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TITLE 6—AGRICULTURAL CREDIT

Chapter IV—Commodity Stabilization Service and Commodity Credit Corporation, Department of Agriculture

Subchapter B—Loans, Purchases, and Other Operations

[1958 C. C. C. Grain Price Support Bulletin 1, Supp. 1, Amdt. 2, Wheat]

PART 421—GRAINS AND RELATED COMMODITIES

SUBPART—1958-CROP WHEAT LOAN AND PURCHASE AGREEMENT PROGRAM

The regulations issued by the Commodity Credit Corporation and the Commodity Stabilization Service published in 23 F. R. 3485 and 5317, containing the specific requirements for the 1958-crop wheat price support program are hereby amended as follows:

1. Section 421.3043 (a) (3) (i) is amended to include Baton Rouge, Louisiana, so that the amended subdivision reads as follows:

(i) Notwithstanding the foregoing provisions of this paragraph, the support rate for wheat shipped by rail or water and stored at any of the following terminal markets and for which neither registered freight bills nor registered freight certificates are presented to guarantee outbound movement at the minimum proportional domestic interstate freight rate, shall be equal to the applicable terminal rate:

Los Angeles, San Francisco, Stockton, and Oakland, Calif.
New Orleans and Baton Rouge, La.
Baltimore, Md.
Duluth, Minn.
Portland and Astoria, Oreg.
Albany and New York, N. Y.
Philadelphia, Pa.
Galveston, Houston, Corpus Christi, and Port Arthur, Tex.
Norfolk, Va.
Seattle, Longview, Tacoma, and Vancouver, Wash.
Superior, Wis.

2. Section 421.3043 (a) (3) (ii) is amended to provide a deduction from the terminal rate for wheat received by truck at Baton Rouge, Louisiana, so that the amended subdivision reads as follows:

(ii) Notwithstanding the foregoing provisions of this paragraph, the support rate for wheat received by truck and stored at any of the terminal markets listed in subdivision (i) of this subparagraph shall be determined by making a deduction from the terminal rate as follows:

Terminal	Amount of deduction (cents per bushel)
Los Angeles, San Francisco, Stockton, and Oakland, Calif.; Duluth, Minn.; Portland and Astoria, Oreg.; Seattle, Longview, Tacoma, and Vancouver, Wash.; Superior, Wis.	4½
New Orleans and Baton Rouge, La.; Baltimore, Md.; Philadelphia, Pa.; Galveston, Houston, Corpus Christi, and Port Arthur, Tex.; Norfolk, Va.; Albany and New York, N. Y.	6

(Sec. 4, 62 Stat. 1070, as amended; 15 U. S. C. 714b. Interprets or applies sec. 5, 62 Stat. 1072, secs. 101, 401, 63 Stat. 1051, 1054; 15 U. S. C. 714c; 7 U. S. C. 1441, 1421)

Issued this 30th day of July 1958.

[SEAL] CLARENCE D. PALMBY,
Acting Executive Vice President, Commodity Credit Corporation.

[F. R. Doc. 58-6010; Filed, Aug. 4, 1958; 8:54 a. m.]

Subchapter D—Regulations Under Soil Bank Act

PART 485—SOIL BANK

SUBPART—VIOLATIONS PROCEDURE

The Soil Bank regulations applicable to violations, 22 F. R. 2411, as amended, are hereby further amended as follows:

1. Section 485.285 is amended by inserting immediately after the first sentence the following: "For purposes of this section, if the county committee determines that the producer designated an acreage of land in excess of the number of acres which he agreed to place in the acreage reserve, the harvesting of a crop from such excess acres of land shall not be considered as harvesting a crop from the acreage reserve if the producer planted such crop in good faith and there are eligible acres in the acreage reserve other than those upon which such harvesting took place sufficient to equal the

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FEDERAL REGISTER

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CODIFICATION GUIDE

A numerical list of the parts of the Code of Federal Regulations affected by documents published in this issue. Proposed rules, as opposed to final actions, are identified as such.

number of acres which the producer agreed to place in the acreage reserve."

2. Section 485.286 (a) is amended by deleting the words "harvesting any crop from" in the last sentence thereof and inserting in lieu thereof the word "grazing".

3. Section 485.287 is amended by adding at the end thereof the following: "For purposes of this section, if the county committee determines that the producer designated an acreage of land in excess of the number of acres which he agreed to place in the acreage reserve, the planting of a crop on such excess acres of land shall not be considered as planting a crop on the acreage reserve if the producer planted such crop in good faith and there are eligible acres in the acreage reserve other than those upon which such planting took place sufficient to equal the number of acres which the producer agreed to place in the acreage reserve."

4. Section 485.290 (d) is amended by deleting the word "shareholder" in the first sentence thereof and inserting in lieu thereof the word "sharecropper".

(Sec. 124, 70 Stat. 198; 7 U. S. C. 1812)

Issued at Washington, D. C. this 31st day of July 1958.

[SEAL] MARVIN L. MCLAIN, *Acting Secretary.*

[F. R. Doc. 58-6011; Filed, Aug. 4, 1958; 8:55 a. m.]

TITLE 7—AGRICULTURE

Chapter VIII—Commodity Stabilization Service (Sugar), Department of Agriculture

Subchapter I—Determination of Prices

PART 871—SUGAR BEETS

1958 CROP

Pursuant to the provisions of section 301 (c) (2) of the Sugar Act of 1948, as amended (herein referred to as "act"), after investigation, and due consideration of evidence presented at the public hearings held in November 1957 (for southern Oregon, California, and western Nevada), and during December 1957 (for States other than those regions), the following determination is hereby issued:

§ 871.11 *Fair and reasonable prices for the 1958 crop of sugar beets.* A producer of sugar beets who is also a processor of sugar beets (herein referred to as "processor") shall have paid, or contracted to pay for sugar beets of the 1958 crop grown by other producers and processed by him, in accordance with the following requirements:

(a) *Purchase agreements.* (1) The price for sugar beets in regions other than Imperial Valley, California, shall be not less than that determined pursuant to the 1958 crop sugar beet purchase contract between the processor and producers; (2) the price for sugar beets in Imperial Valley, California, shall be not less than that determined by an appropriate amendment to this determination.

(b) The requirements of this section are applicable to all sugar beets grown by a producer and processed by the processor for the extraction of sugar or liquid sugar: *Provided*, That such requirements shall not apply with respect to sugar beets grown on acreage in excess of the proportionate share for the farm if such sugar beets are marketed (or processed) for the production of sugar or liquid sugar for livestock feed or for the production of livestock feed.

(c) *Subterfuge.* The processor shall not reduce returns to producers below those determined in accordance with the requirements of this section through any subterfuge or device whatsoever.

STATEMENT OF BASES AND CONSIDERATIONS

(a) *General.* The foregoing determination establishes the fair and reasonable price requirements which must be met, as one of the conditions for payment under the act, by a producer who processes sugar beets of the 1958 crop grown by other producers.

(b) *Requirements of the act.* Section 301 (c) (2) of the act provides that the producer on the farm who is also, directly or indirectly, a processor of sugar beets or sugarcane, as may be determined by the Secretary, shall have paid, or contracted to pay under either purchase or toll agreements, for any sugar beets or sugarcane grown by other producers and processed by him at rates not less than those that may be determined by the Secretary to be fair and reasonable after investigation and due notice and opportunity for public hearing.

(c) *1958 fair price determination.* The 1958 price determination provides that in regions other than Imperial Valley, California, a processor shall be deemed to have complied with the fair price provisions of the act if he has paid, or contracted to pay, prices for sugar beets not less than those determined pursuant to his 1958 crop purchase contract with producers. The price for 1958 crop sugar beets in Imperial Valley, California will be determined by an amendment to this determination after the holding of a supplemental hearing scheduled for this region on August 5, 1958 in El Centro, California.

At the time the public hearings were held contract negotiations between processors and producers in most regions either had not started or had not been completed. However, since that time copies of all purchase agreements applicable to 1958 crop sugar beets, except in the Imperial Valley, California, have been received. An analysis of these contracts, which have been negotiated by processors and producer representatives, indicates that the payments for sugar beets are essentially the same as those provided in the 1957 contracts. Changes have been made in some contracts which increase the price of processed sugar beet seed; provide for the purchase of monogerm seed at a fixed price; increase charges to producers for freight on beets; specify beet top tare procedures; and modify dates of initial and final payments. However, the effect of these changes on the returns to producers is considered to be nominal.

Consideration has also been given to the testimony presented at the hearings, to the results of an investigation of economic conditions, to anticipated volume of production, and to comparative operating results of processors and producers. The analysis indicates that prices payable for sugar beets as specified in the 1958 crop purchase contracts are fair and reasonable at average prices of sugar which may be expected during the marketing season.

Accordingly, I hereby find and conclude that the foregoing price determination will effectuate the price provisions of the Sugar Act of 1948 as amended.

(Sec. 403, 61 Stat. 932; 7 U. S. C. 1153. Interprets or applies sec. 301, 61 Stat. 929 as amended; 7 U. S. C. 1131)

Issued this 31st day of July 1958.

[SEAL] MARVIN L. MCLAIN, *Acting Secretary.*

[F. R. Doc. 58-6012; Filed, Aug. 4, 1958; 8:55 a. m.]

Chapter IX—Agricultural Marketing Service (Marketing Agreements and Orders), Department of Agriculture

PART 937—NECTARINES GROWN IN CALIFORNIA

DETERMINATION RELATIVE TO EXPENSES AND FIXING OF RATE OF ASSESSMENT FOR INITIAL FISCAL PERIOD

Notice was published in the July 16, 1958, daily issue of the FEDERAL REGISTER (23 F. R. 5381) that consideration was being given to proposals regarding the expenses and the fixing of the rate of assessment for the initial fiscal period ending February 28, 1959, under the marketing agreement and Order No. 37 (7 CFR Part 937; 23 F. R. 4616) regulating the handling of nectarines grown in California, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.). After consideration of all relevant matters presented, including the proposals set forth in such notice which were submitted by the Nectarine Administrative Committee (established pursuant to said marketing agreement and order) it is hereby found and determined that:

§ 937.201 *Expenses and rate of assessment for the initial fiscal period*—(a) *Expenses.* The expenses that are reasonable and likely to be incurred by the Nectarine Administrative Committee, established pursuant to the provisions of the aforesaid marketing agreement and order, to enable such committee to perform its functions, in accordance with the provisions thereof, during the initial fiscal period beginning June 25, 1958, and ending February 28, 1959, will amount to $19,460.00.

(b) *Rate of assessment.* The rate of assessment, which each handler who first handles nectarines shall pay as his pro rata share of the aforesaid expenses in accordance with the applicable provisions of said marketing agreement and

order is hereby fixed at one cent ($0.01) per standard lug box, or equivalent quantity of nectarines in other containers or in bulk so handled by such handler during such initial fiscal period.

It is hereby further found that it is impracticable and contrary to the public interest to postpone the effective time hereof until 30 days after publication in the FEDERAL REGISTER (60 Stat. 237; 5 U. S. C. 1001 et seq.) in that (1) shipments of nectarines are now being made; (2) the rate of assessment is applicable to all nectarines shipped during the aforesaid initial fiscal period; and (3) it is essential that the specification of assessment rate be issued immediately so as to enable the said Nectarine Administrative Committee to perform its duties and functions in accordance with said marketing agreement and order.

Terms used in the marketing agreement and order shall, when used herein, have the same meaning as is given to the respective term in said marketing agreement and order, and "standard lug box" shall mean the No. 26 standard lug box set forth in section 823.4 of the Agricultural Code of California.

(Sec. 5, 49 Stat. 753, as amended; 7 U. S. C. 608c)

Dated: July 30, 1958, to become effective upon publication in the FEDERAL REGISTER.

[SEAL] FLOYD F. HEDLUND,
Deputy Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[F. R. Doc. 58-5991; Filed, Aug. 4, 1958; 8:50 a. m.]

[Nectarine Order 9]

PART 937—NECTARINES GROWN IN CALIFORNIA

LIMITATION OF SHIPMENTS

§ 937.309 *Nectarine Order 9*—(a) *Findings.* (1) Pursuant to the marketing agreement and Order No. 37 (7 CFR Part 937; 23 F. R. 4616) regulating the handling of nectarines grown in the State of California, effective June 25, 1958, under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), and upon the basis of the recommendations of the Nectarine Administrative Committee, established under the aforesaid marketing agreement and order, and upon other available information, it is hereby found that the limitation of shipments of nectarines in the manner herein provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable, unnecessary, and contrary to the public interest to give preliminary notice, engage in public rulemaking procedure, and postpone the effective date of this section until 30 days after publication thereof in the FEDERAL REGISTER (5 U. S. C. 1001 et seq.) in that, as hereinafter set forth, the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient; a reasonable time is permitted under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective not later than the date hereinafter specified. The Nectarine Administrative Committee at its meeting on July 24, 1958, concluded that misrepresentation of the variety and size of nectarines was contributing to disorderly marketing conditions for such nectarines and adversely affecting returns to growers. Such meeting was held, after giving due notice thereof, to consider the need for, and the extent of, regulation of shipments of such nectarines. Interested persons were afforded an opportunity to submit information and views at this meeting; the recommendation and supporting information for regulation during the period specified herein were promptly submitted to the Department after such meeting was held; shipment of the current crop of such nectarines is already in progress; this section should be applicable, insofar as possible, to all such shipments in order to effectuate the declared policy of the act; the provisions of this section are identical with the aforesaid recommendation of the committee; and information concerning such provisions and effective time has been disseminated among handlers of such nectarines and compliance with the provisions of this section will not require of handlers any preparation therefor which cannot be completed by the effective time hereof.

(b) *Order.* (1) During the period bebinning at 12:01 a. m., P. s. t., August 10, 1958, and ending at 12:01 a. m., P. s. t., November 1, 1958, no handler shall handle any package or container of any variety of nectarines unless such package or container bears in plain sight and plain letters on one outside end (i) the name of the variety, if known, and when not known the words "unknown variety"; and (ii) the size description of the nectarines in accordance with applicable requirements of standard pack.

(2) When used herein, "standard pack" shall have the same meaning as set forth in the United States Standards for Nectarines (§§ 51.3145–3159 of this title; 23 F. R. 3994); and all other terms shall have the same meaning as when used in the marketing agreement and order.

(Sec. 5, 49 Stat. 753, as amended; 7 U. S. C. 608c)

Dated: July 31, 1958.

[SEAL] G. R. GRANGE,
Acting Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[F. R. Doc. 58-6008; Filed, Aug. 4, 1958; 8:54 a. m.]

