications with outside stakeholders, and the effect of NGPL's recent merger with KN Energy. The consultation process also included an environmental assessment, which is described in Appendix B of this notice.

The consultation process focused on three major review criteria:

1. Whether NGPL's proposed risk management demonstration program is consistent with the Risk Management Program Standard and compatible with the Guiding Principles set forth in that Standard;

2. Whether any risk control activities that will be examined under NGPL's proposed risk management program are expected to produce superior safety, environmental protection, and reliability of service compared to that achieved from compliance with the current regulations;

3. Whether NGPL's proposed risk management demonstration program includes a company work plan and a performance monitoring plan that will provide adequate assurance that the expectations for superior safety, environmental protection, and service reliability are actually being achieved during implementation.

The demonstration project provisions described in this notice evolved from these consultations, as well as any public comments received to date. Once OPS and NGPL consider comments received on this notice, OPS may issue an order approving the NGPL demonstration project.

*3. Statement of Project Goals*

The NGPL System transports pressurized natural gas which, if released in sufficient quantities in the presence of an ignition source, can cause fires and explosions resulting in property damage, injuries, and fatalities. Therefore, ensuring that pipeline leaks and ruptures do not occur is the highest priority for OPS, state agencies, and NGPL. Through risk management, NGPL intends to continuously improve the level of safety associated with operating this line.

NGPL is in the early stages of integrating specific risk assessment and prioritization processes required by the Risk Management Program Standard with a variety of existing company programs and procedures to identify the sources and causes of pipeline risks, to identify effective risk control activities to address these risks, and to monitor the effectiveness of these activities on system performance.

OPS believes that accepting NGPL into the risk management demonstration program at this time gives OPS the best opportunity to influence the continued comprehensive development and uses of risk management in the company and to better understand and address system unique risk issues. Through assessing the pipeline-specific risks and determining the risk reduction potential of risk control alternatives at specific locations, NGPL, OPS, and state agencies will improve their understanding of the risks affecting pipeline safety and have a better opportunity to evaluate the most effective risk control activities to manage these risks.

A distinctive feature of the NGPL proposal is NGPL's commitment to using quantitative models, where appropriate, to examine the relative risks associated with alternative risk control practices. NGPL is also willing to provide OPS access to company risk information, audit findings, and project scheduling. NGPL will provide a means of sharing company risk information directly with OPS and allowing immediate performance monitoring of the project. All of these milestones and commitments will be included in the OPS order authorizing the project.

NGPL has also identified several situations where it believes certain alternatives to current regulation may allow a reallocation of resources that would result in superior safety. (See Section 5 of this notice.) OPS will not be allowing these alternatives in the initial order. Once NGPL performs the necessary risk analyses to identify and justify the superiority of these risk control alternatives, as enhancing safety and environmental protection, OPS will consider amending the order to allow them. Although NGPL plans to present OPS with the final results of analyses supporting these alternatives in the fourth quarter of 1999, OPS and affected states will be working with NGPL to complete the risk analyses and begin implementing the alternatives at the earliest possible time.

NGPL will not be exempted from any current pipeline safety regulation until the company demonstrates to OPS and the affected states that the proposed alternatives provide superior protection than the current regulatory requirements. OPS will provide public notice of any proposed exemptions and opportunity to comment.

**4. Demonstration Project Locations**

NGPL will include its entire gas transmission pipeline system in the risk management demonstration project. However, later risk control alternatives will focus on specific locations.

While the project is underway, NGPL will investigate the relative risk-reduction of specific alternatives to the current regulations that require the operator to make certain changes to the

design or operation of the pipeline when the population increases around the pipeline. NGPL will investigate whether these proposed alternatives can provide superior risk reduction at four specific locations in which population around the pipeline is increasing. Two of the locations are in Liberty County, Texas; one location is in Lamar County, Texas; and one location is in Will County, Illinois.

As experience is gained from the initial set of population class change locations, and as risks are assessed for other portions of the NGPL gas transmission system, additional class change locations may be included in the demonstration project. OPS and NGPL will work together to establish criteria and a process for demonstrating when regulatory alternatives can provide superior protection at additional class change locations. (See Section 6 of this notice for a description of how OPS will oversee this project.)

**5. Project Description**

NGPL is in the early stages of integrating specific components of the OPS Demonstration Program with a variety of company programs, practices, and procedures to identify the sources and causes of pipeline risks, to identify effective risk control activities to address these risks, and to monitor the effectiveness of these activities on system performance. Senior level managers are responsible for administering and refining the processes that form the foundation of NGPL's risk assessment, risk control and decision-making, and performance monitoring functions. Appendix A is the company's work plan describing tasks to more fully develop its Risk Management Program.

