and analog use, the analog input shall be equipped with an audio low pass filter as provided in paragraph (d), (e) or (f) of this section.

4. A new § 93.121, is added to read as follows:

§ 93.121 Provisions relating to the use of scrambling devices.

Analog scrambling techniques may be employed at any station authorized the use of A3 or F3 emission, provided that station identification is transmitted in the unscrambled mode (clear voice) in accordance with the provisions of § 93.152.

[FR Doc. 78-4337 Filed 2-15-78; 8:45 am]

[4910-60]

Title 49—Transportation

CHAPTER I—MATERIALS TRANSPORTATION BUREAU, DEPARTMENT OF TRANSPORTATION

[Docket No. HM-158, Amdt. No. 173-113]

PART 173—SHIPPERS—GENERAL REQUIREMENTS FOR SHIPMENTS AND PACKAGINGS

Empty Canadian Tank Cars

AGENCY: Materials Transportation Bureau, DOT

ACTION: Final rule.

SUMMARY: This amendment allows empty Canadian tank cars to be returned from the United States to Canada if transported in conformity with Canadian Transport Commission (CTC) regulations. This amendment is needed because of differences between CTC and DOT placarding requirements that result from recent changes to DOT requirements. The amendment provides a minor enlargement of existing DOT recognition of CTC regulations.

DATE: This amendment is effective February 16, 1978.

FOR FURTHER INFORMATION CONTACT:

Douglas A. Crockett, Chief Counsel's Office, Research and Special Programs Directorate, Room 6222, 2100 Second Street SW., Washington, D.C. 20590, phone: 202-755-4972.

SUPPLEMENTARY INFORMATION: A number of Canadian rail shippers of liquefied petroleum gas have notified DOT that they anticipate problems in providing EMPTY placards specified by DOT for tank cars returning to Canada after delivery of liquefied petroleum gas in the United States. EMPTY placards, required for use on tank cars only, are normally printed on the reverse side of placards used for full ladings, and the placard is reversed when the lading is removed.

Shipments of hazardous materials moving from Canada into the United States, or through the United States en route to Canada, are permitted by 49 CFR 173.8 to be placarded in conformity with CTC regulations. However, recent changes to DOT placarding requirements have resulted in differences between the EMPTY placards specified by DOT for use with tank cars and those specified by CTC. This amendment is being made in support of the long-standing DOT recognition of CTC regulations for Canadian shipments to United States consignees.

This rule is a relaxation of existing requirements and the Materials Transportation Bureau finds it is in the public interest to allow empty cars to be returned to Canada in conformity with CTC regulations to avoid possible delays in the movement of propane and other hazardous materials from Canada to the United States. As the new DOT placarding requirements became mandatory for rail shipments on January 1, 1978, immediate action is required. Consequently, public notice is dispensed with and this rule is effective immediately.

This rule will not affect the cost of regulatory enforcement nor impose added costs on industry, consumers or Federal, State or local governments. There will not be any significant environmental or economic impact (E.O. 11821; OMB Circular A-107) associated with this relaxation of existing requirements.

The primary drafters of this document are Alan I. Roberts, Director, Office of Hazardous Materials Operations, and Douglas A. Crockett, Chief Counsel's Office, Research and Special Programs Directorate.

In consideration of the foregoing, Part 173 of Title 49, Code of Federal Regulations, is amended as follows:

1. In § 173.8, paragraph (a) is revised to read as follows:

§ 173.8 Canadian shipments and packagings.

(a) Shipments of hazardous materials which conform to the regulations of the Canadian Transport Commission (formerly the Board of Transport Commissioners for Canada), may be transported from the point of entry in the United States to their destination in the United States, or through the United States, en route to a point in Canada. Empty rail tank cars may be transported in conformity with Canadian Transport Commission regulations from point of origin in the United States to point of entry into Canada.

* * * * *

(49 U.S.C. 1803, 1804, 1808; 49 CFR 1.53(e))

Issued in Washington, D.C., on February 9, 1978.

