0.01 (*i.e.,* 1% probability of rejecting ''good'' material) and an ''n'' value of 3 to 5 are appropriate. Note the less stringent requirement here than for obtaining access to the ''original'' qualification database discussed in Section 4.4. In the latter case, all future batches of material are being admitted while in the former case only one batch is under scrutiny. As the exposure and experience along this line increase through time, a new set of values for these two parameters may be provided. Also, considering the intrinsic difference both in terms of the nature of the material system and the specifics of application, the certification offices (ACO's) may adjust this set of values reflecting their unique circumstances.

If quality control testing fails, engineering evaluation can be performed to justify a retest of the same batch of material. As part of this effort, engineers should search for other reasons to believe the material is ''bad'' or identify a problem in specimen fabrication and/or testing. The number of ''retests'' should be limited to one which, from a purely statistical perspective, yields a probability of rejecting good material in two sets of receiving inspection tests for the same batch is only 0.01% for the recommended ''α''.

Issued in Kansas City, Missouri, on May 30, 2000.

Marvin Nuss,

Acting Manager, Small Airplane Directorate, Aircraft Certification Service.

[FR Doc. 00–14482 Filed 6–12–00; 8:45 am]

BILLING CODE 4910–13–U

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Ex Parte No. 558 (Sub-No. 3)]

Railroad Cost of Capital—1999

AGENCY: Surface Transportation Board.

ACTION: Notice of decision.

SUMMARY: On June 12, 2000 the Board served a decision to update its computation of the railroad industry's cost of capital for 1999. The composite after-tax cost of capital rate for 1999 is found to be 10.8%, based on a current cost of debt of 7.2%; a cost of common equity capital of 12.9%; a cost of preferred equity capital of 6.3%; and a capital structure mix comprised of 35.5% debt, 62.7% common equity, and 1.8% preferred equity. The cost of capital finding made in this proceeding will be used in a variety of Board proceedings.

EFFECTIVE DATE: This action is effective June 12, 2000.

FOR FURTHER INFORMATION CONTACT: Leonard J. Blistein, (202) 565–1529. [TDD for the hearing impaired: (202) 565–1695.]

SUPPLEMENTARY INFORMATION: The cost of capital finding in this decision shall be used for a variety of regulatory purposes. To obtain a copy of the full decision, write to, call, or pick up in person from: Da-To-Da Office Solutions., Room 405, 1925 K Street, NW., Washington, DC 20423. Telephone: (202) 466–5530. [Assistance for the hearing impaired is available through TDD services (202) 565–1695.] The decision is also available on the Board's internet site at www.stb.dot.gov.

Environmental and Energy Considerations

This action will not significantly affect either the quality of the human environment or the conservation of energy resources.

Regulatory Flexibility Analysis

Pursuant to 5 U.S.C. 605(b), we conclude that our action in this proceeding will not have a significant economic impact on a substantial number of small entities. The purpose and effect of this action are to update the annual railroad industry cost of capital finding by the Board. No new reporting or other regulatory requirements are imposed, directly or indirectly, on small entities.

Authority: 49 U.S.C. 10704(a).

Decided: June 6, 2000.

By the Board, Chairman Morgan, Vice Chairman Burkes, and Commissioner Clyburn.

Vernon A. Williams,

Secretary.

[FR Doc. 00–14879 Filed 6–12–00; 8:45 am]

BILLING CODE 4915–00–P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Docket No. 42052]

Union Pacific Railroad Company—Petition for Declaratory Order—Imposed Interchange Charges

AGENCY: Surface Transportation Board.

ACTION: Institution of declaratory order proceeding; request for comments.

SUMMARY: The Board is instituting a proceeding under 5 U.S.C. 554(e) to resolve questions concerning the right of a rail carrier to impose charges unilaterally against other carriers for events that may occur when cars are interchanged.

DATES: Comments by or on behalf of all interested parties are due July 12, 2000. Replies are due August 1, 2000.

ADDRESSES: The original and 10 copies of comments referring to STB Docket No. 42052 must be sent to: Surface Transportation Board, Office of the Secretary, Case Control Unit, 1925 K Street, NW, Washington, DC 20423–0001, ATTN: STB Docket No. 42052.