Current risk control activities build on full compliance with current pipeline safety regulations and company and industry knowledge, experience, and research. Since 1990, NGPL has made extensive improvements to its risk management processes to better manage risks. These processes consist of four major components: a Pipeline Integrity Process, Management of Change Process, Modification of Standards Procedure, and Compliance Assessment Procedures. Currently, the NGPL Risk Management Program is reflected in operating and maintenance procedures; environment, safety, and health practices; engineering and design standards; and internal and external communications. During the demonstration project, the company will refine, enhance, further integrate, and document these processes in a Risk Management Program Manual. NGPL is committed to building on its current risk management system, and will continue to improve the ways in which the company:

- Actively investigates potential sources of risk in its operations;
- Integrates information from the various components of its system to produce a comprehensive understanding of the risk associated with NGPL operations;
- Identifies and allocates resources to effectively and efficiently manage these risks;
- Institutionalizes the Risk Management Program company-wide, with explicit identification of roles, responsibilities, and accountabilities; and
- Seeks input from and provides information to company employees, OPS, and other stakeholders.

NGPL's work plan, submitted as part of its application, includes these activities as specific milestones. These activities will be included in the Order authorizing the project. OPS and the states who participated in the consultative evaluation of the NGPL project will closely observe and interact with NGPL throughout these program development activities.

NGPL has also identified several situations where it believes certain alternatives to current regulations may allow a reallocation of resources that would result in superior performance. OPS will not be allowing these alternatives in the initial order. However, once NGPL performs the necessary risk analyses to identify and justify the superiority of these risk control alternatives, as enhancing safety and environmental protection, OPS will consider amending the order to allow them. Although the work plan in Appendix A shows that NGPL will present OPS with the final results of analyses supporting these alternatives in the fourth quarter of 1999, OPS and the affected states will be working with NGPL to complete the risk analyses and begin implementing the alternatives at the earliest possible time.

*Alternatives to Regulations Covering Class Location Changes (192.609/611)*

OPS categorizes all locations along the pipeline according to the size of the population near the pipeline. Locations with the smallest population (fewer than 10 buildings intended for human occupancy within 220 yards on either side of the pipeline) are designated Class 1. As the population along the pipeline increases, the class location changes. For example, Class 2 locations have more than 10, but fewer than 46 buildings intended for human occupancy; Class 3 locations have 46 or more buildings. The highest class, Class 4, involves locations in which buildings with four or more stories above ground (*e.g.,* large apartment buildings) are prevalent. Ninety-two percent of NGPL's system is Class 1; three percent is Class 2; five percent is Class 3. NGPL does not operate any facilities within Class 4 areas.

When the population surrounding the pipeline increases sufficiently, the class location of the pipeline may change. When the class location of a pipeline segment changes, the current regulations require an operator to confirm or revise the maximum allowable operating pressure. This could require such actions as replacing the pipe, lowering the operating pressure, or performing additional pressure tests of the line. NGPL will examine the potential risk reduction of an alternative set of risk control activities when a pipeline segment changes class. NGPL recognizes that a population increase along the pipeline increases risk due to the potentially larger consequences associated with a pipeline leak or rupture, and the possible increase in third-party excavations. NGPL will examine a set of risk control activities that includes but is not limited to:

- Internally inspecting class change segments which they would not otherwise be required to perform under current regulations;
- Internally inspecting an extended length of pipe on either side of each class change segment will further extend the benefits of better integrity analysis;
- Repairing anomalies in accordance with an NGPL-specified procedure;
- Performing enhanced third party damage prevention activities along the extended segment of pipeline;
- Performing enhanced third party damage prevention activities at other locations identified by NGPL to be the most susceptible to third party damage due to increasing population or construction; and
- Performing in-line inspections and repair of other pipeline segments identified by NGPL as having high relative risk, beyond those where population has increased.

NGPL will determine if performing these alternative risk control activities will reduce risk and produce superior performance than complying with the regulations. NGPL will design the internal inspection and associated repair activities to verify the condition of the pipe, and reduce the likelihood of pipe failure due to loss of wall thickness resulting from corrosion or other damage to the pipe. It will design the

enhanced third-party damage prevention activities to directly address the source of increased risk due to the population expansion, and to address one of the largest contributors to risk on the pipeline. NGPL believes that pipe replacement alternatives may reduce risks to the public, to workers removing and replacing pipe, and to the environment. Other relatively higher risk segments of the pipeline could benefit from resources that would otherwise be allocated to pipe replacement. NGPL will consider the risks and risk reduction associated with all possible approaches before proposing the best approach at any given location.

NGPL will work with OPS, the states, and other stakeholders during the demonstration project to confirm that these alternative activities will achieve superior protection beyond what is achievable through compliance with the current regulations.

*Alternatives to Currently Allowed Options for In-Service Repair of Pipes (192.711/713/715/717/719)*

The current regulations define a set of acceptable ways of repairing defects in pipelines. Considerable research has been performed over the last decade to investigate, test, and demonstrate other means of repair.