L. D. SANTMAN,
Acting Director, Materials Transportation Bureau.

[FR Doc. 78-4148 Filed 2-15-78; 8:45 am]

[4910-60]

SUBCHAPTER D—PIPELINE SAFETY

[Amdt. 195-13; Docket No. OPSO 77-4]

PART 195—TRANSPORTATION OF LIQUIDS BY PIPELINE CONVERSION OF EXISTING PIPELINES TO LIQUID SERVICE

AGENCY: Materials Transportation Bureau, Department of Transportation.

ACTION: Final rule.

SUMMARY: This amendment permits a previously used steel pipeline to qualify for use in liquid service subject to Part 195 without meeting the design and construction requirements applicable to a new pipeline. The need for the amendment arises from changing transportation patterns for oil and gas in pipelines in the United States. For example, as new sources of oil become available and past gas sources decline, significant cost savings and environmental benefits are projected from the use of existing gas lines to carry oil.

At the present time, however, the Federal liquid pipeline safety standards require that any pipeline placed in liquid service after March 31, 1970 (July 31, 1977, in the case of certain offshore lines), must be designed and constructed in accordance with the applicable Federal safety standards. Although appropriate for newly installed liquid lines, this requirement is more stringent than necessary to provide for public or employee safety when applied to steel lines being converted to service subject to Part 195. It imposes an unnecessary regulatory burden on the future use of the nation's pipeline transportation systems.

EFFECTIVE DATE: March 17, 1978.

FOR FURTHER INFORMATION CONTACT:

Frank E. Fulton, 202-426-2082.

SUPPLEMENTARY INFORMATION: To alleviate the regulatory burden and the similarly undesirable effect of requiring operators of converted pipelines to obtain waivers from design and construction requirements, the Materials Transportation Bureau (MTB) has adopted alternative safety requirements governing the qualification of existing steel pipelines for ser-

vice under Part 195. Under the new requirements, a carrier prepares and follows a written conversion procedure. The procedure must provide for visual inspection and historical review of the pipeline to identify actual or potential sources of failures. The review must be supplemented with appropriate tests, such as physical or chemical testing, where historical records are insufficient to judge the line's condition. Problem areas must be corrected, normally by repair, replacement, or other alteration. A pressure test must be performed to demonstrate that the structural integrity of the pipeline is sufficient for safe operation. Applicable corrosion control requirements must be met within 12 months after the pipeline is placed in service. Finally, the carrier must keep a record of the investigations, tests, and remedial measures conducted on the pipeline.

This amendment results from a Notice of Proposed Rulemaking (Notice No. 77-3) issued by the Office of Pipeline Safety Operations on April 4, 1977 (42 FR 18412, April 7, 1977). The Notice was based, in part, on a petition by the American Petroleum Institute to establish alternative requirements governing the safety of existing pipelines being converted to service under Part 195. Interested persons were invited to participate in the rulemaking proceeding by submitting written data, views, or arguments by May 13, 1977.

Notice 77-3 proposed that a new Subpart G be established in Part 195 to prescribe safety standards for the conversion of existing steel pipelines to service subject to Part 195. In conjunction with this proposal, the Notice proposed that § 195.402(d) be amended to exempt pipelines converted in accordance with Subpart G from the design and construction requirements of Part 195. In the final rules, however, for organizational simplicity, the substance of the proposed Subpart G relating to written procedures (§ 195.502(c)), recordkeeping (§ 195.502(d)), and structural integrity (§ 195.504(b)) is transferred to a new § 195.5. The substantive proposals relating to operation and maintenance (§ 195.506(a)) and maximum allowable operating pressure (§ 195.508) are deleted as duplicative of current requirements in Part 195 governing those subjects. The current requirements would apply to any existing steel pipeline which qualifies for use under Part 195 in accordance with the new § 195.5. The substance of proposed § 195.506(b), which would have provided a 12-month leadtime for a converted pipeline to meet corrosion control requirements, also is transferred to § 195.5. The remaining provisions in the Notice are deleted as unnecessary as a result of the organizational change.

In adopting the final rules, MTB considered all the written comments received as a result of Notice No. 77-3. A discussion of the significant comments and recommendations and their relation to changes in the final rules follows. Changes intended for clarification of the substance of the proposal and editorial modifications which do not alter the proposal are not discussed.

