

profit, the agency may find that hardship exists.<sup>13</sup>

In this case, Pagani earned profits of approximately €1,947,846 from 2004 to 2010. This amount is less than the €4,000,000 it will cost to complete the advanced air bag program. Accordingly, immediate compliance would result in net losses. However, considering the effect of a denial on the company, we believe that the fact that immediate compliance would cause Pagani to suffer short-term losses is insufficient to demonstrate substantial economic hardship.

Examining Pagani's petition and supplemental submissions, it appears that the hardship from denying the petition consists of decreased anticipated profits and the inability to enter the U.S. market until it fields a fully compliant vehicle. With an exemption, Pagani projects earning €8,613,000 in net income from 2011 to 2014. Without an exemption, Pagani projects earning €5,398,000 in net income during the same period. Based on these projections, Pagani would continue to earn increasing net income each year without an exemption. Additionally, the amount of net income projected over the next several years if the petition is denied would appear to cover the costs of the €4,000,000 advanced air bag program.

In contrast to most of the manufacturers that have been granted exemptions, Pagani has historically made profits and projects increasing profits even in the event that an exemption is denied.<sup>14</sup> Additionally, unlike several profitable manufacturers that have been granted exemptions in the past, Pagani currently only sells vehicles outside of the U.S., and the company expects to maintain and exceed its current sales levels in the event that an exemption is denied.<sup>15</sup>

<sup>13</sup> See, e.g., Grant of petition of Panther Motor Car Co. Ltd., 54 FR 12731 (Mar. 28, 1989).

<sup>14</sup> Compare Denial of petition of Ferrari S.p.A, 55 FR 3785 (Feb. 5, 1990) (manufacturer had a history of earning profits and would continue to do so if the petition were denied), with Grant of petition of Koenigsegg Automotive AB, 72 FR 17608 (Apr. 9, 2007) (manufacturer had recently experienced losses and would experience further losses if its petition were denied); Grant of petition of YES! Sportscars, 71 FR 68888 (manufacturer had continuing and cumulative net loss position and would experience further losses if the petition were denied); Grant of petition of Morgan Motor Company Limited, 71 FR 52851 (manufacturer had continuing and cumulative net loss position and would experience further losses if the petition were denied); Grant of petition of Spyker Automobielen B.V., 70 FR 39007 (July 6, 2005) (manufacturer had continuing and cumulative net loss position and would experience further losses if the petition were denied).

<sup>15</sup> See, e.g., Grant of petition of Ferrari S.p.A and Ferrari North America, Inc., 71 FR 29389 (May 22,

Accordingly, the agency concludes that a measure of economic hardship may result from the denial, but it cannot be characterized as "substantial" given Pagani's current financial condition, its financial projections, and the continuing demand for its vehicles outside of the United States.

**Public Interest**—We have also examined whether an exemption in this case would be consistent with the public interest and the objectives of the Safety Act, as is required by the Act and the implementing regulations (49 CFR 555.5(b)(7)). Pagani has requested an exemption from all of the advanced air bag requirements except for the 30 mph belted 50th percentile male barrier impact test, compliance with which the agency has conditioned previous advanced air bag exemptions. Pagani stated that (1) the Huayra has several features that increase the crashworthiness of the vehicle, (2) a limited number of vehicles will be sold in the U.S. and each vehicle is expected to be driven approximately 2,500 miles annually, (3) the vehicle is expected to rarely carry children, and (4) a denial of the exemption would adversely affect consumer choice.