NGPL will investigate an alternative in-service repair technique based on the most recent research in this area. This technique, referred to as direct weld deposition repair, directly deposits weld metal on the pipeline damage or corrosion. This technique can be used on sections of the pipe (*e.g.* bends in the pipe) and on pipeline components (*e.g.* pipe fittings), where other current in-service repair techniques cannot be used. NGPL will work with OPS, the states, and other stakeholders to define the specific conditions and procedures under which this alternative repair technique can produce superior performance.

*Monitoring Demonstration Project Effectiveness*

The NGPL Demonstration Project includes a comprehensive approach to performance monitoring that OPS believes will provide superior protection of public safety and the environment, and achieve other project objectives. A key element of this monitoring plan is a set of programmatic performance measures to track the growth and institutionalization of risk management within the company, measure the effectiveness of the NGPL Risk Management Program and Process in achieving stated expectations, and measure the effectiveness of specific risk control activities. NGPL will report performance measurement data and project progress regularly to OPS throughout the demonstration period. This information, as well as periodic OPS audits, will assure accountability for improved performance.

NGPL has provided a work plan for completing the steps of this project. This work plan includes scheduled interaction between NGPL and OPS, such as NGPL's sharing with OPS appropriate project information through Intranet/Internet access on its risk management program, and OPS and affected states observing internal company assessment activities. OPS will audit NGPL's progress throughout the project to verify that key milestones are completed.

OPS believes this interaction will help confirm the continuing improvement in NGPL's Risk Management Program, and help OPS review and confirm NGPL's analysis of the expected risk-reduction from the proposed risk control alternatives. OPS will also be able to verify the technical basis for concluding that these alternatives will provide superior safety.

**6. Regulatory Perspective**

*Why is OPS Considering This Project?*

OPS has carefully and extensively reviewed NGPL's proposed Risk Management Demonstration Project. OPS believes that NGPL is committed to building on its current risk management system to develop and document a formal risk management program and set of implementing procedures corresponding to the requirements of the Risk Management Program Standard. NGPL senior management has demonstrated its commitment to improved safety and environmental protection through risk management. OPS believes that the technical and managerial processes included in the NGPL Risk Management Program will allow risk control alternatives to be defined that can provide superior performance.

OPS also believes that the NGPL demonstration project will help OPS achieve the overall goals of the Risk Management Demonstration Program. In particular, this project will provide OPS with increased and better quality data about potential pipeline risks and activities to address those risks. These previously unavailable data will increase OPS's knowledge and awareness about potential pipeline threats, provide earlier opportunity to consider appropriate risk control options, and thereby support a more effective regulatory role in improving safety and environmental protection. Further, OPS believes that NGPL's proposal indicates the potential of developing and demonstrating systematic processes to both quantitatively and qualitatively determine the relative risk-reduction benefits of alternative safety practices so that the effect of one set of risk control activities can be compared with another.

NGPL has demonstrated a strong commitment to the use of quantitative models, where appropriate, to examine the relative risks associated with alternative risk control practices. Including NGPL in the risk management demonstration program will allow OPS to gain further insights on using such models in developing the technical justification for risk control alternatives that achieve superior risk reduction. Use of these models will help to evaluate the results of other company risk management projects and solidify the demonstration of superior safety results from company risk management programs.

NGPL will develop and use company Intranet-based systems to promote communication within the company about its risk management program and the results of its risk analysis and risk-based decision making. NGPL is willing to provide OPS access to a company-operated intranet site containing risk information, audit findings, and project scheduling. This provides a means of sharing NGPL risk information directly with OPS and allowing immediate performance monitoring of the project. This is an innovative feature of the NGPL risk management project that may contribute to the success of the entire pipeline risk management program through developing enhanced systems and methods to report and share risk information and monitor performance.

NGPL has also included in its work plan, development of an External Communications Plan that defines planned information exchange with contractors, land owners, local safety officials, local emergency planning groups, and other stakeholders.

*How Will OPS Oversee This Project?*

After NGPL's Risk Management Demonstration Project is approved, the PRT consisting of OPS headquarters and regional staff and state pipeline safety officials who have been reviewing the proposal, will monitor the project. The PRT is designed to be a more comprehensive oversight process that draws maximum technical experience and perspective from all affected OPS regional and headquarters offices, and from any affected state agencies that

would not normally provide oversight on interstate transmission projects.

The PRT will conduct periodic risk management audits to observe company performance of 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 NGPL Demonstration Project. This plan will describe the audit process (*e.g.*, types of inspections, methods, observation of company review of risks and risk control options, frequency of audit), as well as the specific requirements for reporting information and performance measurement data to OPS.

OPS retains its full authority to administer and enforce all regulations governing pipeline safety. As previously discussed, NGPL may later be exempted from particular regulations if it demonstrates that specific risk control alternatives provide superior levels of safety to regulatory compliance. (Such alternatives would become part of the Order and would be monitored.) Should Demonstration Project performance or other subsequent information indicate that superior levels of safety have not been achieved or are unlikely to continue to be achieved, then OPS may require NGPL to modify the alternative or return to complying with the previously exempted regulation.

