

FOR FURTHER INFORMATION CONTACT:

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[Assistance for the hearing impaired is available through the Federal Information Relay Service (FIRS) at 1-800-877-8339.]

SUPPLEMENTARY INFORMATION: The Surface Transportation Board (Board) is instituting a proceeding in STB Ex Parte No. 657 (Sub-No. 1) to obtain public comments on proposed changes to its stand-alone cost (SAC) methodology, on whether to continue to permit movement-specific adjustments to its Uniform Railroad Costing System (URCS) in rail rate reasonableness cases, and on the proper standards for reopening and vacating a prior rate decision that is based upon a SAC analysis. First, the Board presents two alternatives to the percent reduction method to determine maximum reasonable rates. Second, the Board proposes a new cost-based method for allocating revenue from cross-over traffic. Third, the Board proposes a method for forecasting future operating expenses of a stand-alone railroad (SARR) that would reflect anticipated future productivity gains. Fourth, the Board proposes to no longer permit movement-specific adjustments to URCS when calculating the 180% revenue-to-variable cost (R/VC) jurisdictional floor for rail rate relief. Fifth, the Board proposes to shorten the time frame for SAC analyses and corresponding rate prescriptions from 20 years to 10 years. Finally, the Board proposes new standards for reopening and vacating a prior Board decision (including any resulting rate prescription) that is based on a SAC analysis.

In a decision served on February 27, 2006, the Board has discussed each of these issues in detail and set forth proposed solutions to the identified problems. Each of these issues is being revisited to ensure that both the SAC test and the jurisdictional floor for rate relief are applied fairly and in conformity with the Board's statutory charge. Because these issues go to the heart of the SAC test and have industry-wide significance for rail carriers and their captive shippers, all interested parties are invited to comment on these proposed changes.

Additional information is contained in the Board's decision. To obtain a free copy of the full decision, visit the Board's Web site at <http://www.stb.dot.gov>. A service list will be available at the Board's Web site by March 31, 2006. Comments, replies and rebuttals should be served on all

persons designated on the list as a party of record.

This action should not have a significant economic impact upon a substantial number of small entities, within the meaning of the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*). To the extent that small entities may be affected, the impact should be beneficial, because these proposals will resolve several contentious issues in SAC proceeding, and simplify the jurisdictional inquiry. The Board, however, invites comments on whether there would be effects on small entities that should be considered.

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

Decided: February 27, 2006.

By the Board, Chairman Buttrey and Vice Chairman Mulvey.

Vernon A. Williams,
Secretary.

[FR Doc. E6-3049 Filed 3-2-06; 8:45 am]

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DEPARTMENT OF TRANSPORTATION**Surface Transportation Board**

[STB Finance Docket No. 34554 (Sub-No. 4)]

**Union Pacific Railroad Company—
Temporary Trackage Rights
Exemption—BNSF Railway Company**

BNSF Railway Company (BNSF), pursuant to a modified written trackage rights agreement entered into between BNSF and Union Pacific Railroad Company (UP), has agreed to extend the expiration date of the local trackage rights granted to UP¹ over BNSF's line of railroad extending from BNSF milepost 579.3 near Mill Creek, OK, to BNSF milepost 631.1 near Joe Junction, TX, a distance of approximately 51 miles.²

¹ UP submits that the trackage rights being granted here are only temporary rights, but, because they are "local" rather than "overhead" rights, they do not qualify for the Board's class exemption for temporary trackage rights at 49 CFR 1180.2(d)(8). See *Railroad Consolidation Procedures—Exemption for Temporary Trackage Rights*, STB Ex Parte No. 282 (Sub-No. 20) (STB served May 23, 2003). Therefore, UP and BNSF concurrently have filed a petition for partial revocation of this exemption in STB Finance Docket No. 34554 (Sub-No. 5), *Union Pacific Railroad Company—Temporary Trackage Rights Exemption—BNSF Railway Company*, wherein UP and BNSF request that the Board permit the proposed local trackage rights arrangement described in the present proceeding to expire on or about December 31, 2006. That petition will be addressed by the Board in a separate decision.

² The original trackage rights granted in *Union Pacific Railroad Company—Trackage Rights*

The transaction was scheduled to be consummated on February 20, 2006.

The purpose of this transaction is to modify the temporary trackage rights exempted in STB Finance Docket No. 34554 (Sub-No. 2) to further extend the expiration date to on or before December 31, 2006. The modified trackage rights will permit UP to continue to move loaded and empty ballast trains for use in its maintenance-of-way projects.

As a condition to this exemption, any employees affected by the trackage rights will be protected by the conditions imposed in *Norfolk and Western Ry. Co.—Trackage Rights—BN*, 354 I.C.C. 605 (1978), as modified in *Mendocino Coast Ry., Inc.—Lease and Operate*, 360 I.C.C. 653 (1980).

This notice is filed under 49 CFR 1180.2(d)(7). If it 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. 34554 (Sub-No. 4), must be filed with the Surface Transportation Board, 1925 K Street, NW., Washington, DC 20423-0001. In addition, one copy of each pleading must be served on Gabriel S. Meyer, 1400 Douglas Street, STOP 1580, Omaha, NE 68179.

Board decisions and notices are available on our Web site at <http://www.stb.dot.gov>.

Decided: February 22, 2006.

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

Vernon A. Williams,
Secretary.

[FR Doc. 06-1861 Filed 3-2-06; 8:45 am]

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Exemption—The Burlington Northern and Santa Fe Railway Company, STB Finance Docket No. 34554 (STB served Oct. 7, 2004), also extended from BNSF milepost 579.3 near Mill Creek, OK, to BNSF milepost 631.1 near Joe Junction, TX. By decisions served on November 24, 2004, in STB Finance Docket No. 34554 (Sub-No. 1) and on March 25, 2005, in STB Finance Docket No. 34554 (Sub-No. 3), the Board granted exemptions to permit the trackage rights authorized in STB Finance Docket No. 34554 and extended in STB Finance Docket No. 34554 (Sub-No. 2), served on Feb. 11, 2005, to expire. At the time of that extension, it was anticipated by the parties that the rights would expire on or about December 31, 2005. However, this authority has not yet been exercised.