There were nine persons who submitted written comments to the Notice: Two natural gas pipeline companies; one gas trade association; two petroleum trade associations; one State regulatory commission; one federal agency; and two liquid pipeline companies.

One commenter said that establishing the proposed conversion requirements in the form of a new subpart in Part 195 would create redundancies and be administratively costly for the industry. The organizational changes discussed above are intended to alleviate this problem.

Another commenter suggested that carriers be required to tell MTB when a proposed conversion would take place so the pipeline system could be monitored for compliance. MTB does not believe, however, that a notification requirement is needed at present for enforcement of the conversion procedures. If experience shows that such a requirement would be useful, it will be proposed in a future Notice of Proposed Rulemaking.

Similarly, it was suggested by one commenter that the government assume greater control over conversion projects by requiring that a carrier's procedures be submitted for government review before a project begins. MTB does not favor this regulatory approach which, in effect, would require carriers to obtain a government permit for each conversion project. The approach would create an additional burden on both government and industry that does not appear warranted by the safety problems involved in a steel pipeline conversion project. The safety of a converted pipeline can be provided through the establishment and enforcement of adequate general safety standards covering the full range of identifiable safety problems. The purpose of this rulemaking proceeding is to meet this objective.

A number of commenters were concerned about the proposal under § 195.504(b)(1) in the Notice that a conversion be "consistent" with Part 195. They interpreted this provision as requiring application of the design and construction requirements, although the purpose of Notice 77-3 was to avoid this result. To eliminate any possible confusion on the point, the provision is not included in the final rules for conversion.

Notice 77-3 proposed that pipelines being converted must be pressure tested in accordance with Subpart E of Part 195 except for pipelines tested similarly within the preceding 5 years. Two persons interested in offshore pipelines requested that the exception be broadened to include pipelines satisfactorily tested in accordance with the U.S. Geological Survey's Order No. 9. Another commenter argued that a 5-year time limit on prior testing would be arbitrary and unnecessary in light of the other relevant safety considerations. In contrast, one commenter argued there should be no exception from the testing requirement on grounds that the potential safety benefits would outweigh the additional cost of testing. This comment was adopted in the final rule and a new pressure test is mandatory for all converted pipelines. On further consideration of the issue, MTB decided that a pressure test is the best indicator of defects which may still exist in a pipeline, even though it otherwise appears in satisfactory condition. In other words, harmful damage to a pipeline occurring since it was last tested which might not be discovered by investigations alone probably would be detected by a new pressure test. In addition, a pressure test provides a valuable check on the quality of repairs or alterations made during conversion.

It was proposed that a converted pipeline be allowed 12 months' leadtime to meet the corrosion control requirements of Part 195. One commenter said that 12 months is not needed because the time available between planning and completing a conversion project could be used to meet the requirements. While this may be true for some pipelines, MTB believes the problems involved in corrosion control justify providing the 12-month period for compliance as a general rule. Also, the 12-month leadtime is consistent with the time allowed by § 195.242 for installing a cathodic protection system on newly constructed pipelines.

In proposing the 12 months' leadtime, Notice 77-3 did not discuss how the corrosion control requirements should apply. If the current requirements were applied, a converted pipeline constructed after the applicable date in § 195.402(d) would have to meet the corrosion control requirements of Subpart D, which apply to newly installed pipelines, as well as the applicable corrosion control requirements of Subpart F, which are binding on all pipelines subject to Part 195. Because of the problems of coating and cathodically protecting an existing pipeline, MTB believes that it would be unreasonable in most cases to require that a converted pipeline meet corrosion control requirements specifically applicable to newly in-

stalled pipelines. Thus, for purposes of corrosion control, converted lines should for the most part be treated similarly to pipelines existing when Part 195 was adopted. They should only be required to meet the corrosion control requirements of Subpart F. However, a few exceptions should apply to this rule. Pipeline segments which are replaced, relocated, or substantially altered during the conversion of an existing line can readily comply with requirements applicable to new pipelines. Also, segments which already meet these requirements before being converted to liquid service, such as a steel pipeline constructed in compliance with 49 CFR Part 192, should be required to maintain that level of safety. Of course, any new segment installed in conjunction with a converted pipeline must meet the corrosion control requirements governing a new line even though it is part of an overall conversion project. Accordingly, a new § 195.5(b) is established regarding the applicability of the corrosion control requirements of Part 195 to converted pipelines.