Although the agency supports additional crashworthiness features designed to increase the safety of occupants in the vehicle, we note that most of the requirements from which Pagani seeks exemption were implemented to minimize the risks posed by air bags to infants, children, and small-statured adults, especially in low-speed crashes. In the 2000 final rule, the agency estimated that these requirements had the potential to protect more than 95 percent of the at-risk population (out-of-position infants, children, and small-statured adults) from the risks presented by air bag deployment. The Huayra's crashworthiness features do not mitigate these risks, and although Pagani asserted that children will rarely ride in the Huayra, the company has not proposed any measures or warnings to reduce the chance that a child or small-statured adult would ride in the vehicle nor has the company described any vehicle features designed to mitigate the safety risks of standard air bags to

2006) (denial of the petition would reduce the manufacturer's U.S. sales by 85 percent); Grant of petition of Panther Motor Car Co. Ltd., 54 FR 12731 (Mar. 28, 1989) (denial of petition would result in temporary suspension of manufacturer's sales in the U.S. market); Grant of petition of Aston Martin Lagonda Limited, 52 FR 26760 (July 16, 1987) (denial of petition would delay further sales of vehicles in the U.S., which represented over one-third of the manufacturer's total sales).

vehicle occupants.<sup>16</sup> Accordingly, the agency is unable to find that an exemption would be consistent with the public interest and the objectives of the Safety Act.

**Decision**—Based on the foregoing, the agency is unable to make a finding of substantial economic hardship or that an exemption would be consistent with the public interest and the objectives of the Safety Act. Accordingly, Pagani's petition for temporary exemption is denied.

(49 U.S.C. 30113; delegations of authority at 49 CFR 1.50 and 501.8)

Issued on: July 29 2011.

**David L. Strickland,**  
Administrator.

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## DEPARTMENT OF TRANSPORTATION

### Surface Transportation Board

[Docket No. FD 35538]

#### CSX Transportation, Inc.—Trackage Rights Exemption—Norfolk Southern Railway Company

Pursuant to a written trackage rights agreement, Norfolk Southern Railway Company (NSR) has agreed to grant approximately 3,290 feet of overhead trackage rights to CSX Transportation, Inc. (CSXT),<sup>1</sup> between the point of switch at Track Station 55 + 65 and the point of switch at Track Station 30 + 70, and the portion of NSR's track parallel to CSXT's track between the point of switch at Track Station 30 + 55 and Track Station 22 + 75, in Hamilton County, Tenn.

The transaction is scheduled to be consummated on or after August 21, 2011, the effective date of the exemption (30 days after the exemption was filed).

CSXT states that it and NSR both own tracks between Craven's Yard and the riverfront in the vicinity of 19th Street in Chattanooga, Tenn. According to CSXT, NSR's single spur track crosses CSXT's single spur track at Chestnut Street, just north of Craven's Yard under provisions of an agreement dated January 30, 1907, as supplemented (the Lewis Street Crossing Agreement). To

<sup>16</sup> In the original petition, the company indicated that the vehicle would be equipped with an on-off air bag switch. In a supplemental submission to the agency, the company indicated that no on-off switch would be installed.

<sup>1</sup> A redacted, executed trackage rights agreement between CSXT and NSR was filed with the notice of exemption. The unredacted version was concurrently filed under seal along with a motion for protective order, which will be addressed in a separate decision.

take advantage of operating efficiencies and conveniences, CSXT and NSR wish to cancel the Lewis Street Crossing Agreement and replace the current crossing diamond with a turnout and switches lining CSXT's spur into NSR's spur north of Craven's Yard. CSXT states that, by retiring the crossing diamond, the parties will reduce maintenance costs and improve the efficiency of operations. The purpose of the proposed trackage rights is to allow CSXT the use of the turnout and switches.

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

This notice is filed under 49 CFR 1180.2(d)(7). 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 effectiveness of the exemption. Stay petitions must be filed by August 12, 2011 (at least 7 days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to Docket No. FD 35538, must be filed with the Surface Transportation Board, 395 E Street, SW., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on Steven C. Armbrust, Esq., CSX Transportation, Inc., 500 Water Street J-150, Jacksonville, FL 32202, and Louis E. Gitomer, Esq., Law Offices of Louis E. Gitomer, LLC, 600 Baltimore Avenue, Suite 301, Towson, MD 21204.

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

Decided: August 2, 2011.

By the Board.

**Rachel D. Campbell,**  
*Director, Office of Proceedings.*

**Jeffrey Herzig,**  
*Clearance Clerk.*

[FR Doc. 2011-19889 Filed 8-4-11; 8:45 am]

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## DEPARTMENT OF THE TREASURY

### Office of Foreign Assets Control

#### Additional Designation of Person Whose Property and Interests in Property Are Blocked Pursuant to Executive Order 13536 of April 12, 2010, "Blocking Property of Certain Persons Contributing to the Conflict in Somalia."

