DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 33674]

Livonia, Avon & Lakeville Railroad Corporation—Acquisition of Control Exemption—Ontario Central Railroad Corporation

Livonia, Avon & Lakeville Railroad Corporation (LAL), a Class III rail carrier, has filed a verified notice of exemption to acquire a controlling interest, through stock purchase, of Ontario Central Railroad Corporation (ONCT), a Class III rail carrier, which operates 14 miles of rail line between West Victor and Shortsville, NY.[1]

LAL owns and operates approximately 30 miles of rail line between Genessee Junction yard in Chili, NY, immediately south of Rochester, and Lakeville, NY. LAL also separately operates approximately 35 miles of track between Hammondsport, Bath and Wayland, NY, which is owned by the Steuben County Industrial Development Authority.[2]

Under the terms of an agreement with ONCT, LAL will acquire 3,000 shares of ONCT's treasury stock and 8,900 shares of ONCT's stock, which is currently authorized but unissued.

The earliest the transaction could be consummated was October 30, 1998, the effective date of the exemption (7 days after the exemption was filed).

LAL states that: (i) the railroads do not connect with each other; (ii) the transaction is not part of a series of anticipated transactions that would connect the railroads with each other; and (iii) the transaction does not involve a Class I carrier. Therefore, the transaction is exempt from the prior approval requirements of 49 U.S.C. 11323. *See* 49 CFR 1180.2(d)(2).

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

If the 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 will not automatically stay the transaction.

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 33674, must be filed with the Office of the Secretary, Case Control Unit, Surface Transportation Board, 1925 K Street, N.W., Washington, DC 20423–0001. In addition, a copy of all pleadings must be served on Kevin M. Sheys, Oppenheimer Wolff Donnelly & Bayh LLP, 1350 Eye St., N.W., Suite 200, Washington, DC 20005.

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

Decided: November 10, 1998.

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

Vernon A. Williams,

Secretary.

[FR Doc. 98–30652 Filed 11–17–98; 8:45 am]

BILLING CODE 4915–00–P

[1] *See Ontario Central Railroad Corporation—Operations—Between Shortsville and Victor, NY,* Finance Docket No. 29761 (ICC served Nov. 3, 1981) (Modified Rail Certificate), and *Certificate of Designated Operator-Ontario Central Railroad Corp.,* D–OP 33 (U.S.R.A. Line No. 98/1022), *Cancellation of Certificate of Designate Operation—Consolidated Rail Corporation,* D–OP 6 (U.S.R.A. Line No. 98/1022) (ICC served Sept. 28, 1979).

[2] *See Livonia, Avon & Lakeville Railroad Corp.—Acquisition and Operation Exemption—Steuben County Industrial Development Agency,* STB Finance Docket No. 32941 (STB served May 22, 1996).

DEPARTMENT OF THE TREASURY

Internal Revenue Service

Privacy Act of 1974, as Amended; System of Records

AGENCY: Internal Revenue Service, Department of the Treasury.

ACTION: Notice of proposed new system of records.

SUMMARY: In accordance with the requirements of the Privacy Act of 1974, as amended, 5 U.S.C. 552a, the Department of the Treasury gives notice of a new proposed system of records, the IRS Audit Trail Lead Analysis System (ATLAS).

DATES: Comments must be received no later than 30 days after the proposed system is published in the **Federal Register** (December 18, 1998). The proposed system of records will be effective 40 days after the proposed system is published in the **Federal Register** (December 28, 1998) unless the Service receives comments that would result in a contrary determination.

ADDRESSES: Comments should be sent to Office of Governmental Liaison and Disclosure, Internal Revenue Service, 1111 Constitution Ave., NW, Washington, DC. 20220. Persons wishing to review the comments should call 202–622–6240 to make an appointment with the Office of Governmental Liaison and Disclosure.

FOR FURTHER INFORMATION CONTACT: Michael Sincavage, Director, 6103/Privacy Operations, Governmental Liaison and Disclosure, Internal Revenue Service at 202–622–6240.

SUPPLEMENTARY INFORMATION: This report is to give notice of a proposed new Internal Revenue Service (IRS) system of records entitled ''IRS Audit Trail Lead Analysis System (ATLAS),'' which is subject to the Privacy Act of 1974, 5 U.S.C. 552a, as amended. The Service is establishing ATLAS to detect and counter unauthorized access, use, fraud and abuse of tax return information. This system provides protection by monitoring and tracking, through analysis of audit logs, accesses to and use of IRS electronic records. Outside of IRS Information Systems, the Office of the Chief Inspector/Treasury Office of Inspector General for Tax Administration will be the principal user of data contained in this system of records. The Office of the Chief Inspector will analyze the data contained in the system of records as part of its mission to detect and deter fraud, waste, and abuse. The Integrated Data Retrieval System Security Files, Treasury/IRS 34.018, will be incorporated into the proposed IRS ATLAS system of records. In accordance with the Office of Management and Budget Circular A–130, the notice covering Treasury/IRS 34.018 will be deleted from the IRS's inventory of systems of records on the date Treasury/IRS 34.020 becomes effective. The proposed system of records is published in its entirety below.

Dated: November 10, 1998.

Shelia Y. McCann,

Deputy Assistant Secretary (Administration).

Treasury/IRS 34.020

SYSTEM NAME:

IRS Audit Trail Lead Analysis System (ATLAS)-Treasury/IRS.