One commenter proposed that sections of converted pipelines located near road crossings, schools, hospitals, other buildings of public assembly, or populated areas should be required to comply with the current burial requirements of Part 195. This proposal was not adopted because in MTB's view and as indicated by accident reports filed under Subpart B of Part 195, the cost of compliance would overcome any possible safety advantages to be gained.

It was proposed by one person that any segment of a pipeline with a leak clamp be replaced to eliminate weak points before the pipeline is converted. This proposal was not adopted because a properly designed and installed leak clamp is not, by itself, an indication of a weak point in a pipeline. Furthermore, the required pressure testing would detect any faulty leak clamps. Under the conversion procedures, clamps of insufficient design or installation must be repaired or replaced before the pipeline is placed in service subject to Part 195.

Commenting on a provision in § 195.500 in the Notice, which provided that the Secretary must grant an approval for conversion of any pipeline not made of steel, one person suggested that State agencies be authorized to approve the conversion of intrastate pipelines. Despite the term "approval," this provision was not intended to establish an independent case-by-case process for qualifying the conversion of nonsteel pipelines to service subject to Part 195. It merely was intended to emphasize that the proposed conversion procedures were not applicable to the conversion of nonsteel pipelines. If such a pipeline does not meet the design and construction requirements of Part 195, the carrier involved would have to obtain from the Secretary a waiver from compliance with any requirements which are not met before the pipeline may be legally placed in operation. Since Part 195 does not contain any general provision governing waivers, it does not appear necessary to include such a provision specifically for the conversion of nonsteel pipelines. The provision is therefore deleted from the final rules. Moreover, the proposed delegation of authority to State agencies, whether for approvals or waivers, appears to be unauthorized under applicable laws.

The Notice proposed that appropriate visual inspections be conducted to determine the integrity of a pipeline to be converted. One person suggested that visual inspections be limited to pipeline sections located above ground or water so that buried lines would not have to be uncovered and divers would not have to be used. This proposal was not adopted because, indeed, it is necessary to expose pipelines at appropriate locations or employ divers for inspections in order to assure the integrity of a pipeline being converted.

One commenter requested that the final rules be changed to clarify the concept of conversion. This request was made because it could be inferred from § 195.502(a) in the Notice that a carrier would have to carry out conversion procedures each time a pipeline which is designed and built to alternately carry gas and oil in dual service is changed from gas to oil service. Notwithstanding this inference, MTB did not intend that the procedures be mandatory in these situations. A dual service pipeline, having been designed and built for service subject to Part 195 or which qualifies for use under Part 195 because of certain "grandfather" provisions, does not undergo "conversion" within the meaning of Notice 77-3. MTB believes that problem of interpretation is corrected in the final rules where it is clear that the conversion procedures only apply at the time an existing steel pipeline is readied for liquid service subject to Part 195. The procedures do not affect existing dual service lines which either were built in accordance with the design and construction requirements of Part 195 or are not subject to those requirements because they were readied for service Subject to Part 195 before the applicable effective date set forth in § 195.402(d). Also, under the new § 195.5, a carrier may convert an existing gas line to dual service.

PRINCIPAL AUTHORS:

G. L. Mocharko, L. M. Furrow, and R. L. Beauregard.

In consideration of the foregoing, Part 195 of Title 49 of the Code of Federal Regulations is amended as follows, effective March 17, 1978.

1. Section 195.5 is added to read as follows:

§ 195.5 Conversion to service subject to this part.

(a) A steel pipeline previously used in service not subject to this part qualifies for use under this part if the carrier prepares and follows a written procedure to accomplish the following:

(1) The design, construction, operation, and maintenance history of the pipeline must be reviewed and, where sufficient historical records are not available, appropriate tests must be performed to determine if the pipeline is in a satisfactory condition for safe operation.