PART 960—MILK IN AKRON-STARK COUNTY, OHIO, MARKETING AREA

ORDER SUSPENDING CERTAIN PROVISIONS

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), and of the order regulating the handling of milk in the Akron-Stark County, Ohio, marketing area (7 CFR Part 960), it is hereby found and determined that:

(a) The following provisions of the order, do not tend to effectuate the declared policy of the Act for the month of July 1958:

(1) The phrase in § 960.46 (b) which reads ", in series beginning with the lowest-priced utilization";

(2) The phrase in § 960.46 (c) which reads ", in series beginning with the lowest-priced utilization"; and

(3) § 960.72 (b).

(b) Notice of proposed rule making, public procedure thereon, and 30 days notice of effective date hereof are impractical, unnecessary, and contrary to the public interest in that:

(1) This suspension order does not require of persons affected substantial or extensive preparation prior to the effective date.

(2) This suspension order is necessary to reflect current marketing conditions and to maintain orderly marketing conditions in the marketing area.

(3) The information on which this action is based did not become available in time sufficient for such compliance, inasmuch as need for the action was precipitated by curtailment of shipments of producer milk by a strike of which there was no advance notice.

(4) This suspension order would remove substantial monetary obligations which would otherwise be incurred by those handlers who found it necessary to purchase other source milk as the only available source of supply.

(5) It is necessary that this suspension action be effective for the entire month of July due to the inability of handlers to make advance preparation for separate records, and the fact that these and other provisions of the order relate to monthly accounting periods.

Therefore, good cause exists for making this order effective July 1, 1958.

It is therefore ordered, That the aforesaid provisions of the order are hereby suspended effective July 1, 1958, for the period July 1, 1958, through July 31, 1958.

(Sec. 5, 49 Stat. 753, as amended; 7 U. S. C. 608c)

Issued at Washington, D. C., this 30th day of July 1958.

[SEAL] DON PAARLBERG,
Assistant Secretary.

[F. R. Doc. 58-5988; Filed, Aug. 4, 1958; 8:49 a. m.]

PART 975—MILK IN CLEVELAND, OHIO, MARKETING AREA

ORDER SUSPENDING CERTAIN PROVISIONS

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), and of the order regulating the handling of milk in the Cleveland, Ohio, marketing area (7 CFR Part 975), it is hereby found and determined that:

(a) The following provisions of the order, do not tend to effectuate the de-

clared policy of the act for the delivery period of July 1958:

(1) The phrase in § 975.56 (b) which reads ", in series beginning with the lowest-priced utilization";

(2) The phrase in § 975.56 (c) which reads ", in series beginning with the lowest-priced utilization";

(3) § 975.71 (c); and

(4) § 975.72.

(b) Notice of proposed rule making, public procedure thereon, and 30 days notice of effective date hereof are impractical, unnecessary, and contrary to the public interest in that:

(1) This suspension order does not require of persons affected substantial or extensive preparation prior to the effective date.

(2) This suspension order is necessary to reflect current marketing conditions and to maintain orderly marketing conditions in the marketing area.

(3) The information on which this action is based did not become available in time sufficient for such compliance, inasmuch as need for the action was precipitated by curtailment of shipments of producer milk by a strike of which there was no advance notice.

(4) This suspension order would remove substantial monetary obligations which would otherwise be incurred by those handlers who found it necessary to purchase other source milk as the only available source of supply.

(5) It is necessary that this suspension action be effective for the entire month of July due to the inability of handlers to make advance preparation for separate records, and the fact that these and other provisions of the order relate to monthly accounting periods.

Therefore, good cause exists for making this order effective July 1, 1958.

It is therefore ordered, That the aforesaid provisions of the order are hereby suspended effective July 1, 1958, for the period July 1, 1958, through July 31, 1958.

(Sec. 5, 49 Stat. 753, as amended; 7 U. S. C. 608c)

Issued at Washington, D. C., this 30th day of July 1958.

[SEAL] DON PAARLBERG,
Assistant Secretary.

[F. R. Doc. 58-5989; Filed, Aug. 4, 1958; 8:49 a. m.]

TITLE 14—CIVIL AVIATION

Chapter II—Civil Aeronautics Administration, Department of Commerce

[Amdt. 14]

PART 600—DESIGNATION OF CIVIL AIRWAYS

Correction

In Federal Register Document 58-5912, published at page 5865, issue dated Saturday, August 2, 1958, the following change should be made in paragraph 8: The headnote for § 600.234 should read "*Red civil airway No. 34 (Charleston, W. Va., to Weeksville, N. C.)*".

[Amdt. 35]

PART 610—MINIMUM EN ROUTE IFR ALTITUDES

MISCELLANEOUS AMENDMENTS

The minimum en route IFR altitudes appearing hereinafter have been coordinated with interested members of the industry in the regions concerned insofar as practicable. The altitudes are adopted without delay in order to provide for safety in air commerce. Compliance with the notice, procedures, and effective date provisions of section 4 of the Administrative Procedure Act would be impracticable and contrary to the public interest, and therefore is not required.

Part 610 is amended as follows: (Listed items to be placed in appropriate sequence in the sections indicated).

Section 610.16 *Green civil airway 6* is amended to read in part:

From Keesler AFB, Miss., LFR; to Mobile, Ala., LF/RBN; MEA 1,200.
From Mobile, Ala., LF/RBN; to Maxwell AFB, Ala., LFR; MEA 1,500.

Section 610.104 *Amber civil airway 4* is amended to read in part:

From Waco, Tex., LFR; to Valley Mills INT, Tex.; MEA 2,000.
From Valley Mills INT, Tex.; to Stadium INT, Tex.; MEA 2,100.

Section 610.218 *Red civil airway 18* is amended to delete:

From Front Royal, Va., LFR; to Ashburn INT, Va.; MEA 4,000.
From Ashburn INT, Va.; to Herndon INT, Va.; MEA 3,000.

Section 610.218 *Red civil airway 18* is amended by adding:

From Front Royal, Va., LFR; to Springfield, Va., LF/RBN; MEA 4,000.

Section 610.230 *Red civil airway 30* is amended to delete:

From New Orleans, La., LFR; to Cat INT, La.; MEA 1,500.
From Cat INT, La.; to Bon Secour INT, Ala.; MEA 1,100.
From Bon Secour INT, Ala.; to Whiting, Fla., LFR; MEA 2,000.
From Whiting, Fla., LFR; to Crestview, Fla., LFR; MEA 1,400.

Section 610.230 *Red civil airway 30* is amended by adding:

From New Orleans La., LFR; to Cat INT, La.; MEA 2,000.
From Cat INT, La.; to Brookley AFB, Ala., LF/RBN; MEA 1,600.
From Brookley AFB, Ala., LF/RBN; to Saufley Fld. (Navy) LF/RBN; MEA 2,000.
From Saufley Fld. (Navy) LF/RBN; to Crestview, Fla., LFR; MEA 2,000.

Section 610.233 *Red civil airway 33* is amended to delete:

From Gordonsville, Va., LFR; to Remington INT, Va.; MEA 3,000.
From Remington INT, Va.; to Arcola, Va., LFR; MEA 2,400.
From Arcola, Va., LFR; to Westminster INT, Md.; MEA 2,500.
From Westminster INT, Md.; to Lancaster INT, Pa.; MEA 2,000.

Section 610.261 *Red civil airway 61* is amended to delete:

From Int. N crs Front Royal, Va., LFR and NW crs Arcola LFR; to Bunker Hill INT, Md.; MEA 4,000.
From Bunker Hill INT, Md.; to Arcola, Va., LFR; MEA 3,000.
From Arcola, Va., LFR; to Mount Vernon INT, Va.; MEA 1,500.

Section 610.274 *Red civil airway 74* is amended to read:

From Keesler AFB, Miss., LFR; to Moss INT, Miss.; MEA 1,300.
From Moss INT, Miss.; to Mobile, Ala., LF/RBN; MEA 1,200.
From Mobile, Ala., LF/RBN; to Brookley AFB, Ala., LF/RBN; MEA 1,600.

Section 610.301 *Red civil airway 101* is deleted.

Section 610.310 *Red civil airway 110* is deleted.

Section 610.624 *Blue civil airway 24* is added to read:

From Brookley AFB, Ala., LF/RBN; to Axis INT, Ala.; MEA 1,600.

Section 610.647 *Blue civil airway 47* is amended to delete:

From Int. SE crs Front Royal, Va., and SE crs Arcola, Va., LFR; to Front Royal, Va., LFR; MEA 5,000.

Section 610.647 *Blue civil airway 47* is amended by adding:

From Gordonsville, Va., LFR; to Remington INT, Va.; MEA 3,000.
From Remington INT, Va.; to Front Royal, Va., LFR; MEA 5,000.

Section 610.670 *Blue civil airway 70* is amended to read in part:

From Valley Mills INT, Tex.; to Lipan INT, Tex.; MEA 2,300.

Section 610.1001 *Direct routes, U. S.* is amended by adding:

From Albany, Ga., VOR; to Valdosta, Ga., VOR; MEA 1,600.
From Ardmore, Okla., VOR; to Int. SPS-VOR 037 and ADM-VOR 283; MEA 2,400.
From College Station, Tex., VOR; to Int. CLL-VOR 293 and ACT-VOR 187; MEA *3,900. *2,100—MOCA.
From Dalsetta INT, Tex.; to Int. LCA-VOR 263 and BPT-VOR 052; MEA *5,000. *1,800—MOCA.
From Dallas, Tex., VOR; to McAlester, Okla., VOR; MEA *3,400. *2,300—MOCA.
From Fort Smith, Ark., VOR; to Tulsa, Okla., VOR (TUL-140 and FSM-278); MEA *2,800. *2,400—MOCA.
From Fort Worth, Tex., VOR; to Lawton, Okla., VOR; MEA *3,000. *2,300—MOCA.
From Greensboro, N. C., VOR; to Yadkin INT, N. C.; MEA 2,400.
From Gregg County, Tex., VOR; to Int. GGG-VOR 259 and VIM-VOR 180; MEA 2,000.
From Lake Charles, La., VOR; to Singer INT, La.; MEA *2,900. *1,500—MOCA.
From Lawton, Okla., VOR; to Int. LAW-VOR 076 and SPS-VOR 033; MEA 2,500.
From McAlester, Okla., VOR; to Shawnee INT, Okla.; MEA *5,000. *2,300—MOCA.
From Palacios, Tex., VOR; to Int. CRP-VOR 011 and PSX-VOR 262; MEA *2,300. *1,500—MOCA.
From Int. CSV-VOR 210 and CHA-VOR 292; to Whitwell INT, Tenn.; MEA *4,000. *3,500—MOCA.
From Spartanburg, S. C., VOR; to Int. SPA-VOR 195 and RYN-VOR 095; MEA *3,900. *2,300—MOCA.
From Albany, Ga., LFR; to Valdosta, Ga., LF/RBN; MEA 1,600.
From Beaumont, Tex., LFR; to Galveston, Tex., LF/RBN; MEA 1,400.
From Birmingham, Ala., LFR; to Muscle Shoals, Ala., LFR; MEA 2,500.
From Bowling Green, Ky., LFR; to Nashville Tenn., LFR; MEA 2,300.

From Cardwell INT, Fla.; to West Palm Beach, Fla., LFR; MEA 1,200.
From Charlotte, N. C., LFR; to Raleigh, N. C., LFR; MEA 2,900.
From Cove INT, N. C.; to Winston-Salem, N. C., LFR; MEA 3,000.
From Dallas, Tex., LF/RBN; to McAlester, Okla., VOR; MEA 2,500.
From Dana INT, N. C.; to Greenville, S. C., LFR; MEA 5,000.
From Danville, Ark., LF/RBN; to Greensboro, N. C., LFR; MEA 2,300.
From El Dorado, Ark., LF/RBN; to Pine Bluff, Ark., LF/RBN (ELD-036 and PBF-205); MEA 1,600.
From Key West, Fla., LFR; to Tampa, Fla., VOR (via Control 1228); MEA 1,300.
From Marco INT, Fla.; to Tamiami, Fla., LF/RBN (via Control 1230); MEA 1,200.
From Midland, Tex., LFR; to Wink, Tex., LFR; MEA 4,900.
From Orlando, Fla., LFR; to Tampa, Fla., VOR (ORL-225 and TPA 275); MEA 1,900.
From Pine Bluff, Ark.; to Int. PBF-LF/RBN 360 and LIT-LFR 133; MEA 1,500.
From Ponca City, Okla., LF/RBN; to Tulsa, Okla., LFR; MEA 2,400.
From Tyler, Tex., LF/RBN; to Quitman, Tex., VOR; MEA 1,700.
From Valdosta, Ga., LF/RBN; to Int. VLD-LF/RBN 200 and TLH-LFR 086; MEA 1,400.

Section 610.1001 *Direct routes, U. S.* is amended to delete:

From Big Spring, Tex., LFR; to Wichita Falls, Tex., LFR; MEA 4,000.
From Hobbs, N. Mex., VOR; to Lubbock, Tex., VOR; MEA 5,300.
From Tucumcari, N. Mex., VOR; to Lubbock, Tex., VOR; MEA 7,000.

Section 610.6002 *VOR civil airway 2* is amended to read in part:

From *Seattle, Wash., VOR via N alter.; to **Ephrata, Wash., VOR via N alter.; MEA 12,000. *7,000—MCA Seattle VOR, eastbound. **7,000—MCA Ephrata VOR, westbound.

Section 610.6002 *VOR civil airway 2* is amended by adding:

From Ephrata, Wash., VOR via S alter.; to Pine City, Wash., LF/RBN via S alter.; MEA *8,000. *4,600—MOCA.
From Pine City, Wash., LF/RBN via S alter.; to Mullen Pass, Mont., VOR via S. alter.; MEA 9,000.

Section 610.6003 *VOR civil airway 3* is amended to read in part:

From Hopkins INT, Fla.; to Maytown INT, Fla.; MEA *2,000. *1,300—MOCA.
From Maytown INT, Fla.; to Oakhill INT, Fla.; MEA *1,800. *1,200—MOCA.
From Daytona Beach, Fla., VOR; to *Bunnell INT, Fla.; MEA **1,500. *3,000—MRA. **1,300—MOCA.
From Bunnell INT, Fla.; to Jacksonville, Fla., VOR; MEA *1,500. *1,300—MOCA.
From *Crocker INT, Fla., via E alter; to **Atlantic INT, Fla., via E alter.; MEA ***1,500. *3,500—MRA. **1,400—MRA. ***1,300—MOCA.
From Atlantic INT, Fla., via E alter.; to Jacksonville, Fla., VOR via E alter.; MEA *1,500. *1,300—MOCA.

