

milepost 6.0, near Glendive, Mont., and milepost 0.0, at Glendive.² The lines traverse U.S. Postal Service Zip Codes 59212, 59217, 59221, 59222, 59226, 59330, 59242, 59247, 59254, 59257, 59258, 59263, and 59270.

In 2011, YVRR received authority to discontinue service between milepost 6.0, near Glendive, and milepost 43.0, at Crane.³ For that reason, YVRR states that it no longer needs the overhead trackage rights south of milepost 6.0. Accordingly, YVRR seeks authority to discontinue those rights between milepost 6.0, near Glendive, and milepost 0.0, at Glendive.

YVRR seeks to discontinue operations over the leased lines so that BNSF can once again resume operations over those lines. Once service is discontinued over the leased lines, YVRR states that it will no longer have any need for the overhead trackage rights between milepost 78.6, on the BNSF Sidney Subdivision near Snowden, and milepost 0.93, on the BNSF Scobey Subdivision, near Bainville. After the requested discontinuance is granted, YVRR will continue to operate as a common carrier performing transload and terminal switching operations on tracks it owns in Dore, ND.⁴

The interest of railroad employees will be protected by the conditions set forth in *Oregon Short Line Railroad—Abandonment Portion Goshen Branch Between Firth & Ammon, in Bingham & Bonneville Counties, Idaho*, 360 I.C.C. 91 (1979).

By issuance of this notice, the Board is instituting an exemption proceeding pursuant to 49 U.S.C. 10502(b). A final decision will be issued by May 31, 2013.⁵

Because this is a discontinuance and not an abandonment, trail use/rail banking and public use conditions are not appropriate. Similarly, no environmental or historic documentation is required under 49 CFR 1105.6(c)(2) and 1105.8(b).

² YVRR acquired the lease over the lines and the overhead trackage rights in 2005. See *Yellowstone Valley R.R.—Lease and Operation Exemption—BNSF Ry.*, FD 34737 (STB served Sept. 1, 2005).

³ See *Yellowstone Valley R.R.—Discontinuance of Service Exemption—In Dawson and Richland Cntys., Mont.*, AB 991X (STB served June 28, 2011).

⁴ YVRR asserts that it constructed these tracks as team tracks while leasing the lines from BNSF and that it did not need Board authority for this project under 49 U.S.C. 10906.

⁵ YVRR asks the Board to act expeditiously. The carrier fears that it will soon start to lose employees as a result of this discontinuance filing, which in turn will impair its ability to provide service.

Any offer of financial assistance (OFA) under 49 CFR 1152.27(b)(2) to subsidize continued rail service 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 \$1,600. See 49 CFR 1002.2(f)(25).

All filings in response to this notice must refer to Docket No. AB 991 (Sub-No. 1X) and must be sent to: (1) Surface Transportation Board, 395 E Street SW., Washington, DC 20423-0001; and (2) Karl Morell, 655 Fifteenth Street NW., Suite 225, Washington, DC 20005. Replies to the petition are due on or before March 21, 2013.

Persons seeking further information concerning discontinuance procedures may contact the Board's Office of Public Assistance, Governmental Affairs, and Compliance at (202) 245-0238 or refer to the full abandonment and discontinuance regulations at 49 CFR 1152. Questions concerning environmental issues may be directed to the Board's Office of Environmental Analysis at (202) 245-0305. [Assistance for the hearing impaired is available through the Federal Information Relay Service (FIRS) at 1-800-877-8339.]

Board decisions and notices are available on our Web site at www.stb.dot.gov.

Decided: February 26, 2013.

By the Board, Rachel D. Campbell,
Director, Office of Proceedings.

Jeffrey Herzig,
Clearance Clerk.

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DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[Docket No. EP 558 (Sub-No. 16)]

Railroad Cost of Capital—2012

AGENCY: Surface Transportation Board, DOT.

ACTION: Notice of decision instituting a proceeding to determine the railroad industry's 2012 cost of capital.

SUMMARY: The Board is instituting a proceeding to determine the railroad industry's cost of capital for 2012. The decision solicits comments on the following issues: (1) The railroads' 2012 current cost of debt capital; (2) the

railroads' 2012 current cost of preferred equity capital (if any); (3) the railroads' 2012 cost of common equity capital; and (4) the 2012 capital structure mix of the railroad industry on a market value basis. Comments should focus on the various cost of capital components listed above using the same methodology followed in *Railroad Cost of Capital—2011*, EP 558 (Sub-No. 15) (STB served Sept. 13, 2012).

DATES: Notices of intent to participate are due by March 29, 2013. Statements of the railroads are due by April 19, 2013. Statements of other interested persons are due by May 10, 2013. Rebuttal statements by the railroads are due by May 31, 2013.

ADDRESSES: Comments may be submitted either via the Board's e-filing system or in the traditional paper format. Any person using e-filing should comply with the instructions at the E-FILING link on the Board's Web site, at <http://www.stb.dot.gov>. Any person submitting a filing in the traditional paper format should send an original and 10 copies to: Surface Transportation Board, Attn: Docket No. EP 558 (Sub-No. 16), 395 E Street SW., Washington, DC 20423-0001.

FOR FURTHER INFORMATION CONTACT: Pedro Ramirez at (202) 245-0333. Assistance for the hearing impaired is available through the Federal Information Relay Service (FIRS) at (800) 877-8339.

SUPPLEMENTARY INFORMATION: The Board's decision is posted on the Board's Web site, <http://www.stb.dot.gov>. Copies of the decision may be purchased by contacting the Board's Office of Public Assistance, Governmental Affairs, and Compliance at (202) 245-0238. Assistance for the hearing impaired is available through FIRS at (800) 877-8339.

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

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

Decided: February 25, 2013.

By the Board, Chairman Elliott, Vice Chairman Begeman, and Commissioner Mulvey.

Jeffrey Herzig,
Clearance Clerk.

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