(2) The pipeline right-of-way, all aboveground segments of the pipeline, and appropriately selected underground segments must be visually inspected for physical defects and operating conditions which reasonably could be expected to impair the strength or tightness of the pipeline.

(3) All known unsafe defects and conditions must be corrected in accordance with this part.

(4) The pipeline must be tested in accordance with the Subpart E of this part to substantiate the maximum allowable operating pressure permitted by § 195.406.

(b) A pipeline which qualifies for use under this section need not comply with the corrosion control requirements of this part until 12 months after it is placed in service, notwithstanding any earlier deadlines for compliance. In addition to the requirements of Subpart F of this part, the corrosion control requirements of Subpart D apply to each pipeline which substantially meets those requirements before it is placed in service or which is a segment that is replaced, relocated, or substantially altered.

(c) Each carrier must keep for the life of the pipeline a record of the investigations, tests, repairs, replacements, and alterations made under the requirements of paragraph (a) of this section.

2. Section 195.402(d) is amended to read as follows:

§ 195.402 General requirements.

* * * * *

(d) Except as provided in § 195.5, no carrier may operate any part of a pipeline system upon which contruction was begun after March 31, 1970, or in the case of offshore pipelines located between a production facility and a carrier's trunkline reception point, after July 31, 1977, unless it was designed and constructed as required by this part.

3. The table of sections is amended by adding the following new heading:

Sec. 195.5 Conversion to service subject to this part.

(Sec. 6, Pub. L. 89-670, 80 Stat. 437, (49 U.S.C. 1655; 18 U.S.C. 831-835); 49 CFR 1.53.)

Issued in Washington, D.C., on February 10, 1978.

L. D. SANTMAN,
Acting Director,
Materials Transportation Bureau.

[FR Doc. 78-4302 Filed 2-15-78; 8:45 am]

[7035-01]

CHAPTER X—INTERSTATE COMMERCE COMMISSION

SUBCHAPTER A—GENERAL RULES AND REGULATIONS

[Ex Parte No. MC-100 (Sub-No. 2)]

PART 1003—LIST OF FORMS

SUBCHAPTER B—PRACTICE AND PROCEDURES

PART 1130—APPLICATIONS FOR MOTOR CARRIER CERTIFICATES AND PERMITS

PART 1134—CONTROL OR CONSOLIDATION OF MOTOR CARRIERS OR THEIR PROPERTIES

Revision of Procedures Requiring Service of Applications on State Officials

AGENCY: Interstate Commerce Commission.

ACTION: Correction of final regulations.

SUMMARY: Corrections to the final regulations published on January 26, 1978, (at pages 3564-3565): (1) Change footnotes numbered 3 and 4 to numbers 1 and 2 respectively. (2) Insert the word "written" into the first sentence of revised rule 1134.50 Application for authority to acquire control, as follows: "* * * one copy shall be delivered, upon written request * * *"

FOR FURTHER INFORMATION CONTACT:

Michael Erenberg, Assistant Deputy Director, Office of Proceedings, Interstate Commerce Commission, Washington, D.C. 20423, 202-275-7292.

H. G. HOMME, Jr.,
Acting Secretary.

[FR Doc. 78-4328 Filed 2-15-78; 8:45 am]

[7035-01]

[Rev. S. O. No. 1299]

PART 1033—CAR SERVICE

CONSOLIDATED RAIL CORP. ORDERED TO DELIVER EMPTY BOXCARS TO BOSTON AND MAINE CORP., ROBERT W. MESERVE AND BENJAMIN LACY, TRUSTEES (BM); BM ORDERED TO DELIVER EMPTY BOXCARS TO MAINE CENTRAL RAILROAD CO.

AGENCY: Interstate Commerce Commission.

ACTION: Emergency order (Revised Service Order No. 1299).

SUMMARY: An acute shortage of boxcars for transporting shipments of paper exists on the Maine Central Railroad Co. There is a very large number of 50-ft. plain boxcars located on the lines of Consolidated Rail Corp. Revised Service Order No. 1299 orders CR to deliver to the Boston and Maine Corp. a weekly total of 50 empty plain boxcars, and B&M to deliver to the Maine Central a weekly total of 50 empty plain boxcars.

DATES: Effective February 12, 1978. Expires February 26, 1978.