In addition, send one copy of comments to: (1) Union Pacific Railroad Company, Robert T. Opal, General Commerce Counsel, 1416 Dodge Street, Room 830, Omaha, Nebraska 68179; (2) Iowa Interstate Railroad, Ltd., Edward J. Krug, Krug & Beckelman, P.L.C., 401 First Street S.E., Suite 330, P.O. Box 186, Cedar Rapids, IA 52406–0186; (3) City of Tacoma Public Utilities, d/b/a Tacoma Rail, Mark Bubenik, Chief Assistant City Attorney, P.O. Box 11007, Tacoma, WA 98411–0007; (4) Roger A. Serpe, General Counsel, Indiana Harbor Belt Railroad Company, 111 West Jackson Boulevard, Suite 1128, Chicago, Illinois 60604–3502; and (5) William C. Sippel, Thomas J. Litwiler, Fletcher & Sippel LLC, Two Prudential Plaza, Suite 3125, 180 North Stetson Avenue, Chicago, Illinois 60601–6710.

FOR FURTHER INFORMATION CONTACT: Beryl Gordon, (202) 565–1600. [TDD for the hearing impaired: 1–800–877–8339.]

SUPPLEMENTARY INFORMATION: On February 14, 2000, Union Pacific Railroad Company (UP or petitioner) filed a petition seeking a declaratory order to resolve a dispute over the right of a rail carrier to impose charges unilaterally against other carriers for events that may occur when cars are interchanged. Replies to the petition have been filed by respondents Indiana Harbor Belt Railroad Company (Indiana Harbor Belt), Iowa Interstate Railroad, Ltd. (Iowa Interstate), and City of Tacoma, Tacoma Public Utilities, d/b/a Tacoma Rail and Tacoma Beltline Railroad (Tacoma Beltline) (collectively, respondents).

Specifically, UP seeks a declaration that, under 49 U.S.C. 11121, a rail carrier may not unilaterally impose charges on another carrier for interchange of cars, either by ''tariff'' or otherwise, and that interchange-related charges imposed by one carrier on another must be either permitted by agreement of the carriers involved or specifically authorized by the Board. The controversy arises as a consequence of ''tariff'' provisions issued by respondents, pursuant to which charges may be imposed when cars are not pulled from interchange within

specified times. UP asserts that such interchange matters are subject to the Association of American Railroads' (AAR) Car Service and Car Hire Agreement (Car Hire Agreement), unless the rail carriers enter into agreements that differ from the Car Hire Agreement.

Respondents concur that a declaratory order is warranted, though they disagree with UP as to the substance of such an order. Indiana Harbor Belt assails UP's allegedly ''delinquent interchange practices in the Chicago Switching District.'' Iowa Interstate defends its charges as necessary to protect short line railroads against arbitrary and unfair interchange practices of Class I railroads. Tacoma Beltline asserts that UP's position constitutes anti-competitive conduct in complete disregard of business operations.[1] Iowa Interstate and Tacoma Beltline rely on the decision of the court in *Cincinnati, N.O. & T.P. Ry. Co.* v. *Chesapeake & O. Ry. Co.*, 441 F.2d 483 (4th Cir. 1971), for the proposition that AAR's car service rules do not prevent a carrier from acting individually through a ''tariff'' charge to avoid costs related to another railroad's malfeasance.

Under 5 U.S.C. 554(e) and 49 U.S.C. 721, the Board has discretionary authority to issue a declaratory order to terminate a controversy or remove uncertainty. The Board and its predecessor, the Interstate Commerce Commission (ICC), have exercised broad authority in handling such requests. In determining whether to entertain such petitions, the agency considers a number of factors, including the significance to the industry, the ripeness of the controversy, and whether a proceeding is necessary to terminate an active controversy.

The issues presented raise questions that would appear to have broad and current applicability within the railroad industry, involving significant interpretations of the statutory framework within which that industry operates since enactment of the ICC Termination Act of 1995, Pub. L. No. 104–88, 109 Stat. 803. These significant questions deserve resolution on a full record, including the comments of all interested persons, not just the parties already of record.

Accordingly, a declaratory order proceeding is instituted to consider the issues raised in UP's petition and respondents' replies, based on the comments of all interested parties. This proceeding will be handled on the basis of written statements submitted by the parties.

