SUPPLEMENTARY INFORMATION: A final rule establishing requirements for assuring the continued integrity of gas distribution pipelines (DIMP) was published on December 4, 2009, (74 FR 63906). The rule required that operators of gas distribution pipelines develop and implement integrity management plans for their pipeline systems by August 2, 2011. PHMSA and states have conducted a number of inspections of gas distribution pipeline operator integrity management programs. Many more inspections will follow. This public meeting is intended to allow PHMSA, NAPSR, and industry representatives to share observations resulting from these initial inspections.

The public meeting is designed to enhance pipeline safety through improved integrity management of natural gas distribution pipeline systems and will consist of presentations and panel discussions provided by a variety of stakeholders. Panel participants will represent industry, PHMSA, and NAPSR. Panels will present information on PHMSA and NAPSR's expectations of implemented distribution integrity management programs (DIMP) and observations from DIMP Inspections conducted by PHMSA and NAPSR. PHMSA and NAPSR will promote compliance with regulations by providing an overview of the rule, including expectations of regulatory definitions (such as identification of threats, methodologies for segmentation of assets for evaluation of risk, risk ranking, measures designed to reduce risk, and measuring and monitoring performance) and discussing methodologies that industry is employing to meet the requirements of the rule. Inspection findings from DIMP inspections conducted by PHMSA and state programs and issue areas and areas of concern will be discussed.

Participants of the public meeting will benefit from (1) hearing their peers explain methods of implementation for certain provisions of the rule and associated questions experienced during program development and implementation; (2) listening to PHMSA, NAPSR, and industry experience on implementing the specific elements of the rule; (3) discussing rule compliance concerns; developing a clearer understanding of the DIMP rule provisions, and (4) participating in the development of additional guidance if deemed necessary through stakeholder feedback.

Interested persons may obtain more information on DIMP by accessing the DIMP Web site through the PHMSA Pipeline Safety Community page at *http://www.phmsa.dot.gov/pipeline* by selecting ''Integrity Management Program (IMP)'' and then ''Integrity Management—Distribution.''

Preliminary Agenda

- Discuss Implementation of the DIMP Regulation and Regulatory Developments affecting Distribution Operators.
- Regulators' (NAPSR and PHMSA) Perspective on Implementation of the DIMP Regulation.
- Breakout Sessions to discuss various topics regarding the implementation of distribution IM Programs and meeting the requirements of the DIMP rule.
- Presentations from representatives of the breakout sessions, NAPSR, and industry.

Issued in Washington, DC, on June 5, 2012.

Jeffrey D Wiese,

Associate Administrator for Pipeline Safety.

[FR Doc. 2012–13991 Filed 6–7–12; 8:45 am]

BILLING CODE 4910–60–P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[Docket No. EP 682 (Sub-No. 3)]

2011 Tax Information for Use in the Revenue Shortfall Allocation Method

AGENCY: Surface Transportation Board, DOT.

ACTION: Notice.

SUMMARY: The Board is publishing, and providing the public an opportunity to comment on, the 2011 weighted average state tax rates for each Class I railroad, as calculated by the Association of American Railroads (AAR), for use in the Revenue Shortfall Allocation Method (RSAM).

DATES: Comments are due by July 9, 2012. If any comment opposing AAR's calculation is filed, AAR's reply will be due by July 30, 2012. If no comments are filed by the due date, AAR's calculation of the 2011 weighted average state tax rates will be automatically adopted by the Board, effective July 10, 2012.

ADDRESSES: Comments may be submitted either via the Board's e-filing format or in traditional paper format. Any person using e-filing should attach a document and otherwise 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 referring to Docket No. EP 682 (Sub-No. 3) to: Surface Transportation Board, 395 E Street SW., Washington, DC 20423–0001.

FOR FURTHER INFORMATION CONTACT: Jonathon Binet, (202) 245–0368. Assistance for the hearing impaired is available through the Federal Information Relay Service (FIRS) at (800) 877–8339.

SUPPLEMENTARY INFORMATION: The RSAM figure is one of three benchmarks that together are used to determine the reasonableness of a challenged rate under the Board's *Simplified Standards for Rail Rate Cases,* EP 646 (Sub-No. 1) (STB served Sept. 5, 2007),[1] as further revised in *Simplified Standards for Rail Rate Cases–Taxes in Revenue Shortfall Allocation Method,* EP 646 (Sub-No. 2) (STB served Nov. 21, 2008). RSAM is intended to measure the average markup that the railroad would need to collect from all of its ''potentially captive traffic'' (traffic with a revenue-to-variable-cost ratio above 180%) to earn adequate revenues as measured by the Board under 49 U.S.C. 10704(a)(2) (i.e., earn a return on investment equal to the railroad industry cost of capital). *Simplified Standards–Taxes in RSAM,* slip op. at 1. In *Simplified Standards–Taxes in RSAM,* slip op. at 3, 5, the Board modified its RSAM formula to account for taxes, as the prior formula mistakenly compared pre-tax and after-tax revenues. In that decision, the Board stated that it would institute a separate proceeding in which Class I railroads would be required to submit the annual tax information necessary for the Board's annual RSAM calculation. *Id.* at 5–6.

In *Annual Submission of Tax Information for Use in the Revenue Shortfall Allocation Method,* EP 682 (STB served Feb. 26, 2010), the Board adopted rules to require AAR—a national trade association—to annually calculate and submit to the Board the weighted average state tax rate for each Class I railroad. *See* 49 CFR 1135.2(a). On May 30, 2012, AAR filed its calculation of the weighted average state tax rates for 2011, listed below for each Class I railroad:

[1] *Aff'd sub nom. CSX Transp., Inc.* v. *STB,* 568 F.3d 236 (DC Cir. 2009), *and vacated in part on reh'g, CSX Transp., Inc.* v. *STB,* 584 F.3d 1076 (DC Cir. 2009).