Section 610.6004 *VOR civil airway 4* is amended to delete:

From Topeka, Kans., VOR via S alter.; to *Shawnee INT, Kans., via S alter.; MEA 2,500. *3,000—MCA Shawnee INT, eastbound.
From Shawnee INT, Kans., via S alter.; to Blue Springs, Mo., VOR via S alter.; MEA 3,000.
From Blue Springs, Mo., VOR via S alter.; to Columbia Mo., VOR via S alter.; MEA *4,000. *2,400—MOCA.
From Columbia, Mo., VOR via S alter.; to St. Louis, Mo., VOR via S alter.; MEA 2,200.

Section 610.6004 *VOR civil airway 4* is amended by adding:

From Topeka, Kans., VOR via S alter.; to Kansas City, Mo., VOR via S alter.; MEA 2,500.

Section 610.6004 *VOR civil airway 4* is amended to read in part:

From Denver, Colo., VOR; to *Thurman, Colo., VOR; MEA 7,000. *7,000—MCA Thurman VOR, westbound.
From Goodland, Kans., VOR; to Hill City, Kans., VOR; MEA 5,500. Via N alter.; MEA 5,500.
From Kansas City, Mo., VOR; to Marshall, Mo., VORTAC; MEA 2,400.
From Marshall, Mo., VORTAC; to Columbia, Mo., VOR; MEA 2,400.
From *Tina INT, Mo., via N alter.; to Dalton INT, Mo., via N alter.; MEA **4,900. *3,000—MRA. **2,400—MOCA.
From Dalton INT, Mo., via N alter.; to Columbia, Mo., VOR via N alter.; MEA 2,400.
From Columbia, Mo., VOR; to Monroe INT, Mo.; MEA 2,100.
From Monroe INT, Mo.; to St. Louis, Mo., VOR; MEA 2,000.

Section 610.6006 *VOR civil airway 6* is amended to delete:

From Battle Mountain, Nev., VOR; to Elko, Nev., VOR; MEA 11,000.
From Elko, Nev., VOR; to Wells, Nev., VOR; MEA 13,000.
From Battle Mountain, Nev., VOR via N alter.; to Wells Nev., VOR via N alter.; MEA 12,000.
From Des Moines, Iowa, VOR via N alter.; to *Monroe INT, Iowa, via N alter.; MEA 2,200. *3,500—MRA.
From Monroe INT, Iowa, via N alter.; to Iowa City, Iowa, VOR via N alter.; MEA 2,200.

Section 610.6006 *VOR civil airway 6* is amended by adding:

From Battle Mountain, Nev., VOR; to Wells, Nev., VOR; MEA 11,000.

Section 610.6006 *VOR civil airway 6* is amended to read in part:

From North Platte, Nebr., VOR via N alter.; to Ansley INT, Nebr., via N alter.; MEA *5,400. *4,300—MOCA.
From Ansley INT, Nebr., via N alter.; to Grand Island, Nebr., VOR via N alter.; MEA *5,400. *4,100—MOCA.

Section 610.6008 *VOR civil airway 8* is amended to read in part:

From Denver, Colo., VOR via S alter.; to Akron, Colo., VOR via S alter.; MEA 7,000.

Section 610.6011 *VOR civil airway 11* is amended to read in part:

From *Zionsville INT, Ind.; to Fort Wayne, Ind., VORTAC; MEA 2,200.
From Fort Wayne, Ind., VORTAC; to Edgerton INT, Ind.; MEA 2,800.

Section 610.6012 *VOR civil airway 12* is amended to delete:

From Bonner Springs INT, Kans.; to Kansas City, Mo., VOR; MEA 2,500.
From Kansas City, Mo., VOR; to Columbia, Mo., VOR; MEA *3,400. *2,400—MOCA.
From Kansas City, Mo., VOR via N alter.; to Excelsior INT, Mo., via N alter.; MEA 2,400.
From Excelsior INT, Mo., via N alter.; to *Tina INT, Mo., via N alter.; MEA 3,000. *3,000—MRA.
From Tina INT, Mo., via N alter.; to Columbia, Mo., VOR via N alter.; MEA *4,900. *2,400—MOCA.
From Columbia, Mo., VOR; to *New Florence INT, Mo.; MEA 2,100. *3,000—MRA.
From New Florence INT, Mo.; to *Monroe INT, Mo.; MEA 2,100. *3,000—MRA.
From Monroe INT, Mo.; to St. Louis, Mo., VOR; MEA 2,100.
From Columbia, Mo., VOR; to St. Louis, Mo., VOR via S alter.; MEA 2,200. Via N alter.; MEA 2,100.
From St. Louis, Mo., VOR; to Vandalia, Ill., VOR; MEA 2,000.
From Vandalia, Ill., VOR; to *Union City INT, Mo.; MEA 2,000. *2,400—MRA.
From Union City INT, Mo.; to Terre Haute, Ind., VOR; MEA 2,000.
From Terre Haute, Ind., VOR; to Indianapolis, Ind., VOR; MEA 2,200.
From Terre Haute, Ind., VOR via S alter.; to Cloverdale INT, Ind., via S alter.; MEA 2,300.
From Cloverdale INT, Ind., via S alter.; to Indianapolis, Ind., VOR via S alter.; MEA 2,200.
From Indianapolis, Ind., VOR; to *Maxwell INT, Ind.; MEA 2,400. *4,000—MRA.
From Maxwell INT, Ind.; to Dayton, Ohio, VOR; MEA 2,800.
From Indianapolis, Ind., VOR via N alter.; to *Cowan INT, Ohio, via N alter.; MEA 2,800. *3,000—MRA.
From Cowan INT, Ohio, via N alter.; to Dayton, Ohio, VOR via N alter.; MEA 2,500.

Section 610.6012 *VOR civil airway 12* is amended by adding:

From Bonner Spring INT, Kans.; to *Shawnee INT, Kans.; MEA 2,500. *3,000—MCA Shawnee INT, eastbound.
From Shawnee INT, Kans.; to Blue Springs, Mo., VOR; MEA 3,000.
From Blue Springs, Mo., VOR; to Blackwater, Mo., VOR; MEA 2,400.
From Blackwater, Mo., VOR; to Millersburg INT, Mo.; MEA 2,600.
From Millersburg INT, Mo.; to Readsville, Mo., VOR; MEA 2,200.
From Readsville, Mo., VOR; to Howell INT, Mo.; MEA 2,100.
From Howell INT, Mo.; to Maryland Heights, Mo., VOR; MEA 2,000.
From Maryland Heights, Mo., VOR; to Creve Coeur INT, Mo.; MEA 2,000.
From Creve Coeur INT, Mo.; to Granite City INT, Ill.; MEA 2,100.
From Granite City INT, Ill.; to Troy, Ill., VOR; MEA 2,200.
From Troy, Ill., VOR; to Mound INT, Ill.; MEA 1,900.
From Mound INT, Ill.; to Bible Grove, Ill., VOR; MEA 2,000.
From Bible Grove, Ill., VOR; to Lewis, Ind., VOR; MEA 2,000.
From Lewis, Ind., VOR; to Banta INT, Ind.; MEA 2,200.
From Banta INT, Ind.; to Shelbyville, Ind., VOR; MEA 2,000.
From Shelbyville, Ind., VOR; to *Camden INT, Ohio; MEA 3,700. *3,700—MCA Camden INT, westbound.
From Camden INT, Ohio; to Dayton, Ohio, VOR; MEA 2,500.

Section 610.6012 *VOR civil airway 12* is amended to read in part:

From Santa Barbara, Calif., VOR; to *Ojai INT, Calif.; MEA 8,000. *9,200—MRA.
From Ojai INT, Calif.; to Fillmore, Calif., VOR; MEA 8,000.

Section 610.6016 *VOR civil airway 16* is amended to read in part:

From *Palm Springs INT, Calif.; to Blythe, Calif., VOR; MEA 8,000. *13,000—MCA Palm Springs INT, westbound.

Section 610.6017 *VOR civil airway 17* is amended to read in part:

From Garden City, Kans., VOR; to Goodland, Kans., VOR; MEA 5,500.

From Garden City, Kans., VOR via W alter.; to Goodland, Kans., VOR via W alter.; MEA *6,400. *5,500—MOCA.

Section 610.6019 *VOR civil airway 19* is amended to read in part:

From El Paso, Tex., VOR; to Harrington Ranch INT, Tex.; MEA 8,500.

Section 610.6020 *VOR civil airway 20* is amended to read in part:

From Laredo, Tex., VOR; to *Oilton INT, Tex.; MEA 1,900. *2,200—MRA.

From Oilton INT, Tex.; to Alice, Tex., VOR; MEA 1,900.

From Greensboro, N. C., VOR; to *Reid INT, N. C.; MEA 2,300. *2,500—MRA.

Section 610.6022 *VOR civil airway 22* is amended to delete:

From New Orleans, La., VOR; to Dog INT, La.; MEA *3,900. *2,000—MOCA.

From Dog INT, La.; to *Bon Secour INT, Fla.; MEA **3,900. *2,000—MRA. **1,100—MOCA.

From Bon Secour INT, Fla.; to Saufley, Fla., VOR; MEA *2,000. *1,300—MOCA.

From Saufley, Fla., VOR; to Gonzales INT, Fla.; MEA *2,000. *1,700—MOCA.

From Gonzales INT, Fla.; to Whiting INT, Fla.; MEA *2,000. *1,300—MOCA.

From Whiting INT, Fla.; to Crestview, Fla., VOR; MEA *2,000. *1,400—MOCA.

Section 610.6022 *VOR civil airway 22* is amended by adding:

From St. Rose, La., LF/RBN; to Cat INT, Ala.; MEA *3,000. *2,000—MOCA.

From Cat INT, Ala.; to Brookley, Ala., TVOR; MEA *3,000. *1,600—MOCA.

From Brookley, Ala., TVOR; to Pensacola (NAS), Fla., VOR; MEA *2,000. *1,700—MOCA.

From Pensacola (NAS), Fla., VOR; to Crestview, Fla., VOR; MEA *2,000. *1,700—MOCA.

Section 610.6023 *VOR civil airway 23* is amended to read in part:

From San Diego, Calif., VOR via E alter.; to Rancho INT, Calif., via E alter.; MEA 2,500.

From Rancho INT, Calif., via E alter.; to Oceanside, Calif., VOR via E alter.; MEA 3,000.

From *Saugus INT, Calif.; to Lake Hughes, Calif., VOR; MEA 9,000. *7,000—MCA Saugus INT, northbound.

From Lake Hughes, Calif., VOR; to *Whitman INT, Calif.; MEA 9,000. *9,000—MCA Whitman INT, southeastbound.

From Whitman INT, Calif.; to Bakersfield, Calif., VOR, northwestbound, MEA 6,000; southeastbound, MEA 9,000.

Section 610.6025 *VOR civil airway 25* is amended to delete:

From Camarillo, Calif., LFR; to *Santa Barbara, Calif., VOR; MEA 6,000. *8,000—MCA Santa Barbara VOR, northwestbound.

Section 610.6025 *VOR civil airway 25* is amended by adding:

From Los Angeles, Calif., VOR; to *Eel INT, Calif.; MEA 2,000. *5,000—MRA.

From Eel INT, Calif.; to Oxnard, Calif., VOR; MEA 5,000.

From Oxnard, Calif., VOR; to *Santa Barbara, Calif., VOR; MEA 6,000. *8,000—MCA Santa Barbara VOR, northwestbound.

Section 610.6027 *VOR civil airway 27* is amended to delete:

From Camarillo, Calif., LFR; to Santa Barbara, Calif., VOR; MEA 6,000.

Section 610.6027 *VOR civil airway 27* is amended by adding:

From Los Angeles, Calif., VOR; to *Eel INT, Calif.; MEA 2,000. *5,000—MRA.

From Eel INT, Calif.; to Oxnard, Calif., VOR; MEA 5,000.

From Oxnard, Calif., VOR; to Santa Barbara, Calif., VOR; MEA 6,000.

Section 610.6032 *VOR civil airway 32* is amended by adding:

From Battle Mountain, Nev., VOR via N alter.; to Elko, Nev., VOR via N alter.; MEA 11,000.

Section 610.6035 *VOR civil airway 35* is amended to read in part:

From Albany, Ga., VOR; to *Fort Valley INT, Ga.; MEA 1,700. *3,000—MRA.

From Fort Valley INT, Ga.; to Macon, Ga., VOR; MEA 1,600.

From Charleston, W. Va., VOR; to Parkersburg, W. Va., VOR; MEA 2,500.

Section 610.6038 *VOR civil airway 38* is amended to read in part:

From Fort Wayne, Ind., VORTAC; to Findlay, Ohio, VOR; MEA 2,200.

Section 610.6044 *VOR civil airway 44* is amended to read in part:

From Baltimore, Md., VOR; to Price INT, Md.; MEA 1,500.

Section 610.6050 *VOR civil airway 50* is amended by adding:

From Indianapolis, Ind., VOR; to *Maxwell INT, Ind.; MEA 2,400. *4,000—MRA.

From Maxwell INT, Ind.; to Dayton, Ohio, VOR; MEA 2,800.

From Indianapolis, Ind., VOR via N alter.; to *Cowan INT, Ohio, via N alter.; MEA 2,800. *3,000—MRA.

From Cowan INT, Ohio, via N alter.; to Dayton, Ohio, VOR via N alter.; MEA 2,500.

Section 610.6051 *VOR civil airway 51* is amended to read in part:

From Hopkins INT, Fla.; to Maytown INT, Fla.; MEA *2,000. *1,300—MOCA.

From Maytown INT, Fla.; to Oakhill INT, Fla.; MEA *1,800. *1,200—MOCA.

From Daytona Beach, Fla.; to *Bunnell INT, Fla.; MEA **1,500. *3,000—MRA. **1,300—MOCA.

From Bunnell INT, Fla.; to Jacksonville, Fla., VOR; MEA *1,500. *1,300—MOCA.

From Chattanooga, Tenn., VOR; to Dayton INT, Tenn.; MEA 3,500.

From Dayton INT, Tenn.; to Crossville, Tenn., VOR; MEA 5,000.

Section 610.6054 *VOR civil airway 54* is amended to read in part:

From Hilleman INT, Ark., via N alter.; to *Caldwell INT, Ark., via N alter.; MEA **2,500. *2,500—MRA. **1,600—MOCA.