*Information Provided to the Public*

OPS has previously provided information to the public about the NGPL project, and has requested public comment, using many different sources.

1. OPS aired several electronic ''town meetings'' enabling viewers of the two-way live broadcasts to pose questions and voice concerns about candidate companies (including NGPL).

2. An earlier **Federal Register** notice (62 FR 53052; October 10, 1997) informed the public that NGPL 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.

3. Since August 1997, OPS has used an Internet-accessible data system called the Pipeline Risk Management Information System (PRIMIS), available via the OPS Home Page at http://ops.dot.gov, to collect, update, and exchange information about all demonstration candidates, including NGPL.

4. At a November 19, 1997, public meeting OPS hosted in Houston, TX, NGPL 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, and March 26, 1998.)

5. OPS will provide 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.

At this point, OPS has received no public comment on NGPL's proposal. This notice is OPS's final request for public comment before OPS intends to approve NGPL's participation in the Demonstration Program under the terms of the work plan.

Issued in Washington, DC on August 26, 1998.

**Richard B. Felder,**

*Associate Administrator, Office of Pipeline Safety.*

## Appendix A: NGPL Work Plan

IMPLEMENTATION SCHEDULE WITH KEY MILESTONES

| # | Milestone description | Date |
|---|---|---|
| 1 | Program Development. | |
| 1.1 | Complete development and description of investigative risk identification and assessment processes | 4th Quarter 1998. |
| 1.2 | Complete development and description of processes for integrating risk information from various sources into linked risk database. | 4th Quarter 1998. |
| 1.3 | Complete development and description of processes for identifying and selecting risk control activities | 4th Quarter 1998. |
| 1.4 | Complete development of NGPL Risk Management Program Manual which describes processes and assigns responsibilities. | 1st Quarter 1999. |
| 2 | Assurance of Superior Performance for Phase 1 Projects. | |
| 2.1 | Describe the technical approach (including a description of the models, algorithms, data sources, and expert processes) that will be used to assess and compare the risk reduction expected from the proposed class location change alternatives and compliance with current regulations. | 4th Quarter 1998. |
| 2.2 | Describe the technical approach (including a description of the models, algorithms, data sources, and expert processes) that will be used to assess and compare the risk reduction expected from the proposed welding repair alternatives and compliance with current regulations. | 4th Quarter 1998. |
| 2.3 | Present the preliminary results of the analyses that lead to the conclusion that superior performance will result from the proposed class location risk control alternatives. | 2nd Quarter 1999. |
| 2.4 | Present the preliminary results of the analyses that lead to the conclusion that superior performance will result from the proposed welding repair alternatives. | 2nd Quarter 1999. |
| 2.5 | Complete initial enhancements to Risk and Environmental Management (REM) database | 2nd Quarter 1999. |
| 2.6 | Present the final results of the analyses that lead to the conclusion that superior performance will result from the proposed class location risk control alternatives. | 4th Quarter 1999. |
| 2.7 | Present the final results of the analyses that lead to the conclusion that superior performance will result from the proposed welding repair alternatives. | 4th Quarter 1999. |
| 3 | Performance Measures. | |
| 3.1 | Develop performance measures to monitor the effectiveness of the overall NGPL Risk Management Program. | 4th Quarter 1998. |
| 3.2 | Develop performance measures to monitor the effectiveness of proposed risk control activities to produce superior performance (including baseline levels, and expected levels). | 4th Quarter 1998. |
| 3.3 | Produce a Performance Monitoring Plan that incorporates the selected performance measures, and defines the processes and responsibilities for collecting, analyzing, and reporting performance data. | 1st quarter 1999. |
| 3.4 | Produce and provide OPS and other stakeholders a Performance Monitoring report that documents the status and progress of the program. | 1st Quarter 2000 and as needed thereafter, but not to exceed 18 months through demo phase. |
| 4 | Communication & Information Exchange. | |