**AGENCY:** Office of Foreign Assets Control, Treasury.

**ACTION:** Notice.

**SUMMARY:** The Treasury Department's Office of Foreign Assets Control ("OFAC") is publishing the name of one individual whose property and interests in property are blocked pursuant to Executive Order 13536 of April 12, 2010, "Blocking Property of Certain Persons Contributing to the Conflict in Somalia."

**DATES:** The designation by the Director of OFAC of the individual identified in this notice was announced on July 29, 2011.

**FOR FURTHER INFORMATION CONTACT:** Assistant Director, Sanctions Compliance and Evaluation, Office of Foreign Assets Control, Department of the Treasury, 1500 Pennsylvania Avenue, NW. (Treasury Annex), Washington, DC 20220, *Tel.*: 202/622-2490.

#### SUPPLEMENTARY INFORMATION:

##### Electronic and Facsimile Availability

The List of Specially Designated Nationals and Blocked Persons ("SDN List") and additional information concerning OFAC are available from OFAC's Web site (<http://www.treas.gov/ofac>). Certain general information pertaining to OFAC's sanctions programs also is available via facsimile through a 24-hour fax-on-demand service, *Tel.*: 202/622-0077.

##### Background

On April 12, 2010, the President issued Executive Order 13536, "Blocking Property of Certain Persons Contributing to the Conflict in Somalia" (the "Order"), pursuant to, *inter alia*, the International Emergency Economic Powers Act (50 U.S.C. 1701-06). In the Order, the President declared a national emergency to address the deterioration of the security situation and the persistence of violence in Somalia and acts of piracy and armed robbery at sea off the coast of Somalia.

Section 1 of the Order blocks, with certain exceptions, all property and interests in property that are in the United States, that come within the

United States, or that are or come within the possession or control of any United States person, or persons listed in the Annex to the Order and of persons determined by the Secretary of the Treasury, in consultation with the Secretary of State, to satisfy certain criteria set forth in the Order. The Annex to the Order lists eleven individuals and one entity whose property and interests in property are blocked pursuant to the Order.

On July 29, 2011, the Director of OFAC, in consultation with the Secretary of State and other relevant agencies, designated Omar Hammami as an individual whose property and interests in property are blocked pursuant to the Order for acting or purporting to act for or on behalf of, directly or indirectly, al-Shabaab pursuant to subsection 1(a)(ii)(E) of the Order; for engaging in acts that directly or indirectly threaten the peace, security, or stability of Somalia pursuant to subsections 1(a)(ii)(A)(1) and (2) of the Order and for materially assisting, sponsoring, or providing financial, material, logistical, or technical support for, or goods or services in support of al-Shabaab pursuant to subsection 1(a)(ii)(D) of the Order.

Omar Hammami is one of Al-Shabaab's key figures, who has commanded guerilla forces in combat, organized attacks, and plotted strategy with Al Qaeda. Omar Hammami's roles in Al-Shabaab include those of a military tactician, recruitment strategist and financial manager.

Omar Hammami is featured in an Al-Shabaab video in which militia members are shown training and explicitly stating their allegiance to Osama bin Laden, in what appeared to be an attempt to increase recruiting among Somalis, including Somali émigrés in the United States.

Omar Hammami was involved in organizing a suicide bombing attack carried out by a Somali-American from Minnesota who traveled to Somalia to join Al-Shabaab. That attack and four others organized by Omar Hammami and carried out on October 28, 2008, killed more than 20 people.

Omar Hammami, a U.S. citizen, has been indicted in the Southern District of Alabama on a three-count indictment for allegedly providing material support, including himself as personnel, to terrorists; conspiring to provide material support to a designated foreign terrorist organization, Al-Shabaab; and providing material support to Al-Shabaab.

As a result of this designation, all property and interests in property of Omar Hammami that are or hereafter