From Caldwell INT, Ark., via N alter.; to *Round Pond INT, Ark., via N alter.; MEA **2,500. *2,500—MRA. **1,600—MOCA.

From Round Pond INT, Ark., via N alter.; to Memphis, Tenn., VOR via N alter.; MEA 1,700.

Section 610.6055 *VOR civil airway 55* is amended to read in part:

From Coldwater INT, Ohio; to Fort Wayne, Ind., VORTAC; MEA *2,600. *2,200—MOCA.

From Fort Wayne, Ind., VORTAC; to Goshen, Ind., VOR; MEA 2,300.

From Union City INT, Ind., via W alter.; to Fort Wayne, Ind., VORTAC via W alter.; MEA *2,500. *2,200—MOCA.

From Fort Wayne, Ind., VORTAC via W. alter.; to Goshen, Ind., VOR via W alter.; MEA 2,200.

Section 610.6064 *VOR civil airway 64* is amended by adding:

From Hermosa INT, Calif.; to *Long Beach, Calif.; MEA 2,000. *5,000—MCA Long Beach VOR, eastbound.

Section 610.6066 *VOR civil airway 66* is amended to read in part:

From *San Diego, Calif., VOR; to Jamul INT, Calif.; westbound, MEA 4,500; eastbound, MEA 8,000. *8,000—MCA San Diego VOR, eastbound.

From Jamul INT, Calif.; to Barrett INT, Calif.; westbound, MEA 6,000; eastbound, MEA 8,000.

Section 610.6074 *VOR civil airway 74* is amended to read in part:

From Mazie INT, Okla.; to *Long INT, Ark.; MEA 2,600. *3,000—MRA.

From Long INT, Ark.; to *Short INT, Ark.; MEA 2,600. *3,800—MRA.

From Short INT, Ark.; to Fort Smith, Ark., VOR; MEA 2,600.

From Okmulgee, Okla., VOR via S alter.; to *Akins INT, Ark., via S alter.; MEA **2,300. *4,200—MRA. **2,200—MOCA.

From Akins INT, Ark., via S alter.; to Fort Smith, Ark., VOR via S alter.; MEA *2,300. *2,200—MOCA.

From Tuttle INT, Kans.; to Garden City, Kans., VORTAC; MEA 5,500.

From Garden City, Kans., VORTAC; to Dodge City, Kans., VOR; MEA 4,000.

Section 610.6081 *VOR civil airway 81* is amended to read in part:

From Dalhart, Tex., VOR; to Tobe, Colo., VORTAC; MEA 8,500.

From Tobe, Colo., VORTAC; to Pueblo, Colo., VOR; MEA 7,500.

Section 610.6089 *VOR civil airway 89* is amended to read in part:

From Cheyenne, Wyo., VOR via E alter.; to Albin INT, Wyo., via E alter.; MEA 7,300.

From Albin INT, Wyo., via E alter.; to Scottsbluff INT, Nebr., via E alter.; MEA 7,600.

Section 610.6095 *VOR civil airway 95* is amended by adding:

From Winslow, Ariz., VOR; to Farmington, N. Mex., VOR; MEA 12,000.

Section 610.6096 *VOR civil airway 96* is amended to read in part:

From Fort Wayne, Ind., VORTAC; to Antwerp INT, Ohio; MEA 2,200.

From Antwerp INT, Ohio; to Waterville, Ohio, VOR; MEA 2,000.

Section 610.6097 *VOR civil airway 97* is amended to read in part:

From Lobster INT, Fla.; to *Aucilla INT, Fla.; MEA **2,000. *2,500—MRA. **1,000—MOCA.

From Aucilla INT, Fla.; to St. Marks INT, Fla.; MEA *2,000. *1,000—MOCA.

Section 610.6099 *VOR civil airway 99* is amended to read in part:

From Port Madison INT, Wash.; to *Warm Beach INT, Wash.; MEA 6,300. *6,300—MCA Warm Beach INT, southwestbound.

From Warm Beach INT, Wash.; to Bellingham, Wash., VOR; MEA 4,000.

Section 610.6105 *VOR civil airway 105* is amended to read in part:

From Coaldale, Nev., VOR; to Reno, Nev., VOR; MEA *12,000. *Continuous navigation signal coverage does not exist over the entire route segment below 14,000 feet.

Section 610.6106 *VOR civil airway 106* is amended to read in part:

From Walnut Grove INT, W. Va.; to *Clara INT, W. Va.; MEA **4,000. *4,000—MRA. **3,000—MOCA.

Section 610.6107 *VOR civil airway 107* is amended to delete:

From *Fillmore, Calif., VOR; to Hines INT, Calif.; northbound, MEA 11,000; southbound,

MEA 7,000. *9,000—MCA Fillmore VOR, northbound.

From Hines INT, Calif.; to Pinos INT, Calif.; northbound, MEA 11,000; southbound, MEA 9,500.

From Pinos INT, Calif.; to *Maricopa INT, Calif.; MEA 11,000. *9,500—MCA Maricopa INT, southeastbound.

From Maricopa INT, Calif.; to McKittrick INT, Calif.; northwestbound, MEA 6,000; southeastbound, MEA 9,500.

From McKittrick INT, Calif.; to Coalinga, Calif., VOR; MEA 6,000.

From Coalinga, Calif., VOR; to Mount Hamilton INT, Calif.; MEA 7,000.

From Mount Hamilton INT, Calif.; to Mount Day INT, Calif.; southbound, MEA 7,000; northbound, MEA 6,000.

From Mount Day INT, Calif.; to Mission INT, Calif.; southbound, MEA 7,000; northbound, MEA 5,000.

From Mission INT, Calif.; to Oakland, Calif., VOR; southbound, MEA 7,000; northbound, MEA 3,500.

Section 610.6107 *VOR civil airway 107* is amended by adding:

From *Fillmore, Calif.; to Reyes INT, Calif.; MEA 9,500. *8,000—MCA Fillmore VOR, northwestbound.

From Reyes INT, Calif.; to Cuyama INT, Calif.; MEA *12,500. *9,500—MOCA.

From Cuyama INT, Calif.; to Avenal, Calif., VOR; northbound, MEA *8,000; southbound, MEA *11,000. *6,000—MOCA.

From Avenal, Calif., VOR; to *Panoche, Calif., VOR; MEA 7,000. *5,500—MCA Panoche VOR, southbound.

From Panoche, Calif., VOR; to *Oakland, Calif., VOR; MEA 7,000. *2,500—MCA Oakland VOR, southeastbound.

Section 610.6108 *VOR civil airway 108* is amended to read in part:

From Goodland, Kans., VOR; to Hill City, Kans., VOR; MEA 5,500.

Section 610.6109 *VOR civil airway 109* is amended to delete:

From Paso Robles, Calif., VOR; to *Coalinga, Calif., VOR; MEA 7,000. *5,000—MCA Coalinga VOR, southwestbound.

From Coalinga, Calif., VOR; to Fresno, Calif., VOR; MEA 3,000.

Section 610.6109 *VOR civil airway 109* is amended by adding:

From Panoche, Calif., VOR; to *French Camp INT, Calif.; MEA 4,000. *5,500—MCA French Camp INT, westbound.

From French Camp INT, Calif.; to Altamont INT, Calif.; eastbound, MEA 5,000; westbound, MEA 5,500.

From Altamont INT, Calif.; to Oakland, Calif., VOR; MEA 5,000.

Section 610.6111 *VOR civil airway 111* is amended to read in part:

From Salinas, Calif., VOR; to Int. 024 M Salinas VOR and 295 M rads. Coalinga VOR; MEA *7,000. *5,500—MOCA.

Section 610.6113 *VOR civil airway 113* is amended to read in part:

From Paso Robles, Calif., VOR; to *Panoche, Calif., VOR; MEA 7,000. *5,500—MCA Panoche VOR, southbound.

From Panoche, Calif., VOR; to Modesto, Calif., VOR; MEA 4,000.

Section 610.6114 *VOR civil airway 114* is amended to read in part:

From *Converse INT, La.; to **Boyce INT, La.; MEA ***3,400. *3,000—MRA. **5,000—MRA. ***1,700—MOCA.

From Boyce INT, La.; to Alexandria, La., VOR; MEA *3,400. *1,700—MOCA.

From *Converse INT, La., via N alter.; to **Boyce INT, La., via N alter.; MEA ***3,400. *3,000—MRA. **5,000—MRA. ***1,700—MOCA.

From Boyce INT, La., via N alter.; to Alexandria, La., VOR via N alter.; MEA *3,400. *1,700—MOCA.

Section 610.6120 *VOR civil airway 120* is amended to delete:

From Ephrata, Wash., VOR; to Pine City, Wash., LF/RBN; MEA *8,000. *4,600—MOCA.

From Pine City, Wash., LF/RBN; to Mullen Pass, Mont., VOR; MEA 9,000.

Section 610.6123 *VOR civil airway 123* is amended to read in part:

From Baltimore, Md., LFR; to Essex INT, Md.; MEA 6,000.

Section 610.6128 *VOR civil airway 128* is amended to read in part:

From York, Ky., VOR; to Int. 112 M rad. York VOR and 232 M rad. Henderson VOR; MEA 2,500.

From Int. 112 M rad. York VOR and 232 M rad. Henderson VOR; to Charleston, W. Va., VOR; MEA 3,000.

Section 610.6132 *VOR civil airway 132* is amended to read in part:

From Goodland, Kans., VOR; to Great Bend INT, Kans.; MEA *9,700. *5,500—MOCA.

Section 610.6135 *VOR civil airway 135* is amended to read in part:

From Blythe, Calif., VOR; to Rice, Calif., VOR; MEA 5,000.

From Rice, Calif., VOR; to Needles, Calif., VOR; MEA 6,000.

Section 610.6137 *VOR civil airway 137* is amended to delete:

From *Palmdale, Calif., VOR; to Victory INT, Calif.; northwestbound, MEA 10,000; southeastbound, MEA 6,000. *8,000—MCA Palmdale VOR, northwestbound.

From Victory INT, Calif.; to White Oaks INT, Calif.; MEA 10,000.

From White Oaks INT, Calif; to *Maricopa INT, Calif.; MEA 12,000. *12,000—MCA Maricopa INT, southeastbound.

From *Coalinga, Calif.; to Benito INT, Calif.; MEA **8,500. *5,000—MCA Coalinga VOR, northwestbound. **7,500—MOCA.

From Benito INT, Calif.; to Salinas, Calif., VOR; MEA 6,000.

Section 610.6137 *VOR civil airway 137* is amended by adding:

From Palmdale, Calif., VOR; to *Gorman, Calif., VOR; MEA 8,000. *10,000—MCA Gorman VOR, westbound.

From Gorman, Calif., VOR; to *Cuyama INT, Calif.; MEA 11,000. *10,000—MCA Cuyama INT, eastbound.

From Cuyama INT, Calif.; to Avenal, Calif., VOR; northbound, MEA *8,000; southbound, MEA *11,000. *6,000—MOCA.

From Avenal, Calif., VOR; to *Panoche, Calif., VOR; MEA 7,000. *5,500—MCA Panoche VOR, southbound.

Section 610.6140 *VOR civil airway 140* is amended to read in part:

From Daley INT, Ky.; to *Marie INT, Ky.; MEA **8,000. *8,000—MRA. **6,000—MOCA.

From Marie INT, Ky.; to Gap Mills INT, W. Va.; MEA *8,000. *6,000—MOCA.

Section 610.6144 *VOR civil airway 144* is amended to read in part:

From Fort Wayne, Ind., VORTAC; to Findlay, Ohio, VOR; MEA 2,200.

Section 610.6152 *VOR civil airway 152* is amended to read in part:

From Orlando, Fla., VOR; to Daytona Beach, Fla., VOR; MEA 1,700.

Section 610.6165 *VOR civil airway 165* is amended to delete:

From Bakersfield, Calif.; VOR; to Coalinga, Calif., VOR; MEA 3,000.

Section 610.6169 *VOR civil airway 169* is amended by adding:

From Tobe, Colo., VORTAC; to Hugo, Colo., VOR; MEA 7,500.

From Hugo, Colo., VOR; to Thurman, Colo., VOR; MEA 7,000.

From *Thurman, Colo., VOR; to Akron, Colo., VOR; MEA 7,000. *7,000—MCA Thurman VOR, northbound.

Section 610.6172 *VOR civil airway 172* is amended to read in part:

From North Platte, Nebr., VOR; to Wolbach, Nebr., VOR; MEA *5,400. *4,300—MOCA.

Section 610.6177 *VOR civil airway 177* is amended by adding:

From Fort Wayne, Ind., VORTAC; to Claypool INT, Ind.; MEA 2,200.

From Claypool INT, Ind.; to Wheatfield INT, Ind.; MEA *4,000. *2,200—MOCA.

Section 610.6180 *VOR civil airway 180* is amended to read in part:

From Austin, Tex., VOR; to *Bastrop INT, Tex.; MEA 2,000. *3,000—MRA.

From Bastrop INT, Tex.; to *Smithville INT, Tex.; MEA 2,000. *2,300—MRA.

Section 610.6183 *VOR civil airway 183* is amended to read in part:

From *Santa Barbara, Calif., VOR; to Maricopa INT, Calif.; MEA **11,000. *8,000—MCA Santa Barbara VOR, northeastbound. **9,000—MOCA.

Section 610.6187 *VOR civil airway 187* is amended by adding:

From Boysen Reservoir, Wyo., VORTAC; to *Billings, Mont., VOR; MEA 11,000. *8,000—MCA Billings VOR, southbound.

Section 610.6200 *VOR civil airway 200* is amended to read in part:

From Myton, Utah, VOR; to *Meeker, Colo., VORTAC; MEA 10,000. *12,000—MCA Meeker VORTAC, eastbound.

From Meeker, Colo., VORTAC; to Kremmling, Colo.; MEA 14,500.

Section 610.6209 *VOR civil airway 209* is amended to delete:

From Long Beach, Calif., VOR; to Hermosa INT, Calif.; MEA 2,000.

From Hermosa INT, Calif.; to *Pt. Dume INT, Calif.; MEA 3,000. *4,000—MCA Pt. Dume INT, northbound.

From Pt. Dume INT, Calif.; to Fillmore, Calif., VOR; MEA 5,000.

From *Fillmore, Calif., VOR; to Reyes INT, Calif.; southeastbound, MEA 9,000; northwestbound, MEA 12,500. *10,500—MCA Fillmore VOR, northwestbound.

From Reyes INT, Calif.; to Paso Robles, Calif., VOR; MEA *12,500. *9,500—MOCA.