IMPLEMENTATION SCHEDULE WITH KEY MILESTONES—Continued

| # | Milestone description | Date |
|---|---|---|
| 4.1 | Complete External Communications Plan that defines planned information exchange with contractors, land owners, the public, local safety officials, local emergency planning groups, and other stakeholders. | 4th Quarter 1998. |
| 4.2 | Conduct Risk Management information meetings with affected local emergency planning committees, local officials, and land owners. | 1st Quarter 1999 and as needed thereafter, but not to exceed 18 months through demo phase. |
| 4.3 | Meet with OPS to discuss program progress and status | 1st Quarter 1999 and as needed thereafter, but not to exceed 18 months through demo phase. |
| 4.4 | Provide OPS summary of consolidated risk information indicating the major sources of risk on the NGPL pipelines and actions being taken or planned by NGPL to address these risks. | 4th Quarter 1999. |
| 4.5 | Develop internal electronic information and communication system that will provide all employees easy access to key risk management information (including information in NGPL's Computer Action Tracking and Trending System, the Risk and Environmental Management database, and other risk-related databases). | 4th Quarter 1999. |
| 4.6 | Provide OPS controlled Internet access to relevant portions of the NGPL electronic information system to facilitate reporting and information exchange. | 1st Quarter 2000. |
| 5 | Selection of Phase 2 Projects. | |
| 5.1 | Develop and present to OPS an analysis/review/approval process for expanding Phase 1 projects to other portions of the NGPL system. | 2nd Quarter 1999. |
| 5.2 | Submit list of additional Phase 2 projects to OPS, including the anticipated technical approach for establishing superior performance. | 3rd Quarter 1999. |
| 6 | Assurance of Superior Performance for Phase 2 Projects. | |
| 6.1 | Present results of analyses to expand Phase 1 alternatives to other portions of the NGPL system | 3rd Quarter 1999. |
| 6.2 | Present results of analyses demonstrating superior performance for other selected Phase 2 alternatives. | 1st Quarter 2000. |

## Appendix B: Environmental Assessment

### *A. Background and Purpose*

A Presidential Directive to the Secretary of Transportation (October 16, 1996) stated that in implementing the Pipeline Risk Management Demonstration Program: ''The Secretary shall require each project to achieve superior levels of public safety and environmental protection when compared with regulatory requirements that otherwise would apply.'' Thus, the process to select operators for this Demonstration Program involves a comprehensive review to ensure that the proposed project will provide the superior safety and environmental protection required by this Directive. This document summarizes the key points of this review for Natural Gas Pipe Line Company's (NGPL) demonstration project, and evaluates the safety and environmental impacts of this proposed project.

This document was prepared in accordance with section 102(2)(c) of the National Environmental Policy Act (42 U.S.C. Section 4332), the Council on Environmental Quality regulations (40 CFR Sections 1500–1508), and Department of Transportation Order 5610.1c, Procedures for Considering Environmental Impacts.

### *B. Description of Proposed Action*

NGPL will conduct a demonstration project encompassing its entire pipeline system. Specific risk control activities will be investigated for four locations in the NGPL system: two locations in Liberty County, Texas; one location in Lamar County, Texas; and one location in Will County, Illinois. NGPL has adopted a Risk Management Program and Process to institutionalize risk management throughout the company. The proposed project's primary objective is to demonstrate that implementation of NGPL's Risk Management Program and Process will lead to superior performance, improved safety and environmental protection.

NGPL's Risk Management Program integrates four major components: the company Pipeline Integrity Process, Management of Change Process, Modification of Standards Procedure, and Compliance Assessment Procedures. The formalized NGPL Risk Management Program will be documented in the course of the demonstration project and will fully conform to the Risk Management Program Standard. During the demonstration project, NGPL will continue to:

- actively investigate potential risk sources in pipeline operations;
- integrate information from the four components listed above to form a comprehensive understanding of risk associated with operation of the NGPL system and allocate resources to determine effective and efficient risk control alternatives;
- institutionalize NGPL's Risk Management Program company-wide with specific roles, responsibilities, accountabilities, and effective documentation; and
- seek input from and provide information to company employees, OPS, and stakeholders to continually improve NGPL's Risk Management Program and the understanding of the risk management/ engineering process.

As a result of a comprehensive review of NGPL's risk management demonstration project, the Office of Pipeline Safety (OPS) proposes to approve this project for participation in the Demonstration Program.

The activities below would be included in an Order formally approving the NGPL demonstration project:

- Share information with OPS concerning the specific risks identified for NGPL pipeline segments;
- Share information with OPS concerning the preventive and risk control activities NGPL has identified and analyzed to address these risks and their relative priority;
- Share information with OPS concerning the technical basis for establishing alternative risk control

activities that achieve superior safety and environmental protection;

- Share information with OPS concerning the lessons learned on institutionalizing risk management programs to help OPS in evaluating the effectiveness of risk management programs, including information on the use of quantitative risk assessment and prioritization models where appropriate;
- Track, monitor, and report performance measures selected to determine the effectiveness of the NGPL risk management program; and
- Provide OPS access to risk management information through the NGPL company intranet-based information systems.

*Monitoring Demonstration Project Effectiveness*

The NGPL Demonstration Project includes a comprehensive approach to performance monitoring that assures the superior protection of public safety and the environment, and achieves other project objectives. A key element of this monitoring plan is a set of programmatic performance measures to track the growth and institutionalization of risk management within the company, and measure the effectiveness of the NGPL Risk Management Program and Process in achieving stated expectations.

NGPL will report performance measurement data and project progress regularly to OPS throughout the demonstration period. This information, as well as periodic OPS audits, will assure accountability for improved performance. More detailed descriptions of all aspects of the NGPL proposal and OPS rationale for approving the project are provided in the Internet-accessible data system called the Pipeline Risk Management Information System (PRIMIS), available to the public via the OPS Home Page, at http://ops.dot.gov.

