

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 " $\alpha$ ".

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](http://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