FOR FURTHER INFORMATION CONTACT:

C. C. Robinson, Chief, Utilization and Distribution Branch, Interstate Commerce Commission, Washington, D.C. 20423, telephone 202-275-7840, telex 89-2742.

SUPPLEMENTARY INFORMATION: The Order is printed in full below.

At a Session of the Interstate Commerce Commission, Railroad Service Board, held in Washington, D.C., on the 10th day of February, 1978.

Upon further consideration because severe winter storms have made full compliance with all its provisions impossible, Service Order No. 1299 is revised as follows:

An acute shortage of boxcars for transporting shipments of paper exists on the Maine Central Railroad Co. (MeC), in spite of efforts of the Car Service Division of the Association of American Railroads to expedite the return of MeC boxcars to that line. The Consolidated Rail Corp. (CR), by reason of its location and traffic flows, normally has between 28,000 and 30,000 50-ft. plain boxcars of railroad ownership and approximately 2,200 or more similar cars owned by private car companies of railroad ownership and control. The total number of 50-ft. plain boxcars is in excess of twice CR's ownership of approximately 14,000 such cars. Its use of cars owned by other railroads and of railroad controlled private cars exceeds CR's ownership of 50-ft. cars.

In the opinion of the Commission an emergency exists requiring redistribution of a portion of the boxcars located on CR in the interest of the public and the commerce of the people. Accordingly, the Commission finds that notice and public procedure herein are impracticable and contrary to the public interest, and that good cause exists for making this order effective upon less than thirty days' notice.

It is ordered, That:

§ 1033.1299 Revised Service Order 1299.

(a) Consolidated Rail Corp. ordered to deliver empty boxcars to Boston and Maine Corp., Robert W. Meserve and Benjamin Lacy, trustees (BM); ordered to deliver empty boxcars to Maine Central Railroad Co. Each common carrier by railroad subject to the Interstate Commerce Act shall observe, enforce, and obey the following rules, regulations, and practices with respect to its car service:

(1) The Consolidated Rail Corp. (CR) shall deliver to the Boston and Maine Corp., Robert W. Meserve and Benjamin Lacy, Trustees (BM), a weekly total of fifty (50) empty plain boxcars listed in the Official Railway Equipment Register, ICC-RER No. 406 issued by the W. J. Trezise, or successive issues thereof, as having mechanical designation "XM" and having inside length 49-ft. 8-in. and less than 59-ft. 8-in., and bearing reporting marks assigned to a railroad or to a railroad controlled private car company. The cars delivered by CR to the BM must be suitable for loading with newsprint paper, the BM to be the judge.

(2) The BM shall deliver to the Maine Central Railroad Co. (MeC) a weekly total of fifty (50) empty plain boxcars of the type described in paragraph (1) of this section. The cars delivered by the BM to the MeC must be suitable for loading with newsprint paper, the MeC to be the judge.

(b) This order shall not apply to cars of Mexican or Canadian ownership or to cars subject to Interstate Commerce Commission or Association of American Railroads' Orders requiring return of cars to owners.

(c) The rate of delivery specified in this direction shall be maintained within weekly periods ending each Sunday at 11:59 p.m., so that at the end of each 7 days the full delivery required for that period shall have been made.

(d) Cars applied under this direction shall be so identified on empty car cards, movement slips, and interchange records as moving under the provisions of this direction.

(e) The carriers delivering the empty boxcars as described above must advise Joel E. Burns, Director, Bureau of Operations, Interstate Commerce Commission, Washington, D.C. 20423 each Wednesday as to the number of cars, covered by this direction, delivered during the preceding week, ending each Sunday at 11:59 p.m.

(f) The carriers receiving the cars described above must advise Joel E. Burns, Director, Bureau of Operations, Interstate Commerce Commission, Washington, D.C. 20423 each Wednesday as to the number of cars received during the preceding week, ending each Sunday at 11:59 p.m.

(g) *Regulations suspended.* The operation of all rules and regulations, insofar as they conflict with the provisions of this direction, is hereby suspended.

(h) *Effective date.* This direction shall become effective at 12:01 a.m., February 12, 1978.