*C. Purpose and Need for Action*

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 is being performed under strictly controlled conditions through a set of demonstration projects being conducted with interstate pipeline operators. Through the Demonstration Program, OPS will determine whether a risk management approach, properly implemented and monitored through a formal risk management regulatory framework, achieves:

(1) Superior safety and environmental protection; and

(2) Increased efficiency and service reliability of pipeline operations.

In June, 1997, NGPL submitted a Letter of Intent to OPS, asking to be considered as a Demonstration Program candidate. 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 satisfied that NGPL's proposal will provide superior safety and environmental protection, and is prepared to finalize the agreement with NGPL on the provisions for the demonstration project.

*D. Alternatives Considered*

OPS has considered three alternatives: approval of the NGPL risk management demonstration project as proposed in NGPL's application; denial of the NGPL demonstration project; or approval of the project with certain modifications to NGPL's application.

OPS's preferred alternative is to approve the NGPL demonstration project. OPS is satisfied that the proposal will not significantly affect the surrounding environment. By approving the NGPL demonstration program, OPS is not approving the implementation of any risk control alternatives or exemptions from regulations at this time. However, later during the demonstration project, NGPL may propose, and OPS may approve, alternatives to the current regulations. NGPL will need to demonstrate that any alternatives provide superior safety and environmental protection to the current regulations. We will amend this environmental assessment to consider the impact of any such alternatives on the environment.

With approval of this project, NGPL will provide OPS with risk assessment information on the pipeline system exceeding that available through the current regulatory process. OPS's access to NGPL's company Intranet-based risk information system provides a high level of information sharing and provides OPS an opportunity to investigate new, efficient tools for obtaining information and communicating with pipeline companies.

The project is expected to lead to superior levels of safety and environmental protection than provided under current regulatory requirements, because of the identification and analysis of effective risk control alternatives that may be approved for future implementation. In the meantime, increased sharing between OPS and NGPL about potential pipeline risks will increase OPS's knowledge and awareness about potential pipeline threats, provide earlier opportunity to consider appropriate risk control options, and thereby support a more effective regulatory role in improving safety and environmental protection.

NGPL's use of quantitative models in its analysis of alternatives will also provide OPS practical insights concerning the usefulness of quantitative tools and methods that are applicable to the entire risk management demonstration program.

OPS and NGPL will carefully monitor and, if necessary, improve the effectiveness of the risk control program and processes throughout the demonstration period.

If OPS denied the project, it would lose valuable information concerning the sources of risks to NGPL's pipeline system and the most effective means of managing these risks. Denial would also significantly diminish OPS's ability to evaluate the effectiveness of an institutionalized, integrated, and comprehensive risk management program in producing superior performance, and would hinder OPS's ability to satisfy the objectives of the Risk Management Demonstration Program, and the requirements of the previously mentioned Presidential Directive. Denial would also result in the loss of insights regarding the use of quantitative models and the loss of opportunities to investigate new methods of obtaining information from pipeline companies through Intranet-based information systems.

All of the issues raised by OPS, state regulators, and other stakeholders about NGPL's proposed project have been discussed within the consultative process, resolved to OPS's satisfaction, and reflected in NGPL's application. Thus, we do not see any need to modify NGPL's proposal.

*E. Affected Environment and Environmental Consequences*

The NGPL gas transmission pipeline system covers approximately 13,000 miles in 14 states. The product transported in the NGPL system is pressurized natural gas, a flammable gas. If a pipeline leaks or ruptures, the product could be released to the surrounding area and, in the presence of an ignition source, could be ignited, causing fire or explosion. The likelihood of such occurrences leading to environmental damage is currently very low, as evidenced by NGPL-specific and industry-wide operating history.

OPS, at this time, is not approving any exemptions to the current regulations. During the course of the project, NGPL will examine the risk-reduction benefits of specific risk control activities that may improve safety and environmental protection. NGPL is focusing on two locations in Liberty County, Texas; one location in Lamar County, Texas; and one location in Will County, Illinois. If and when NGPL demonstrates to OPS's satisfaction that such activities can be expected to result in improved safety and environmental protection compared to the current regulations, then OPS will amend the risk management Order to allow NGPL to implement these alternatives. OPS will also make an environmental assessment of any proposed alternatives, to determine their environmental impact.

Before entering into consultations with NGPL, OPS determined that NGPL was a good demonstration program candidate 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.