Section 610.6210 *VOR civil airway 210* is amended to read in part:

From Hector, Calif., VOR; to *Goffs, Calif., VOR; MEA 8,500. *7,500—MCA Goffs VOR, westbound.

Section 610.6210 *VOR civil airway 210* is amended by adding:

From Kansas City, Mo., VOR; to Marshall, Mo., VORTAC; MEA 2,400.

From Marshall, Mo., VORTAC; to Columbia, Mo., VOR; MEA 2,400.

From Kansas City, Mo., VOR via N alter.; to Excelsior INT, Mo., via N alter.; MEA 2,400.

From Excelsior INT, Mo., via N alter.; to *Tina INT, Mo., via N alter.; MEA 3,000. *3,000—MRA.

From Tina INT, Mo., via N alter.; to Dalton INT, Mo., via N alter.; MEA *4,900. *2,400—MOCA.

From Dalton INT, Mo., via N alter.; to Columbia, Mo., VOR via N alter.; MEA 2,400.

From Columbia, Mo., VOR; to Monroe INT, Mo.; MEA 2,100.

From Monroe INT, Mo.; to St. Louis, Mo., VOR; MEA 2,000.

From Columbia, Mo., VOR via N alter.; to St. Louis, Mo., VOR via N alter.; MEA 2,100.

From St. Louis, Mo., VOR; to Vandalia, Ill., VOR; MEA 2,000.

From Vandalia Ill., VOR; to *Union Center INT, Mo.; MEA 2,000. *2,400—MRA.

From Union Center INT, Mo.; to Terre Haute, Ind., VOR; MEA 2,000.

From Terre Haute, Ind., VOR; to Indianapolis, Ind., VOR; MEA 2,200.

From Terre Haute, Ind., VOR via S alter.; to Cloverdale INT, Ind., via S alter.; MEA 2,300.

From Cloverdale INT, Ind., via S alter.; to Indianapolis, Ind., VOR via S alter.; MEA 2,200.

From Indianapolis, Ind., VOR; to *Cowan INT, Ohio; MEA 2,800. *3,000—MRA.

Section 610.6214 *VOR civil airway 214* is amended to delete:

From Troy, Ill., VOR; to Mound INT, Ill.; MEA 1,900.

From Mound INT, Ill.; to Bible Grove, Ill., VOR; MEA 2,000.

From Bible Grove, Ill., VOR; to Lewis, Ind., VOR; MEA 2,000.

From Lewis, Ind., VOR; to Banta INT, Ind.; MEA 2,200.

From Banta INT, Ind.; to Shelbyville, Ind., VOR; MEA 2,000.

From Shelbyville, Ind., VOR; to *Camden INT, Ohio; MEA **3,700. *3,700—MCA Camden INT, westbound. **2,300—MOCA.

Section 610.6220 *VOR civil airway 220* is amended to read in part:

From Ward INT, Colo.; to *Longmont INT, Colo.; MEA 16,500. *14,000—MCA Longmont INT, westbound.

From Longmont INT, Colo.; to *Hudson INT, Colo; westbound, MEA 13,000; eastbound, MEA 10,500. *9,000—MRA.

From Hudson INT, Colo.; to Roggen INT, Colo.; MEA 9,000.

Section 610.6220 *VOR civil airway 220* is amended by adding:

From Akron, Colo., VOR; to Imperial, Nebr., VOR; MEA 5,600.

From Imperial, Nebr., VOR; to Lexington INT, Nebr.; MEA *6,000. *4,300—MOCA.

From Lexington INT, Nebr.; to Loup INT, Nebr.; MEA *7,000. *4,100—MOCA.

From Loup INT, Nebr.; to Wolbach, Nebr., VOR; MEA *5,400. *3,500—MOCA.

Section 610.6230 *VOR civil airway 230* is amended to read in part:

From Salinas, Calif., VOR; to Panoche, Calif., VOR; MEA 6,000.

From Panoche, Calif., VOR; to Fresno, Calif., VOR; eastbound, MEA 2,000; westbound, MEA 4,500.

Section 610.6242 *VOR civil airway 242* is amended to read:

From Mobile, Ala., VOR; to Brookley, Ala., TVOR; MEA 1,600.

Section 610.6248 *VOR civil airway 248* is amended to read:

From Paso Robles, Calif., VOR; to *Avenal, Calif., VOR; MEA 4,500. *4,000—MCA Avenal VOR, westbound.

From Avenal, Calif., VOR; to Bakersfield, Calif., VOR; MEA 2,000.

Section 610.6258 *VOR civil airway 258* is amended to read in part:

From Beckley, W. Va., VOR; to *Marie INT, Ky; MEA 6,000. *8,000—MRA.

From Marie INT, Ky.; to Roanoke, Va., TVOR; MEA 6,000.

Section 610.6264 *VOR civil airway 264* is amended to read:

From Los Angeles, Calif., VOR; to Ontario, Calif., VOR; MEA 4,000.

From La Habra, Calif., FM; to Los Angeles, Calif., VOR, westbound only; MEA 3,000.

From *Ontario, Calif., VOR; to Moreno INT, Calif.; westbound, MEA 5,500; eastbound, MEA 13,000.

From Banning, Calif., FM; to Moreno INT, Calif., westbound only; MEA 8,000.

From Moreno INT, Calif.; to *Palm Springs INT, Calif.; MEA 13,000. *13,000—MCA Palm Springs INT, westbound.

From Palm Springs INT, Calif.; to Cones INT, Calif.; MEA 8,000.

From Cones INT, Calif.; to Rice, Calif., VOR; MEA 6,500.

From Rice, Calif., VOR; to Prescott, Ariz., VOR; MEA 10,000.

Section 610.6267 *VOR civil airway 267* is amended to read in part:

From Orlando, Fla., VOR via E alter.; to Daytona Beach, Fla., VOR via E alter.; MEA 1,700.

From Daytona Beach, Fla., VOR via E alter.; to *Roy INT, Fla., via E alter.; MEA **3,000. *3,000—MRA. **1,300—MOCA.

Section 610.6278 *VOR civil airway 278* is amended by adding:

From Texarkana, Ark., VOR; to *Waterloo INT, Ark.; MEA 1,700. *4,000—MRA.

From Waterloo INT, Ark.; to *Hampton INT, Ark.; MEA **8,500. *4,500—MRA. **1,600—MOCA.

From Hampton INT, Ark.; to Jerome INT, Ark.; MEA *8,500. *1,600—MOCA.

From Jerome INT, Ark.; to Greenwood, Miss., VOR; MEA *3,000. *1,600—MOCA.

Section 610.6298 *VOR civil airway 298* is added to read:

From *Dubois, Idaho, VOR; to Boysen Reservoir, Wyo., VORTAC; MEA 15,000. *11,000—MCA Dubois VOR, eastbound.

From Boysen Reservoir, Wyo., VORTAC; to Casper, Wyo., VOR; MEA 10,000.

Section 610.6300 *VOR civil airway 300* is added to read:

From Sault Ste. Marie, Mich., VOR via N alter.; to U. S.-Canadian Border via N alter.; MEA 2,200.

Section 610.6425 *VOR civil airway 425* is added to read:

From Brookley, Ala., TVOR; to Axis INT, Ala.; MEA 1,600.

Section 610.6612 *VOR civil airway 1512* is amended to read in part:

From Kansas City, Mo., VOR via S alter.; to Marshall, Mo., VORTAC via S alter.; MEA 2,400.

From Marshall, Mo., VORTAC via S alter.; to Columbia, Mo., VOR via S alter.; MEA 2,400.

Section 610.6614 *VOR civil airway 1514* is amended to read in part:

From Kansas City, Mo., VOR via S alter.; to Marshall, Mo., VORTAC via S alter.; MEA 2,400.

From Marshall, Mo., VORTAC via S alter.; to Columbia, Mo., VOR via S alter.; MEA 2,400.

Section 610.6622 *VOR civil airway 1522* is amended to read in part:

From *Palm Springs INT, Calif.; to Blythe, Calif., VOR; MEA 8,000. *13,000—MCA Palm Springs INT, westbound.

From *Waterloo INT, Ark.; to **Hampton INT, Ark.; MEA ***4,500. *4,000—MRA. **4,500—MRA. ***1,400—MOCA.

From Hampton INT, Ark.; to Jerome INT, Ark.; MEA *8,500. *1,400—MOCA.

From Greensboro, N. C., VOR; to *Reid INT, N. C.; MEA 2,300. *2,500—MRA.

Section 610.6629 *VOR civil airway 1529* is amended by adding:

From Pembina, N. Dak., LFR; to Kenora, Ontario, LFR; MEA *2,500. *For that airspace over U. S. territory.

Section 610.6631 *VOR civil airway 1531* is amended to read in part:

From Pocatello, Idaho, VOR; to Billings, Mont., VOR; MEA *16,000. *Continuous navigation signal coverage does not exist over the entire route segment below 18,000 feet.

Section 610.6635 *VOR civil airway 1535* is added to read:

From Lovelock, Nev., VOR; to Sod House, Nev., VOR; MEA 12,000.

From Sod House, Nev., VOR; to Rome, Oreg., VOR; MEA 10,500.

From Rome, Oreg., VOR; to *Reynolds INT, Idaho; MEA 10,000. *13,700—MRA.

From Reynolds INT, Idaho; to Boise, Idaho, VOR; northeastbound, MEA 8,000; southwestbound, MEA 10,000.

From Boise, Idaho, VOR; to Missoula, Mont., VOR; MEA 15,000.

From Missoula, Mont., VOR; to Cut Bank, Mont., VOR; MEA 15,000.

From Cut Bank, Mont., VOR; to Swift Current, Saskatchewan, Canada, LFR; MEA *15,000. *For that airspace over U. S. territory.

(Sec. 205, 52 Stat. 984; 49 U. S. C. 425. Interpret or apply sec. 601, 52 Stat. 1007, as amended; 49 U. S. C. 551)

These rules shall become effective August 28, 1958.

[SEAL] WILLIAM B. DAVIS,
Acting Administrator of Civil Aeronautics.

JULY 25, 1958.

[F. R. Doc. 58-5915; Filed, Aug. 4, 1958; 8:45 a. m.]

TITLE 15—COMMERCE AND FOREIGN TRADE

Chapter III—Bureau of Foreign Commerce, Department of Commerce

Subchapter B—Export Regulations

[9th Gen. Rev. of Export Regs., Amdt. 3 [1]]

PART 374—PROJECT LICENSES

PART 377—TIME LIMIT (TL) LICENSE

PART 382—DENIAL OR SUSPENSION OF EXPORT PRIVILEGES

MISCELLANEOUS AMENDMENTS

1. Part 374—Project Licenses is amended in the following particulars:

[1] This amendment was published in Current Export Bulletin 803, dated July 31, 1958.

a. Section 374.2 *Commodities subject to project license* is amended to read as follows:

§ 374.2 *Commodities subject to project license.* The project licensing procedure is applicable to all Positive List commodities for which a validated license is required.

b. Section 374.5 *Action by Bureau of Foreign Commerce on license applications* paragraph (a) *Approved license application* is amended to read as follows:

(a) *Approved license application*—(1) *Issuance of license.* When an application for a project license is approved by the Bureau of Foreign Commerce, an export license is issued on a separate document (Form FC–628) authorizing, subject to provisions of the Export Regulations and to the terms and provisions of the license, the exportation of Positive List commodities during the validity period shown on the license. A project license shall be used for exportations of Positive List commodities only. The project license will be similar to validated license documents described in § 372.11 of this chapter with the following exceptions:

(i) *Validation.* The license will be validated in the license number space with a stamp which includes a facsimile of the Department of Commerce seal and a series of numbers which identifies the date on which the license was validated. The stamp will include the letter "D" and a series of numbers to indicate the year, month, and day on which the license was validated. A validation stamp in this space which reads "D–8–110" indicates that the license was validated in the year 195(8) in the month of January (1) and on the 10th day of the month (10).

(ii) *License number.* Immediately below the validation stamp the license number assigned to the project will be indicated. This license number will be a four-digit number prefixed by the letter DL and suffixed by a one letter code indicating the Bureau of Foreign Commerce product division to which the project was assigned. (See § 374.4 (b) (1).)

(iii) *Entries.* (*a*) Entries will be made on the license document in the appropriate space but there will be no specific description of quantities, kinds, or values of commodities. Instead, there will appear in the commodity description item on the license the following legend:

PROJECT LICENSE STATEMENT

This license authorizes exportation of commodities requiring a validated license subject to the specific limitations set forth in the Export Regulations and on this license.

(*b*) If any special conditions are imposed with respect to the use of a specific project license more restrictive than the general conditions set forth in the Export Regulations, these conditions will be set forth on the license document at the time of issuance, or the licensee will be advised by other means.

(2) *Notification to Collectors of Customs.* The Bureau of Foreign Commerce will notify all Collectors of Customs of the issuance of the project license.

c. Section 374.6 *Exportations of commodities identified on the Positive List by the symbol "B"* is revoked.

d. Section 374.9 *Export clearance,* paragraph (b) *Presentation of license or other approved action* and paragraph (c) *Shipper's Export Declaration* are amended to read as follows:

(b) *Presentation of license or other approval action.* When clearing shipments for export under a project license, the licensee shall, on demand, show to the Collector of Customs either the original or a photostatic copy of the license or amendment. The license or amendment however is not required to be filed with the Collector of Customs.

(c) *Shipper's Export Declaration.* The Shipper's Export Declaration covering an exportation made under a project license shall be prepared in accordance with standard instructions covering the preparation of declarations except as modified by the following special instructions:

(1) *Project license number.* The declaration shall include the project license number.

(2) *Additional copy of declaration.* When clearing shipments under a project license, the licensee shall file with the Collector of Customs an additional copy of the declaration. The licensee shall enter the symbol "DL" on the declaration in the upper right corner.

NOTE: Although the project license and extensions thereto describe the commodities only in broad descriptive categories, the description of the commodity on the declaration shall conform to the Positive List description in sufficient detail to identify precisely the commodity being exported.

2. Part 377—Time Limit (TL) license is amended in the following particulars:

a. Section 377.2 *Commodities subject to TL License* is amended to read as follows:

§ 377.2 *Commodities subject to TL license.* The commodities which may be exported under the Time Limit (TL) license procedure are all RO commodities on the Positive List of Commodities (§ 399.1 of this chapter).

b. Section 377.6 *Issuance of licenses,* paragraph (b) *Validity period* is amended to read as follows:

(b) *Validity period.* A TL license will be valid for a period of one year from date of issuance, and the expiration date will be indicated on the license form.