Written comments (an original and 10 copies) by or on behalf of all interested parties (including petitioner and respondents) must be filed with the Board no later than July 12, 2000. Replies (an original and 10 copies) by petitioner and respondents must be filed no later than August 1, 2000.[2] Comments must state the basis for the party's position and must contain the name and address of the commenting party. Petitioner and respondents must be served concurrently with a copy of each comment (and reply); other commenters must be served concurrently with a copy of each reply.

Board decisions and notices are available on our website at ''www.stb.dot.gov''.

This action will not significantly affect either the quality of the human environment or the conservation of energy resources.

Decided: June 7, 2000.

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

Vernon A. Williams,

Secretary.

[FR Doc. 00–15000 Filed 6–12–00; 8:45 am]

BILLING CODE 4915–00–P

[1] Tacoma Beltline requested that the Board delay any ruling until its lawsuit seeking interchange charges is resolved in *City of Tacoma, Tacoma Public Utilities* v. *Union Pacific Railroad Company*, Case No. C00–50548FDB, (W.D. Wash.) This request is moot, because in an order dated April 20, 2000, the court dismissed the case without prejudice, citing the Board's exclusive jurisdiction.

[2] Replies may also be submitted by other commenting parties, if desired, by the same date. Petitioner's and respondents' representatives are directed to assist in providing an appropriate mailing list to other interested parties, upon request.

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Docket No. AB–55 (Sub–No. 577X)]

CSX Transportation, Inc.—Abandonment Exemption—in Wayne County, IN

On May 22, 2000, CSX Transportation, Inc. (CSXT) filed with the Surface Transportation Board, Washington, DC 20423, a petition under 49 U.S.C. 10502 for exemption from the provisions of 49 U.S.C. 10903 to abandon a portion of its line of railroad known as its Richmond Subdivision, extending from railroad Milepost CI–61.90 to railroad Milepost CI–63.21 at the end of track, a distance of 1.31 miles, in Richmond, Wayne County, Indiana. The line traverses United States Postal Service ZIP Code 47374 and includes no stations.

The line does not contain federally granted rights-of-way. Any documentation in the railroad's possession will be made available promptly to those requesting it.

The interest of railroad employees will be protected by the labor protective conditions imposed in *Oregon Short Line R. Co.—Abandonment—Goshen,* 360 I.C.C. 91 (1979).

By issuing this notice, the Board is instituting an exemption proceeding pusuant to 49 U.S.C. 10502(b). A final decision will be issued by September 8, 2000.

Any offer of financial assistance (OFA) under 49 CFR 1152.27(b)(2) will be due no later than 10 days after service of a decision granting the petition for exemption. Each OFA must be accompanied by the filing fee, which is currently set at $1,000. *See* 49 CFR 1002.2(f)(25).

All interested persons should be aware that, following abandonment of rail service and salvage of the line, the line may be suitable for other public use, including interim trail use. Any request for a public use condition under 49 CFR 1152.28 or for trail use/rail banking under 49 CFR 1152.29 will be due no later than July 3, 2000. Each trail use request must be accompanied by a $150 filing fee. *See* 49 CFR 1002.2(f)(27).

All filings in response to this notice must refer to STB Docket No. AB–55 (Sub-No. 577X) and must be sent to: (1) Surface Transportation Board, Office of the Secretary, Case Control Unit, 1925 K Street, NW., Washington, DC 20423–0001; and (2) Natalie S. Rosenberg, 500 Water Street, Jacksonville, FL 32202. Replies to the CSXT petition are due on or before July 10, 2000.

Persons seeking further information concerning abandonment procedures may contact the Board's Office of Public Services at (202) 565–1592 or refer to the full abandonment or discontinuance regulations at 49 CFR part 1152. Questions concerning environmental issues may be directed to the Board's Section of Environmental Analysis (SEA) at (202) 565–1545. [TDD for the hearing impaired in available at 1–800–877–8339].

An environmental assessment (EA) (or environmental impact statement (EIS), if necessary) prepared by the SEA will be served upon all parties of record and upon any agencies or other persons who commented during its preparation. Other interested persons may contact SEA to obtain a copy of the EA (or EIS). EAs in these abandonment proceedings normally will be made available within 60 days of the filing of the petition. The deadline for submission of comments on the EA will generally be within 30 days of its service.