OPS records show that since 1984, NGPL has filed 49 reportable incidents, which is typical for a company of its size. Causes include corrosion (24), construction or material defects (8), outside forces (8), and other miscellaneous or unknown causes (9). The most significant accident, causing eleven deaths and three injuries, occurred October 3, 1989, when a fishing boat in the Gulf of Mexico near High Island, Texas, struck a sixteen inch diameter line about one half mile offshore at a water depth of approximately ten feet. OPS determined that NGPL violated no regulations in connection with this incident, and no enforcement actions resulted. Following the incident, OPS promulgated regulations to protect against future incidents involving submerged pipelines. NGPL complied by instituting a regular inspection program to assess the integrity of the pipelines in Gulf of Mexico shallow waters, exceeding the inspection frequency required by the regulations. The NGPL offshore damage protection program determines the available soil backfill protection, identifies potential or actual damage to the facilities, and makes repairs where needed. In addition, NGPL co-chaired a task force that has resulted in several offshore damage prevention/public awareness aids and initiatives, such as an educational video, an annual luncheon and program for mariners, development and installation of pictograph warning signs, and a developing offshore one-call system.

On March 29, 1998, NGPL experienced a corrosion failure of a thirty-six inch diameter pipeline approximately five miles south of Corrigan, Texas, in a forested and relatively isolated part of Polk County, Texas. This failure resulted in some fire damage, but no harm to people. NGPL will pressure test approximately 36 miles of pipeline in the area where the failure occurred to specifically address the cause of this incident. NGPL also will examine approximately 600 miles of pipeline in the area to determine if the coatings and cathodic protection are providing adequate protection to reduce the future chance of this type of failure. OPS is monitoring NGPL's response to this incident and is presently conducting an accident investigation in conjunction with a standard audit of the affected pipeline.

At this time, OPS believes that the actions NGPL will take to address the specific causes of the incident, together with the system-wide application of their proposed Risk Management Program, are an adequate response to the incident and demonstrate a continued commitment to safety.

NGPL will incorporate information from all incidents into its proposed Risk Management Program to further reduce the likelihood of future incidents. NGPL's Program will also include frequent feedback from field personnel on the condition of the pipeline, risk modeling of the pipeline to provide faster and more thorough assessment of threats to pipeline integrity, and application of new technology from recent research to further reduce risk.

*F. Environmental Justice Considerations*

In accordance with Executive Order 12898 (Federal Actions to Address Environmental Justice in Minority and Low-Income Populations), OPS has considered the effects of the demonstration project on minority and low-income populations. As explained above, this project, initially, will not result in any significant environmental impacts, because NGPL will be complying with current applicable pipeline safety regulations. Residents near the facility will have the same level of protection that they presently have, regardless of the residents' income level or minority status. Therefore, the proposed project does not have any disproportionately high or adverse health or environmental effects on any minority or low-income populations near the demonstration facility. OPS will only approve any proposed alternative risk control activities if NGPL can demonstrate that these alternatives provide greater safety and environmental protection than compliance with existing regulations.

*G. Information Made Available to States, Local Governments, and Individuals*

OPS has made the following documents publicly available, and incorporates them by reference into this environmental assessment:

(1) ''Demonstration Project Prospectus: Natural Gas Pipe Line Corporation'', August 1998, available by contacting Elizabeth M. Callsen at 202–366–4572. Purpose is to reach the public, local officials, and other stakeholders, and to solicit their input about the proposed project. Will be mailed to over 300 individuals, including Local Emergency Planning Committees (LEPC) and other local safety officials, Regional Response Teams (RRT) representing other federal agencies, state pipeline safety officials, conference attendees, and members of public interest groups.

(2) NGPL ''Application and Work Plan for DOT-OPS Risk Management Demonstration Program'', available in Docket No. RSPA–98–3893 at the Dockets Facility, U.S. Department of Transportation, Plaza 401, 400 Seventh Street, SW, Washington, DC 20590–0001, (202)366–5046.

(3) ''OPS Project Review Team Evaluation of the NGPL Demonstration Project''.

(4) Notice of intent to approve the NGPL Demonstration Project (published concurrently with this environmental assessment).

OPS has previously provided information to the public about the NGPL project, and has requested public comment, using many different sources. OPS aired four electronic broadcasts (June 5, 1997; September 17, 1997; and December 4, 1997; and March 1998) reporting on demonstration project proposals (the last three of which provided specific information on NGPL's proposal). An earlier **Federal Register** notice (62 FR 53052; October 10, 1997) informed the public that NGPL 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, 1997 OPS has used an Internet-accessible data system called the Pipeline Risk Management Information System (PRIMIS), available

via the OPS Home Page at http://ops.dot.gov, to collect, update, and exchange information about all demonstration candidates, including NGPL.

At a November 19, 1997, public meeting OPS hosted in Houston, TX, NGPL 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 and March 26, 1998.) No issues or concerns about NGPL's proposal have been raised.