3. Section 382.51 *Supplement 1; Table of denial and probation orders currently in effect,* paragraph (b) *Table of denial and probation orders* is amended in the following respects:

a. The following entries are added to the list:

Name and address	Effective date of order	Expiration date of order	Export privileges affected	FEDERAL REGISTER citation
Ban-Ling, Chang, 806 Bank of East Asia Bldg., Hong Kong.	7-10-58	Duration	General and validated licenses, all commodities, any destination, also exports to Canada. (Party related to Oversea Trading Co. (H. K.) Ltd., which see.)	23 F. R. 5400, 7-16-58.
Elimex, Apostelnkloster 21-25, Cologne, Germany.	7-9-58	Duration	General and validated licenses, all commodities, any destination, also exports to Canada. (Party related to Richard Fleschner which see.)	23 F. R. 5310, 7-12-58.
Firma Leo Savelsberg, Feldsaaten-Grosshandlung, 21 Durenerstrasse, Julich, Rhineland, Germany.	7-16-58	Indefinite	General and validated licenses, all commodities, any destination, also exports to Canada.	23 F. R. 5749, 7-22-58.
Kastenhuber & Lehrfeld, Inc. 21 West 46th St., New York, N. Y.	7-10-58	1-10-59	General and validated licenses, all commodities, any destination, also exports to Canada.	23 F. R. 5400, 7-16-58.
Kaufmann, Alfred, 806 Bank of East Asia Bldg., Hong Kong.	7-10-58	Duration	General and validated licenses, all commodities, any destination, also exports to Canada. (Party related to Oversea Trading Co. (H. K.) Ltd., which see.)	23 F. R. 5400, 7-16-58.
Lippig, F. O., d. b. a. Elimex, Apostelnkloster 21-25, Cologne, Germany.	7-9-58	Duration	General and validated licenses, all commodities, any destination, also exports to Canada. (Party related to Richard Fleschner, which see.)	23 F. R. 5310, 7-12-58.
Oversea Trading Co., (H. K.) Ltd., 806 Bank of East Asia Bldg., Hong Kong.	7-10-58	Duration	General and validated licenses, all commodities, any destination, also exports to Canada.	23 F. R. 5400, 7-16-58.
Savelsberg, Leo, d. b. a. Firma Leo Savelsberg, Feldsaaten-Grosshandlung, 21 Durenerstrasse, Julich, Rhineland, Germany.	7-16-58	Indefinite	General and validated licenses, all commodities, any destination, also exports to Canada.	23 F. R. 5749, 7-22-58.
Tsang, C. S., 806 Bank of East Asia Bldg., Hong Kong.	7-10-58	Duration	General and validated licenses, all commodities, any destination, also exports to Canada.	23 F. R. 5400, 7-16-58.
Woodward, John, 21 West 46th St., New York, N. Y.	7-10-58	1-10-59	General and validated licenses, all commodities, any destination, also exports to Canada.	23 F. R. 5400, 7-16-58.

b. The following entries are amended to read as follows:

Name and address	Effective date of order	Expiration date of order	Export privileges affected	Federal Register citation
Fleschner, Richard, d. b. a., Richard Fleschner Import-Export, Detmolder Str. 46, Berlin-Wilmersdorf, West Germany.	7-9-58	Duration...	General and validated licenses, all commodities, any destination, also exports to Canada.	23 F. R. 5310, 7-12-58.
Hanke-Chemie, Hochstrasse 19, Frankfurt, Goldfinkweg 46, Berlin-Dahlem, West Germany, and/or Postplatz 26, Vaduz, Liechtenstein.	4-21-54	Duration..	General and validated licenses, all commodities, any destination, also exports to Canada.	19 F. R. 2432, 4-24-54.
Hanke, Franz a/k/a Hanke, Gunther, Goldfinkweg 46, Berlin-Dahlem, West Germany, and/or Hegelgasse 5, Vienna 1, Austria.	4-21-54	Duration..	General and validated licenses, all commodities, any destination, also exports to Canada.	19 F. R. 2432, 4-24-54.
Hanke, Franz Gunther (Chemikalien-Grosshandel), Goldfinkweg 46, Berlin-Dahlem, West Germany and/or Hegelgasse 5, Vienna 1, Austria.	4-21-54	Duration..	General and validated licenses, all commodities, any destination, also exports to Canada. (Related to Hanke Chemie, et al., which see.)	19 F. R. 2432, 4-24-54.

c. The following entries are deleted from the list:

Name and address	Effective date of order	Expiration date of order	Export privileges affected	Federal Register citation
Soc. Generale d'Entreprises, Maritimes "Sogemar" S. A., 14 Rue du Margrave, Antwerp, Belgium.	5-15-58	Indefinite.	General and validated licenses, all commodities, any destination, also exports to Canada.	23 F. R. 3417, 5-20-58.
Sogemar, S. A., 14 Rue du Margrave, Antwerp, Belgium.	5-15-58	Indefinite.	General and validated licenses, all commodities, any destination, also exports to Canada.	23 F. R. 3417, 5-20-58.

This amendment shall become effective as of July 31, 1958, unless otherwise indicated.

(Sec. 3, 63 Stat. 7, as amended; 50 U. S. C. App. 2023. E. O. 9630, 10 F. R. 12245, 3 CFR, 1945 Supp., E. O. 9919, 13 F. R. 59, 3 CFR, 1948 Supp.)

Nathaniel Knowles,
Acting Director,
Bureau of Foreign Commerce.

[F. R. Doc. 58-5934; Filed, Aug. 4, 1958; 8:45 a. m.]

[9th Gen. Rev. of Export Regs., Amdt. P. L. 3 [1]]

Part 399—Positive List of Commodities and Related Matters

Miscellaneous Amendments

Section 399.1 *Appendix A—Positive List of Commodities* is amended in the following particulars:

1. The following commodity is deleted from the Positive List:

Dept. of Commerce Schedule B No.	Commodity
	URANIUM AND THORIUM, ALL FORMS, AND SPECIAL NUCLEAR MATERIAL
62570	Thoriated tungsten wire. (Formerly 664583.)[1]

[1] All outstanding licenses for this commodity issued by the Department of Commerce prior to July 31, 1958 remain valid until they expire or are revoked.

2. The letter symbol "B" in the column headed "Commodity lists" is deleted wherever it appears in that column.

This amendment shall become effective as of July 31, 1958.

[1] This amendment was published in Current Export Bulletin 803, dated July 31, 1958.

(Sec. 3, 63 Stat. 7, as amended; 50 U. S. C. App. 2023. E. O. 9630, 10 F. R. 12245, 3 CFR, 1945 Supp., E. O. 9919, 13 F. R. 59, 3 CFR, 1948 Supp.)

Nathaniel Knowles,
Acting Director,
Bureau of Foreign Commerce.

[F. R. Doc. 58-5935; Filed, Aug. 4, 1958; 8:46 a. m.]

TITLE 16—COMMERCIAL PRACTICES

Chapter I—Federal Trade Commission

[Docket 7004]

Part 13—Digest of Cease and Desist Orders

Surplus Tire Co., Inc., et al.

Subpart—*Advertising falsely or misleadingly:* § 13.70 *Fictitious or misleading guarantees;* § 13.140 *Old, reclaimed, or reused as new;* § 13.155 *Prices:* Retail or selling as wholesale, jobbing, factory distributors', etc., or discounted; § 13.185 *Refunds, repairs, and replacements.* Subpart—*Delaying or withholding corrections, adjustments or action owed:* § 13.675 *Delaying or withholding corrections, adjustments or action owed.*

(Sec. 6, 38 Stat. 721; 15 U. S. C. 46. Interpret or apply sec. 5, 38 Stat. 719, as amended; 15 U. S. C. 45) [Cease and desist order, Surplus Tire Co., Inc., et al., Chicago, Ill., Docket 7004, June 11, 1958]

In the Matter of Surplus Tire Co., Inc., a Corporation, and Jacob (Jack) Roth and Seymour Roth, Individually and as Officers of Said Corporation

This proceeding was heard by a hearing examiner on the complaint of the Commission charging sellers of automotive tires in Chicago, largely by use of post cards offering "Factory surplus", to cease selling cleaned, repainted, and, in some instances, used tires as new ones—frequently not of the brand or size ordered but concealing that fact by wrappings until after delivery by the carrier—and with failing to make guaranteed shipments and refunds to dissatisfied customers and offering instead an unprofitable exchange deal.

After acceptance of an agreement providing for entry of a consent order, the hearing examiner made his initial decision and order to cease and desist which became on June 11 the decision of the Commission.

The order to cease and desist is as follows:

It is ordered, That respondents Surplus Tire Co., Inc., a corporation, and its officers, and Jacob (Jack) Roth and Seymour Roth, individually and as officers of said corporation, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of tires or other merchandise in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from representing, directly or indirectly:

1. That merchandise which has been used, in any respect, is new.

2. That respondents will ship the brand or size of merchandise ordered, unless such is the fact.

3. That a refund of the purchase price of merchandise will be made in case the merchandise is not as represented, unless refunds are in fact made.

4. That merchandise is guaranteed unless the extent of the guarantee and the manner in which the guarantor will perform are clearly and conspicuously disclosed.

By "Decision of the Commission", etc., report of compliance was required as follows:

It is ordered, That the respondents herein shall within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with the order to cease and desist.

Issued: June 11, 1958.

By the Commission.

[SEAL] Robert M. Parrish,
Secretary.

[F. R. Doc. 58-5985; Filed, Aug. 4, 1958; 8:48 a. m.]

[Docket 7048]

Part 13—Digest of Cease and Desist Orders

La Floridana Cigar Factory, Inc., et al.

Subpart—*Misbranding or mislabeling:* § 13.1185 *Composition.* Subpart—*Neglecting, unfairly or deceptively, to make material disclosure:* § 13.1845 *Composition;* § 13.1865 *Manufacture or preparation.*

(Sec. 6, 38 Stat. 721; 15 U. S. C. 46. Interpret or apply sec. 5, 38 Stat. 719, as amended; 15 U. S. C. 45) [Cease and desist order, La Floridana Cigar Factory, Inc., et al., Tampa, Fla., Docket 7048, June 11, 1958]

In the Matter of La Floridana Cigar Factory, Inc., a Corporation, and Faustino Casares, William E. Diaz and Violet C. Diaz, Individually and as Officers of Said Corporation

This proceeding was heard by a hearing examiner on the complaint of the Commission charging manufacturers of cigars in Tampa, Fla., with representing falsely, by using the words "Havana" and "Habana" on boxes and bands of cigars containing large amounts of non-Cuban tobacco, that the cigars were composed entirely of tobacco grown in Cuba; and with failing to disclose to the purchasing public their practice of using a processed paper as the binder for certain of their cigars.

Following acceptance of an agreement containing consent order, the hearing examiner made his initial decision including order to cease and desist which became on June 11 the decision of the Commission.

The order to cease and desist is as follows:

It is ordered, That respondent La Floridana Cigar Factory, Inc., a corporation, and its officers, and respondents Faustino Casares, William E. Diaz and Violet C. Diaz, individually and as officers of said corporation and their agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of cigars in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Using the terms "Havana" or "Habana" or any other term or terms indicative of tobacco grown on the island of Cuba, either alone or in conjunction with any other terms, to describe, designate or refer to cigars not made entirely from tobacco grown on the island of Cuba; except that cigars containing a substantial amount of tobacco grown on the island of Cuba may be described, designated or referred to as "blended with Havana" or by any term of similar import or meaning, provided that the qualifying words are clearly and conspicuously set out in immediate connection with the word "Havana" or other term indicative of tobacco grown on the island of Cuba.

2. Failing to disclose in the labeling and advertising that their cigars contain a paper binder, when such is the fact.

By "Decision of the Commission", etc., report of compliance was required as follows:

It is ordered, That the above named respondents shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing, setting forth in detail the manner and form in which they have complied with the order to cease and desist.

Issued: June 11, 1958.

By the Commission.

[SEAL] ROBERT M. PARRISH, *Secretary*.

[F. R. Doc. 58-5986; Filed, Aug. 4, 1958; 8:48 a. m.]

TITLE 19—CUSTOMS DUTIES

Chapter I—Bureau of Customs, Department of the Treasury

[T. D. 54649]

PART 80—IMPORTATION OF ARTICLES IN CONNECTION WITH THE CALIFORNIA INTERNATIONAL TRADE FAIR AND INDUSTRIAL EXPOSITION AT LOS ANGELES, CALIFORNIA

The following regulations under Public Law No. 85-402, 85th Congress,[1] approved May 16, 1958, relate to the entry of articles in connection with the California International Trade Fair and Industrial Exposition to be held at Los Angeles, California, April 1 to April 12, 1959, inclusive.

Sec.
80.1 Invoices; marking; bond.
80.2 Entry; appraisement; procedure.
80.3 Compliance, provisions of Plant Quarantine Act of 1912, and Federal Food, Drug, and Cosmetic Act.
80.4 Detail of customs officers to protect revenue; expenses.
80.5 Withdrawal of articles from exhibition for exportation, abandonment, destruction, or for consumption or entry under the general tariff law; involuntary abandonment.

AUTHORITY: §§ 80.1 to 80.5 issued under Pub. Law No. 85-402.

§ 80.1 *Invoices; marking; bond.* (a) Articles intended for exhibition under the provisions of Public Law No. 85-402, 85th Congress, and valued at over $500, are subject to the usual special customs invoice requirements if of a class for which such invoices are required under the Tariff Act of 1930, as amended, and the regulations issued thereunder. The invoices shall be on either customs Form 5515 or on foreign service Form 138 and shall contain the information prescribed under section 481 of the Tariff Act of 1930 (19 U. S. C. 1481).

(b) The marking requirements of the Tariff Act of 1930, as amended, and the regulations promulgated thereunder will not apply to articles imported under the regulations in this part except when such articles are withdrawn for consumption or use in the United States, in which case they shall be released from customs custody only upon a full complicance with the marking requirements of the tariff act, as amended, and the regulations promulgated thereunder.

(c) The California International Trade Fair and Industrial Exposition shall give to the collector of customs at Los Angeles, California, a bond in an amount to be determined by the collector and containing such conditions for compliance with Public Law No. 85-402, 85th Congress, and the regulations in this part, as shall be approved by the Bureau of Customs.