WEIGHTED AVERAGE STATE TAX RATES

[In percent]

Railroad	2011 %	2010 %	% Change
BNSF Railway Company	5.584	5.572	0.012
CSX Transportation, Inc.	5.660	5.575	0.085
Grand Trunk Corporation	8.089	7.634	0.455
The Kansas City Southern Railway	6.139	6.070	0.069
Norfolk Southern Combined	5.942	5.819	0.123
Soo Line Corporation	7.350	7.305	0.045
Union Pacific Railroad Company	6.035	5.922	0.113

Any party wishing to comment on AAR's calculation of the 2011 weighted average state tax rates should file a comment by July 9, 2012. *See* 49 CFR 1135.2(c). If any comment opposing AAR's calculations is filed, AAR's reply will be due by July 30, 2012. *Id.* If any comments are filed, the Board will review AAR's submission, together with the comments, and serve a decision within 60 days of the close of the record that either accepts, rejects, or modifies AAR's railroad-specific tax information. *Id.* If no comments are filed by July 9, 2012, AAR's submitted weighted average state tax rates will be automatically adopted by the Board, effective July 10, 2012. *Id.*

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

Decided: June 5, 2012.

By the Board.

Rachel D. Campbell,

Director, Office of Proceedings.

Jeffrey Herzig,

Clearance Clerk.

[FR Doc. 2012–13962 Filed 6–7–12; 8:45 am]

BILLING CODE 4915–01–P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

Indexing the Annual Operating Revenues of Railroads

The Surface Transportation Board (STB) is publishing the annual inflation-adjusted index factors for 2011. These factors are used by the railroads to adjust their gross annual operating revenues for classification purposes. This indexing methodology insures that railroads are classified based on real business expansion and not from the affects of inflation. Classification is important because it determines the extent to which individual railroads must comply with STB reporting requirements.

The STB's annual inflation-adjusted factors are based on the annual average Railroad's Freight Price Index which is developed by the Bureau of Labor Statistics (BLS). The STB's deflator factor is used to deflate revenues for comparison with established revenue thresholds.

The base year for railroads is 1991. The inflation index factors are presented as follows:

STB RAILROAD INFLATION-ADJUSTED INDEX AND DEFLATOR FACTOR TABLE

Year	Index	Deflator
1991	409.50	[1] 100.00
1992	411.80	99.45
1993	415.50	98.55
1994	418.80	97.70
1995	418.17	97.85
1996	417.46	98.02
1997	419.67	97.50
1998	424.54	96.38
1999	423.01	96.72
2000	428.64	95.45
2001	436.48	93.73
2002	445.03	91.92
2003	454.33	90.03
2004	473.41	86.40
2005	522.41	78.29
2006	567.34	72.09
2007	588.30	69.52
2008	656.78	62.28
2009	619.73	66.00
2010	652.29	62.71
2011	708.80	57.71

FOR FURTHER INFORMATION CONTACT: Paul Aguiar 202–245–0323. [Federal Information Relay Service (FIRS) for the hearing impaired: 1–800–877–8339] Effective Date: January 1, 2011.

[1] Ex Parte No. 492, *Montana Rail Link, Inc., and Wisconsin Central Ltd., Joint Petition for Rulemaking With Respect to 49 CFR 1201,* 8 I.C.C. 2d 625 (1992), raised the revenue classification level for Class I railroads from $50 million (1978 dollars) to $250 million (1991 dollars), effective for the reporting year beginning January 1, 1992. The Class II threshold was also raised from $10 million (1978 dollars) to $20 million (1991 dollars).

By the Board, William F. Huneke, Director, Office of Economics.

Jeffrey Herzig,

Clearance Clerk.

[FR Doc. 2012–13938 Filed 6–7–12; 8:45 am]

BILLING CODE 4915–01–P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[Docket No. FD 35630]

Wisconsin Central Ltd.—Intra-Corporate Family Merger Exemption—Elgin, Joliet and Eastern Railway Company

Wisconsin Central Ltd. (WCL), Wisconsin Central Transportation Corporation (WCTC), and Elgin, Joliet and Eastern Railway Company (EJ&E) (collectively, applicants) have jointly filed a verified notice of exemption under 49 CFR 1180.2(d)(3) for an intra-corporate family transaction.

WCL, a rail carrier, is a wholly owned subsidiary of WCTC, a noncarrier, which, in turn, is a direct subsidiary of Grand Trunk Corporation (GTC). GTC, a noncarrier holding company for the U.S. rail carrier subsidiaries of Canadian National Railway Company (CNR), is a direct subsidiary of CNR. In *Canadian National Railway—Control—Wisconsin Central Transportation,* 5 S.T.B. 890 (2001) (*CNR/WC*), CNR and GTC acquired control of WCL and other related rail carriers.[1] EJ&E, a rail carrier, is a direct subsidiary of GTC.[2]

Applicants state that the rail lines of WCL and EJ&E connect at Leithton, Ill., north of Chicago, Ill., and WCL has existing overhead trackage rights over

[1] At the time of the 2001 *CNR/WC* transaction, the WCTC family of rail carriers also included WCL, Fox Valley & Western Ltd. (FVW), Sault Ste. Marie Bridge Company (SSMB) and Wisconsin Chicago Link Ltd. (WCCL). FVW has since been dissolved into WCL. *Wis. Cent. Transp.—Intracorporate Family Transaction Exemption,* FD 34296 (STB served Jan. 22, 2003). Applicants state that SSMB and WCCL remain in existence as rail carriers and subsidiaries of WCTC.

[2] *Canadian Nat'l Ry.—Control—EJ&E W. Co.,* FD 35087 (STB served Dec. 24, 2008).