*H. Listing of the Agencies and Persons Consulted, Including Any Consultants*

Persons/Agencies Directly Involved in Project Evaluation

Stacey Gerard, OPS/U.S. Department of Transportation
Tom Fortner, OPS/U.S. Department of Transportation
Ivan Huntoon, OPS/U.S. Department of Transportation
Donald Moore, OPS/U.S. Department of Transportation
Rodrick Seeley, OPS/U.S. Department of Transportation
Dallas Rea, OPS/U.S. Department of Transportation
Bruce Hansen, OPS/U.S. Department of Transportation
Elizabeth Callsen, OPS/U.S. Department of Transportation
Steve Smock, Illinois Commerce Commission
Edward Steele, Ohio Public Utilities Commission
Mary McDaniel, Railroad Commission of Texas
Jim vonHerrmann, Cycla Corporation (consultant)
Andrew McClymont, Cycla Corporation (consultant)

Persons/Agencies Receiving Briefings/Project Prospectus/Requests for Comment

Regional Response Team (RRT), Regions 5 and 6, representing the Environmental Protection Agency; the Coast Guard; the U.S. Departments of Interior, Commerce, Justice, Transportation, Agriculture, Defense, State, Energy, Labor; Health and Human Services; the Nuclear Regulatory Commission; the General Services Administration; and the Federal Emergency Management Agency (RRT Co-Chairs: Richard Karl and Charles Gazda, EPA, and Capt. Christopher Desmond and Capt. Gregory Cope, Coast Guard).

*I. Conclusion*

Based on the above-described analysis of the proposed demonstration project, OPS has determined that there are no significant impacts associated with this action.

[FR Doc. 98–23442 Filed 8–31–98; 8:45 am]

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## DEPARTMENT OF TRANSPORTATION

### Research and Special Programs Administration

**[Docket No. RSPA–98–3891; Notice 14]**

### Pipeline Safety: Mobil Pipe Line Company Approved for Pipeline Risk Management Demonstration Program; Correction

**AGENCY:** Office of Pipeline Safety, Research and Special Programs Administration, DOT.

**ACTION:** Notice; correction.

**SUMMARY:** RSPA published a document in the **Federal Register** of August 14, 1998, regarding approval of Mobil Pipeline Line Company for the Pipeline Risk Management Demonstration Program. The document contained errors in reference to the pipeline company's name.

**FOR FURTHER INFORMATION CONTACT:** Elizabeth Callsen, OPS, (202) 355–4572.

**Correction**

In the **Federal Register** issue of August 14, 1998, in FR Doc. 98–21840, on page 43742, in the first column, second full paragraph, correct the second sentence to read: OPS conducted an Environmental Assessment of Mobil's project (63 FR 36018, ''Pipeline Safety: Intent to Approve Project and Environmental Assessment for the Mobil Pipe Line Company Pipeline Risk Management Demonstration Program'', July l, 1998).

Issued in Washington, DC on August 26, 1998.

**Richard B. Felder,**

*Associate Administrator.*

[FR Doc. 98–23443 Filed 8–31–98; 8:45 am]

BILLING CODE 4910–60–P

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## DEPARTMENT OF TRANSPORTATION

### Surface Transportation Board

**[STB Finance Docket No. 33639]**

### Dakota, Missouri Valley & Western Railroad, Inc.—Acquisition and Operation Exemption—A Line of The Burlington Northern and Santa Fe Railway Company

Dakota, Missouri Valley & Western Railroad, Inc. (DMVW), a Class III rail carrier, has filed a notice of exemption under 49 CFR 1150.41 to acquire (by purchase) ownership rights in (a permanent and exclusive rail service easement) and to operate over approximately 45.3 miles of rail line, owned by The Burlington Northern and Santa Fe Railway Company (BNSF), known as the McKenzie-Linton Line, between milepost 0.0 at McKenzie, Burleigh County, ND, and milepost 45.3 in Linton, Emmons County, ND.[1]

The transaction is scheduled to be consummated on or before September 1, 1998.[2]

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

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 33639, 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 Kevin M. Sheys, Oppenheimer Wolff Donnelly & Bayh LLP, 1350 Eye Street N.W., Suite 200, Washington, DC 20005–3324.

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

Decided: August 25, 1998.

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

**Vernon A. Williams,**

*Secretary.*

[FR Doc. 98–23451 Filed 8–31–98; 8:45 am]

BILLING CODE 4915–00–P

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## DEPARTMENT OF TRANSPORTATION

### Surface Transportation Board

**[STB Finance Docket No. 33647]**

### Georgia Southwestern Railroad, Inc.—Lease Exemption—The Georgia Department of Transportation

Georgia Southwestern Railroad, Inc. (GSWR), a Class III rail common carrier, has filed a notice of exemption under 49 CFR 1150.41 to lease from the Georgia Department of Transportation (GDOT)

[1] DMVW will also acquire BNSF's interest in all railroad tracks, track materials and related track structures and facilities located between milepost 0.0 at McKenzie and milepost 28.7 at Hazelton, ND. BNSF will convey to DMVW the exclusive right to conduct rail freight transportation business on the entire McKenzie-Linton Line.

[2] The transaction could not be consummated no sooner than the August 10, 1998, effective date of the exemption.