§ 80.2 *Entry; appraisement; procedure.* (a) All entries under the regulations in this part shall be made at the port of Los Angeles, California, in the name of the California International Trade Fair and Industrial Exposition which shall be deemed for customs purposes the sole consignee of the merchandise entered under the act and which shall be held responsible to the Government for all duties and charges due to the United States on account of such

[1] * * * That any article which is imported from a foreign country for the purpose of exhibition at the California International Trade Fair and Industrial Exposition (hereinafter in this joint resolution referred to as the "exposition") to be held at Los Angeles, California, from April 1 to April 12, 1959, inclusive, by the Sixth Agricultural District, agency of the State of California, or for use in constructing, installing, or maintaining foreign exhibits at the exposition, upon which article there is a tariff or customs duty, shall be admitted without payment of such tariff or customs duty or any fees or charges under such regulations as the Secretary of the Treasury shall prescribe.

SEC. 2. It shall be lawful at any time during or within three months after the close of the exposition to sell within the area of the exposition any articles provided for in this joint resolution, subject to such regulations for the security of the revenue and for the collection of import duties as the Secretary of the Treasury shall prescribe. All such articles, when withdrawn for consumption or use in the United States, shall be subject to the duties, if any, imposed upon such articles by the revenue laws in force at the date of their withdrawal; and on such articles which shall have suffered diminution or deterioration from incidental handling or exposure, the duties, if payable, shall be assessed according to the appraised value at the time of withdrawal from entry under this joint resolution for consumption or entry under the general tariff law.

SEC. 3. Imported articles provided for in this joint resolution shall not be subject to any marking requirements of the general tariff laws, except when such articles are withdrawn for consumption or use in the United States, in which case they shall not be released from customs custody until properly marked, but no additional duties shall be assessed because such articles were not sufficiently marked when imported into the United States.

SEC. 4. At any time during or within three months after the close of the exposition, any article entered under this joint resolution may be abandoned to the United States or destroyed under customs supervision, whereupon any duties on such articles shall be remitted.

SEC. 5. Articles which have been admitted without payment of duty for exhibition under any tariff law and which have remained in continuous customs custody or under a customs exhibition bond and imported articles in bonded warehouses under the general tariff law may be accorded the privilege of transfer to and entry for exhibition at the exposition, under such regulations as the Secretary of the Treasury shall prescribe.

SEC. 6. The California International Trade Fair and Industrial Exposition shall be deemed, for customs purposes only, to be the sole consignee of all merchandise imported under this joint resolution. The actual and necessary customs charges for labor, services, and other expenses in connection with the entry, examination, appraisement, release, or custody, together with the necessary charges for salaries of customs officers and employees in connection with the supervision, custody of, and accounting for articles imported under this joint resolution, shall be reimbursed by the California International Trade Fair and Industrial Exposition, to the United States under regulations to be prescribed by the Secretary of the Treasury. Receipts from such reimbursement shall be deposited as refunds to the appropriation from which paid, in the manner provided for in section 524 of the Tariff Act of 1930, as amended (19 U. S. C. 1524). (P. L. No. 85-402)

entries; but, in the case of merchandise withdrawn from entry under the regulations in this part, an entry under the general tariff law in the name of any person duly authorized in writing by the California International Trade Fair and Industrial Exposition to make such entry may be accepted by the collector.

(b) Articles to be entered under the regulations in this part which arrive at ports other than Los Angeles shall be entered for immediate transportation without appraisement to the latter port in the manner prescribed by the general customs regulations.

(c) Upon the arrival at the port of Los Angeles of articles to be entered under the regulations in this part, they shall be entered on a special form of entry to read substantially as follows:

ENTRY FOR EXHIBITION

Entry No. ....

Entry at the port of Los Angeles of articles consigned or transferred to the California International Trade Fair and Industrial Exposition under.....

..... I. T. No. ..... ex S. S. .....

from ..... on the ..... day of ..... 19.., for exhibition purposes under Public Law No. 85-402 of the 85th Congress, approved May 16, 1958.

Mark	Number	Package and contents	Quantity	Invoice value

CALIFORNIA INTERNATIONAL TRADE FAIR AND INDUSTRIAL EXPOSITION

By .....

(d) Upon such entry being made, the collector shall issue a special permit for the transfer of the articles covered thereby to the buildings in which they are to be exhibited or used, or, in the discretion of the collector, to the appraiser's stores for examination and subsequent transfer to the buildings in which they are to be exhibited or used. The articles shall be tentatively appraised prior to their exhibition or use. All imported exhibits entered under these regulations shall be kept segregated from domestic articles and imported duty-paid articles and shall not be removed from the exhibition building except in accordance with § 80.5 (a).

(e) If for any reason articles imported for entry under the regulations in this part are not upon their arrival to be delivered immediately at an exhibition building, the importer should so indicate to the collector in writing, who will cause such articles to be placed in a bonded warehouse under a "general order permit" at the importer's risk and expense, and such articles may be entered at any time within one year from the date of importation for exhibition, as herein provided for, or under the general tariff law, or for exportation. If not so entered within such period, they will be regarded as abandoned to the Government.

(f) Articles which have been admitted without payment of duty for exhibition under any customs law and which have remained in continuous customs custody or under a customs exhibition bond may be transferred to entry for exhibition at the fair in the manner prescribed in § 10.49 (c) of this chapter, except that in each case an entry under paragraph (c) of this section shall be filed, which shall supersede any previous entry, and no new bond other than that specified in § 80.1 (c) shall be required. Imported articles in bonded warehouses under the general tariff law may be transferred to entry for exhibition at the fair in the manner prescribed in § 8.33 of this chapter.

§ 80.3 *Compliance, provisions of Plant Quarantine Act of 1912, and Federal Food, Drug, and Cosmetic Act.* The entry of plant material subject to restriction under the Plant Quarantine Act of 1912, as amended (7 U. S. C. 151–164a, 167), shall not be permitted except under permits issued therefor by the Plant Quarantine Branch of the Agriculture Research Service, Department of Agriculture, and in accordance with the plant quarantine regulations. The entry of food products shall conform to the requirements of the Federal Food, Drug, and Cosmetic Act, as amended (21 U. S. C. 301 et seq.), and regulations issued thereunder.

§ 80.4 *Detail of customs officers to protect revenue; expenses.* (a) The collector of customs at Los Angeles, California, shall detail an officer to act as his representative at the fair and shall station inside the exhibition buildings as many additional customs officers and employees as may be necessary to properly protect the revenue.

(b) All actual and necessary charges for labor, services, and other expenses in connection with the entry, examination, appraisement, release, or custody of imported articles, together with the necessary charges for salaries of customs officers and employees in connection with the supervision and custody of, and accounting for, articles imported for exhibition at the fair or transferred thereto for exhibition, shall be reimbursed by the California International Trade Fair and Industrial Exposition to the Government, payment to be made monthly to the collector of customs, Los Angeles, California, for deposit to the credit of the Treasurer of the United States as a refund to the appropriation "Salaries and Expenses, Bureau of Customs."

§ 80.5 *Withdrawal of articles from exhibition for exportation, abandonment, destruction, or for consumption or entry under the general tariff law; involuntary abandonment.* (a) Any article entered under the regulations of this part may be withdrawn for exportation, for abandonment to the Government, for destruction under customs supervision, or for consumption or entry under the general tariff law, but not otherwise, at any time prior to the opening of the fair or at any time during or within three months after the close of the fair. Upon the withdrawal of such articles for consumption or for entry under the general tariff law, or at the expiration of three months after the close of the fair in the case of articles not previously so withdrawn, they shall be appraised with due allowance made for diminution or deterioration from incidental handling or exposure. Such appraisal shall be final in the absence of an appeal to reappraisement, as provided in section 501 of the Tariff Act of 1930, as amended (19 U. S. C. 1501). In the case of such articles withdrawn for entry under the general tariff law under a warehouse bond or a bond conditioned upon exportation, the statutory period of the bond and any extension thereof shall be computed form the date of withdrawal from entry under the provisions of Public Law No. 85-402, 85th Congress.

(b) At any time prior to the opening of the fair, or at any time during or within three months after the close of the fair, any article entered hereunder may be abandoned to the Government or destroyed under customs supervision, as provided in § 15.4 of this chapter.

(c) Any articles entered under the regulations in this part which have not been withdrawn for consumption, entry under the general tariff law, or exportation, or which have not been abandoned to the Government or destroyed under customs supervision, before the expiration of three months after the close of the fair, shall be regarded as abandoned to the Government.

[SEAL] D. B. STRUBINGER,
Acting Commissioner of Customs.

Approved: July 29, 1958.

A. GILMORE FLUES,
Acting Secretary of the Treasury.

[F. R. Doc. 58-5936; Filed, Aug. 4, 1958; 8:46 a. m.]

TITLE 29—LABOR

Chapter V—Wage and Hour Division, Department of Labor

Subchapter B—Statements of General Policy or Interpretation Not Directly Related to Regulations

PART 791—JOINT EMPLOYMENT RELATIONSHIP UNDER FAIR LABOR STANDARDS ACT OF 1938

In accordance with section 3 of the Administrative Procedure Act and pursuant to authority under the Fair Labor Standards Act of 1938 (52 Stat. 1060, as amended; 29 U. S. C. 201 et seq.), Reorganization Plan No. 6 of 1950 (3 CFR, 1950 Supp., p. 165), and General Order No. 45-A of the Secretary of Labor (15 F. R. 3290), Title 29 of the Code of Federal Regulations is hereby amended by adding a new Part 791 to read as follows:

Sec.
791.1 Introductory statement.
791.2 Joint employment.

AUTHORITY: §§ 791.1 and 791.2 issued under 52 Stat. 1060, as amended; 29 U. S. C. 201–219.

§ 791.1 *Introductory statement.* The purpose of this part is to make available in one place the general interpretations of the Department of Labor pertaining to the joint employment relationship under the Fair Labor Standards Act of

1938.[1] It is intended that the petitions stated will serve as "a practical guide to employers and employees as to how the office representing the public interest in its enforcement will seek to apply it."[2] These interpretations contain the construction of the law which the Administrator believes to be correct and which will guide him in the performance of his duties under the act, unless and until he is otherwise directed by authoritative decisions of the courts or he concludes upon reexamination of an interpretation that it is incorrect. To the extent that prior administrative rulings, interpretations, practices, and enforcement policies relating to sections 3 (d), (e), and (g) of the act, which define the terms "employer", "employee", and "employ", are inconsistent or in conflict with the principles stated in this part, they are hereby rescinded. The interpretations contained herein may be relied upon in accordance with section 10 of the Portal to Portal Act,[3] so long as they remain effective and are not modified, amended, rescinded, or determined by judicial authority to be incorrect.

§ 791.2 *Joint employment.* (a) A single individual may stand in the relation of an employee to two or more employers at the same time under the Fair Labor Standards Act of 1938, since there is nothing in the act which prevents an individual employed by one employer from also entering into an employment relationship with a different employer. A determination of whether the employment by the employers is to be considered joint employment or separate and distinct employment for purposes of the act depends upon all the facts in the particular case. If all the relevant facts establish that two or more employers are acting entirely independently of each other and are completely disassociated with respect to the employment of a particular employee, who during the same workweek performs work for more than one employer, each employer may disregard all work performed by the employee for the other employer (or employers) in determining his own responsibilities under the act.[4] On the other hand, if the facts establish that the employee is employed jointly by two or more employers, i. e., that employment by one employer is not completely disassociated from employment by the other employer(s), all of the employee's work for all of the joint employers during the workweek is considered as one employment for purposes of the act. In this event, all joint employers are responsible, both individually and jointly, for compliance with all of the applicable provisions of the act, including the overtime provisions, with respect to the entire employment for the particular workweek.[5] In discharging the joint obligation each employer may, of course, take credit toward minimum wage and overtime requirements for all payments made to the employee by the other joint employer or employers.

(b) Where the employee performs work which simultaneously benefits two or more employers, or works for two or more employers at different times during the workweek, a joint employment relationship generally will be considered to exist in situations such as:

(1) Where there is an arrangement between the employers to share the employee's services, as, for example, to interchange employees;[6] or,

(2) Where one employer is acting directly or indirectly in the interest of the other employer (or employers) in relation to the employee;[7] or,

(3) Where the employers are not completely disassociated with respect to the employment of a particular employee and may be deemed to share control of the employee, directly or indirectly, by reason of the fact that one employer controls, is controlled by, or is under common control with the other employer.[8]

Signed at Washington, D. C., this 28th day of July 1958.

CLARENCE T. LUNDQUIST,
Administrator.

[F. R. Doc. 58-5931; Filed, Aug. 4, 1958; 8:45 a. m.]

[1] 29 U. S. C. 201-219. Under Reorganization Plan No. 6 of 1950 and pursuant to General Order No. 45-A, issued by the Secretary of Labor on May 24, 1950, interpretations of the provisions (other than the child labor provisions) of the act are issued by the Administrator of the Wage and Hour Division on the advice of the Solicitor of Labor. See 15 F. R. 3290.

[2] Skidmore v. Swift and Company, 323 U. S. 134, 138.

[3] 61 Stat. 84; 29 U. S. C. 251-262.

[4] Walling v. Friend, et al., 156 F. 2d 429 (C. A. 8).

[5] Both the statutory language (section 3 (d) defining "employer" to include anyone acting directly or indirectly in the interest of an employer in relation to an employee) and the Congressional purpose as expressed in section 2 of the act, require that employees generally should be paid overtime for working more than 40 hours a week, irrespective of the number of employers they have. Of course, an employer should not be held responsible for an employee's action in seeking, independently, additional part-time employment. But where two or more employers stand in the position of "joint employers" and permit or require the employee to work more than 40 hours a week, both the letter and the spirit of the statute require payment of overtime.

[6] Mid-Continent Pipeline Co., et al. v. Hargrave, 129 F. 2d 655 (C. A. 10); Slover v. Wathen, 140 F. 2d 258 (C. A. 4); Mitchell v. Bowman, 131 F. Supp., 520 (M. D. Ala. 1954); Mitchell v. Thompson Materials & Construction Co., et al., 27 Labor Cases Para. 68, 888; 12 WH Cases 367 (S. D. Calif. 1954).

[7] Sec. 3 (d) of the Act; Greenberg v. Arsenal Building Corp., et al., 144 F. 2d 292 (C. A. 2).

[8] Dolan v. Day & Zimmerman, Inc., et al., 65 F. Supp. 923 (D. Mass. 1946); McComb v. Midwest Rust Proof Co., et al., 16 Labor Cases Para. 64, 927; 8 WH Cases 460 (E. D. Mo. 1948); Durkin v. Waldron, et al., 130 F. Supp., 501 (W. D. La. 1955). See also Wabash Radio Corp. v. Walling, 162 F. 2d 391 (C. A. 6).