SYSTEM LOCATION:

The ATLAS is located in an IRS facility in West Virginia. The users of the system are located in a facility in Ohio.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

(1) IRS employees and contractors who have accessed, by any means, tax return or other IRS information contained within an IRS information system (i.e., its operating system,

network, or data base) which processes taxpayer information. (2) Individual taxpayers upon whom the IRS maintains paper or electronic records and whose records have been accessed. (3) Individuals who have illegally accessed, by any means, tax return or other IRS information contained within an IRS information system (i.e., its operating system, network, or data base) which processes taxpayer information.

CATEGORIES OF RECORDS IN THE SYSTEM:

The IRS information systems create audit logs of IRS employees or contractors who have accessed or other individuals who have illegally accessed taxpayer records. The audit logs are then processed by ATLAS to determine whether the accesses are consistent with the IRS policy, standards and practices regarding tax administration, and the confidentiality statutes within the U.S. Code.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

5 U.S.C. 301; 26 U.S.C. 6103, 7213, 7213A, 7214, 7608, 7801, 7802, and 18 U.S.C. 1030(a)(2)(B).

PURPOSE(S):

To enable the IRS to enhance protection of sensitive tax return information by assuring the public that its tax information is being protected in an ethical and legal manner, thereby promoting voluntary taxpayer compliance. The system is to detect and counter unauthorized access, use, fraud and abuse of tax return information. The system provides protection by monitoring and tracking, through analysis of audit logs, accesses to and use of IRS electronic records.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Disclosure of tax returns and tax return information may be made only as provided by 26 U.S.C. 6103. Records other than returns and return information may be used to:

(1) Disclose pertinent information to appropriate Federal, State, local, or foreign agencies responsible for investigating or prosecuting the violations of, or for enforcing or implementing a statute, rule, regulation, order, or license, where the disclosing agency becomes aware of an indication of a violation or potential violation of civil or criminal law or regulations;

(2) Disclose information in a proceeding before a court, adjudicative body, or other administrative body before which the agency is authorized to appear when: (a) The agency, or (b) any employee of the agency in his or her official capacity, or (c) any employee of the agency in his or her individual capacity where the Department of Justice or the agency has agreed to represent the employee, or (d) the United States, when the agency determines that litigation is likely to affect the agency, is a party to litigation or has an interest in such litigation, and the use of such records by the agency is deemed to be relevant and necessary to the litigation or administrative proceeding and not otherwise privileged;

(3) Provide information to a congressional office in response to an inquiry made at the request of the individual to whom the record pertains;

(4) Provide information to third parties during the course of an investigation to the extent necessary to obtain information pertinent to the investigation;

(5) Provide information to unions recognized as exclusive bargaining representatives under the Civil Service Reform Act of 1978, 5 U.S.C. 7111 and 7114, the Merit Systems Protection Board, arbitrators, the Federal Labor Relations Authority, and other parties responsible for the administration of Federal labor actions or grievances or conducting administrative hearings or appeals or if needed in the performance of other authorized duties;

(6) Disclose information to the Department of Justice for the purpose of litigating an action or seeking legal advice; and

(7) Disclose information to the defendant in a criminal prosecution, the Department of Justice, or a court of competent jurisdiction where required in criminal discovery or by the Due Process Clause of the Constitution.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING, AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Electronic storage, either by magnetic or optical media, and paper copy.

RETRIEVABILITY:

(1) Indexed by name, social security number (SSN) or other unique identifier assigned to an IRS employee or contractor who has been granted access to an IRS computer system, or other individuals who have illegally accessed an application which processes taxpayer information.

(2) Indexed by name, SSN, or other unique identifier assigned to an IRS employee or contractor who has been granted access to paper records.

(3) Retrieved by the Taxpayer Identification Number (SSN, EIN, or ITIN).

SAFEGUARDS:

Access controls will not be less than those described in TD P 71–10, Department of Treasury Security Manual, IRM 2.1.10 Internal Revenue Manual— Information Systems Security, and IRM 1(16)12 Internal Revenue Manual—Managers Security Handbook.

RETENTION AND DISPOSAL:

Records are maintained in accordance with record disposition handbooks, IRM 1(15)59.

SYSTEM MANAGER(S) AND ADDRESS:

Chief, Security Program Section, Telecommunication and Operations Division, Information Systems, Internal Revenue Service, Department of the Treasury, 1111 Constitution Ave., NW, Washington, DC 20220.

NOTIFICATION PROCEDURE:

This system of records is exempt from certain provisions of the Privacy Act.

RECORD ACCESS PROCEDURES:

This system of records is exempt from certain provisions of the Privacy Act and may not be accessed for the purpose of determining if the system contains a record pertaining to a particular individual.

CONTESTING RECORD PROCEDURES:

This system of records is exempt and may not be accessed for purposes of inspection or contest of record contents. Also, 26 U.S.C. 7852(e) prohibits Privacy Act amendment of tax records.

RECORD SOURCE CATEGORIES:

This system of records is exempt from the Privacy Act provision which requires that record source categories be reported. (See ''Exemptions Claimed for the System,'' below.)

EXEMPTIONS CLAIMED FOR THE SYSTEM:

This system is exempt from 5 U.S.C. 552a(c)(3), (d)(1), (d)(2), (d)(3), (d)(4), (e)(1), (e)(4)(G), (H) and (I), and (f) of the Privacy Act pursuant to 5 U.S.C. 552a(k)(2). (see 31 CFR 1.36)

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