TITLE 42—PUBLIC HEALTH

Chapter I—Public Health Service, Department of Health, Education, and Welfare

Subchapter E—Fellowships, Internships, Training

PART 61—FELLOWSHIPS

APPLICABILITY AND PURPOSE

Correction

In Federal Register Document 58-5933, published on page 5876 in the issue for Saturday, August 2, 1958, the title for E. L. Richardson should read *"Acting Secretary of Health, Education, and Welfare".*

TITLE 50—WILDLIFE

Chapter I—Fish and Wildlife Service, Department of the Interior

Subchapter F—Alaska Commercial Fisheries

PART 111—PRINCE WILLIAM SOUND AREA

ADDITIONAL FISHING TIME

Basis and purpose. Field observations reveal that the pink salmon runs continue strong in Prince William Sound with good escapements already achieved, and it has been determined that additional fishing time can be permitted.

Therefore, notwithstanding the table contained in the proviso of § 111.5, fishing will be permitted until 6 a. m. August 6, 1958.

Since immediate action is necessary in order to permit full utilization of the salmon runs, notice and public procedure on this relaxation of the seasonal closing date are impracticable and not in the public interest. This amendment shall become effective immediately upon publication in the FEDERAL REGISTER. (60 Stat. 237; 5 U. S. C. 1001 et seq.)

(Sec. 1, 43 Stat. 464, as amended; 48 U. S. C. 221)

DONALD L. MCKERNAN,
Director,
Bureau of Commercial Fisheries.

AUGUST 1, 1958.

[F. R. Doc. 58-6114; Filed, Aug. 1, 1958; 2:00 p. m.]

TITLE 38—PENSIONS, BONUSES, AND VETERANS' RELIEF

Chapter I—Veterans Administration

PART 4—DEPENDENTS AND BENEFICIARIES CLAIMS

INCREASE IN DEATH PENSION RATES TO DEPENDENTS OF DECEASED VETERANS OF MEXICAN, CIVIL, INDIAN, AND SPANISH-AMERICAN WARS

A new § 4.496 is added to read as follows:

§ 4.496 *Increase in death pension rates to dependents of deceased veterans of the Mexican, Civil, Indian, and Spanish-American Wars—(a) Scope.* Section 1 of Public Law 85-425 amends sections 431 through 437 of Public Law 85-56 to increase death pension rates as follows:

(1) *Mexican War.* Subsection (1) amends section 431 to increase the rate payable to widows of Mexican War veterans from $52.50 to $65 per month.

(2) *Civil War; widows.* Subsection (2) amends subsection 432 (a) to increase the monthly rate payable to a Civil War veteran's widow who is 70 years of age or older from $54.18 to $65. If she was the wife of the veteran during his service in the Civil War, the monthly rate payable is increased from $67.73 to $75.

(3) *Civil War; children.* Subsection (4) amends section 433 to increase from $48.77 to $73.13 the monthly rate payable to a child of a Civil War veteran where there is no widow entitled.

(4) *Indian Wars; widows.* Subsection (5) amends subsection 434 (a) to increase the monthly rate payable to an Indian War veteran's widow who is 70 years of age or older from $54.18 to $65. If she was the wife of the veteran during his service in one of the Indian Wars, the monthly rate payable is increased from $67.73 to $75.

(5) *Indian Wars; children.* Subsection (6) amends section 435 to increase from $48.77 to $73.13 the monthly rate payable to a child of an Indian War veteran where there is no widow entitled.

(6) *Spanish-American War; widows.* Subsection (7) amends subsection 436 (a) to increase the monthly rate payable to a Spanish-American War veteran's widow from $54.18 to $65. If she was the wife of the veteran during his service in the Spanish-American War, the monthly rate payable is increased from $67.73 to $75.

(7) *Spanish-American War; children.* Subsection (8) amends section 437 to increase from $62.31 to $73.13 the monthly rate payable to a child of a Spanish-American War veteran where there is no widow entitled.

(b) *Effective date.* Section 2 of Public Law 85-425 makes the increased rates effective July 1, 1958.

(c) *Erroneous finance adjustments.* Where subsequent review of the file discloses that the automatic adjustment to a higher rate was made erroneously, an amended award will be made to show the correct rate payable from the day following date of last payment.

(d) *Prior adjudications.* Previous determinations on which an award was based will be accepted as correct in the absence of clear and unmistakable error, or fraud.

(e) *Widows receiving rate for less than 70 years of age*—(1) *Indian Wars.* Former widows of Indian War veterans are not entitled to the rates provided for unremarried widows who are 70 years of age or older, or who were married to the veterans during their periods of service. If the $40.64 rate is being paid to unremarried widow and evidence of record is sufficient to establish her age, an amended award will be made. Where conflicting evidence as to age is of record, the youngest age will be used. The effective date of an increased award for age 70 will be:

(i) The date of filing claim for increase if it was filed prior to January 1, 1958, and after the widow attained the age of 70 years; or

(ii) January 1, 1958, or the widow's 70th birthday, whichever is later, if no claim for increase has been filed or if such claim is filed on or after January 1, 1958. The amended award will further show the increased rate effective July 1, 1958.

(2) *Civil War.* Where the $40.64 rate is being paid to either a former or unremarried widow of a Civil War veteran and evidence establishes her age but the award does not show an increase for age 70, an amended award will be made. Should conflicting evidence as to age be of record, the youngest age will be used. The effective date of an increased award for age 70 will be the widow's 70th birthdate.

TABLES OF RATES FOR USE IN ADJUSTING SPANISH-AMERICAN, CIVIL, INDIAN, AND MEXICAN WAR DEATH PENSION PAYABLE UNDER PUBLIC LAW 85-56 AS AMENDED BY PUBLIC LAW 85-425 EFFECTIVE JULY 1, 1958

TABLE A—SPANISH-AMERICAN WAR—DEATH PENSION RATES

Beneficiary	Old rate	New rate effective July 1, 1958
Widow	$54.18	$65.00
Widow and 1 child	67.73	75.00
Widow and 2 children	62.31	73.13
Widow and 3 children	75.86	83.13
Widow and 4 children	70.44	81.26
Widow and 5 children	83.99	91.26
Each additional child	78.57	89.39
Child—no widow	92.12	99.39
2 children—no widow	86.70	97.52
3 children—no widow	100.25	107.52
4 children—no widow	94.83	105.65
5 children—no widow	108.38	115.65
Each additional child, total equally divided	8.13	8.13
	62.31	73.13
	each 35.22	each 40.63
	each 26.19	each 29.79
	each 21.67	each 24.38
	each 18.96	each 21.13
	8.13	8.13

	Apportioned rates			
	Widow	Children	Widow	Children
Widow and 1 child	$37.92		$44.51	
	51.48	$24.38	54.51	$28.62
Widow and 2 children	37.92		44.51	
	51.48	each 16.25	54.51	each 18.37
Widow and 3 children	37.92		44.51	
	51.48	each 13.54	54.51	each 14.96
Widow and 4 children	37.92		44.51	
	51.48	each 12.19	54.51	each 13.25
Widow and 5 children	37.92		44.51	
	51.48	each 11.38	54.51	each 12.22

TABLE B—CIVIL AND INDIAN WARS—DEATH PENSION RATES

Beneficiary	Old rate	New rate effective July 1, 1958
Widow	$54.18	$65.00
Widow and 1 child	67.73	75.00
Widow and 2 children	62.31	73.13
Widow and 3 children	75.86	83.13
Child—no widow	70.44	81.26
2 children—no widow	83.99	91.26
3 children—no widow	78.57	89.39
Each additional child, total equally divided	92.12	99.39
	48.77	73.13
	each 28.45	each 40.63
	each 21.67	each 29.79
	8.13	8.13

	Apportioned rates			
	Widow	Children	Widow	Children
Widow and 1 child	$42.00		$49.29	
	55.55	$20.31	59.29	$23.84
Widow and 2 children	42.00		49.29	
	55.55	each 14.22	59.29	each 15.98
Widow and 3 children	42.00		49.29	
	55.55	each 12.19	59.29	each 13.36

TABLE C—MEXICAN WAR—DEATH PENSION RATES

Beneficiary	Old rate	New rate effective July 1, 1958
Widow	$52.50	$65.00

(Instruction 1, Public Law 85-425)
(Sec. 210, 71 Stat. 91; 38 U. S. C. 2210)

This regulation is effective August 5, 1958.

[SEAL] ROBERT J. LAMPHERE,
Acting Deputy Administrator.

[F. R. Doc. 58-6002; Filed, Aug. 4, 1958; 8:53 a. m.]

TITLE 43—PUBLIC LANDS: INTERIOR

Chapter I—Bureau of Land Management, Department of the Interior

Appendix—Public Land Orders

[Public Land Order 1699]

[Fairbanks 011042]

ALASKA

WITHDRAWING PUBLIC LANDS FOR USE OF BUREAU OF LAND MANAGEMENT AS ADMINISTRATIVE SITES

By virtue of the authority vested in the President and pursuant to Executive Order No. 10355 of May 26, 1955, it is ordered as follows:

Subject to valid existing rights, the following-described public lands in Alaska are hereby withdrawn from all forms of appropriation under the public land laws, including the mining and mineral-leasing laws but not the act of July 31, 1947 (61 Stat. 681; 69 Stat. 367; 30 U. S. C. 601-604) as amended, and reserved for use of the Bureau of Land Management as administrative sites:

Buffalo Center Administrative Site

U. S. Survey No. 2777.

The tract described contains 4.76 acres.

Chicken Administrative Site

Beginning at a point from which Milepost 67.75 on the centerline of Taylor Highway (Latitude 64°5'15" N., Longitude 141°55' W.), bears south 2.27 chains, thence,
North, 10.38 chains;
West, 10.00 chains;
South, 12.31 chains;
N. 79° E., 10.20 chains to the point of beginning.

The tract described contains 11.35 acres.

ROGER ERNST,
Assistant Secretary of the Interior.

JULY 30, 1958.

[F. R. Doc. 58-5971; Filed, Aug. 4, 1958; 8:45 a. m.]

[Public Land Order 1700]

[Fairbanks 016448, 58459]

ALASKA

PARTIALLY REVOKING PUBLIC LAND ORDER NO. 731 OF JUNE 25, 1951, WHICH WITHDREW PUBLIC LANDS FOR USE OF DEPARTMENT OF AIR FORCE FOR MILITARY PURPOSES

By virtue of the authority vested in the President and pursuant to Executive Order No. 10355 of May 26, 1952, it is ordered as follows:

1. Public Land Order No. 731 of June 25, 1951, as amended by Public Land Order No. 1311 of July 3, 1956, withdrawing public lands for use of the Department of the Air Force for military purposes, is hereby revoked so far as it affects the following-described lands:

Tatalina River-Takotna Area

Parcel 1. Beginning at a point in the valley of the Tatalina River from which the intersection of the centerline of the Kuskokwim Landing-Takotna Highway Bridge and the center of the Tatalina River, approximate latitude 62°53'05" N., longitude 155°56'28" W., bears North, 1,000 feet, thence
North, 2 miles;
East, 1 mile;
South, 2 miles;
West, 1 mile to the point of beginning.
The tract described contains 1,280 acres.

Parcel 2. Beginning at a point which bears West, 1 mile and North, 2 miles from the point of beginning of Parcel 1 above; thence
West, 0.5 mile;
North, 2 miles;
East, 0.5 mile;
South, 2 miles to the point of beginning.
The tract described contains 640 acres.

Parcel 3. Beginning at a point which bears West, 2 miles from the point of beginning of Parcel 1 above; thence
West, 0.5 mile;
North, 1.5 miles;
East, 0.5 mile;
South, 1.5 miles to the point of beginning.
The tract described contains 480 acres.

The three parcels total 2,400 acres.

2. Pursuant to section 202 (b) of the act of July 28, 1956 (70 Stat. 709, 711; 48 U. S. C. 46-3 (b)), and subject to the requirements of that act and the regulations in 43 CFR Part 76, the Territory of Alaska shall be entitled until 10:00 a. m. on October 30, 1958, to a preferred right of selection of the restored lands in connection with its mental health program, except as against prior existing valid rights or as against equitable claims subject to allowance and confirmation.

3. Subject to any existing valid rights, the requirements of applicable law, and the selection rights of the Territory of Alaska the lands are hereby opened to settlement and to filing of such applications, selections, and locations as are allowable on unsurveyed lands in accordance with the following:

a. Subject to the applications and claims described in paragraph b (1) below, the lands, beginning 10:00 a. m. on October 30, 1958, will be subject to settlement under the Homestead and Alaska Home Site Laws by qualified veterans of World War II or of the Korean conflict, and by others entitled to preference rights under the act of September 27, 1944 (58 Stat. 747; 43 U. S. C. 279-284 as amended). Beginning 10:00 a. m. on January 29, 1959, any remaining lands will be subject to settlement under these laws by other qualified persons.

b. Applications and selections under the nonmineral public land laws and applications and offers under the mineral leasing laws may be presented to the Manager mentioned below, beginning on the date of this order. Such applications, selections, and offers will be considered as filed on the hour and respective dates shown for the various classes enumerated in the following paragraphs:

(1) Applications by persons having preference rights conferred by existing laws or equitable claims subject to allowance and confirmation will be adjudicated on the facts presented in support of each claim or right. All applications presented by persons other than those referred to in this paragraph will be subject to the applications and claims mentioned in this paragraph.

(2) All valid applications under the Small Tract Laws by qualified veterans of World War II or of the Korean conflict, and by others entitled to preference rights under the act of September 27, 1944 (58 Stat. 747; 43 U. S. C. 279-284 as amended), presented prior to 10:00 a. m. on October 30, 1958, will be considered as simultaneously filed at that hour. Rights under such preference right applications after that hour will be governed by the time of filing.

(3) All valid applications and selections under the nonmineral public land laws, other than those coming under paragraphs (1) and (2) above, and applications and offers under the mineral leasing laws, presented prior to 10:00 a. m. on January 29, 1959, will be considered as simultaneously filed at that hour. Rights under such applications and selections filed after that hour will be governed by the time of filing.

c. The lands will be open to applications and offers under the mineral-leasing laws, and to location under the United States mining laws beginning at 10:00 a. m. on January 29, 1959.

4. Persons claiming veterans preference rights under paragraphs 3 (b) (1) and (2) must enclose with their applications proper evidence of military or naval service, preferably a complete photostatic copy of the certificate of honorable discharge. Persons claiming preference rights based upon valid settlement, statutory preference, or equitable claims must enclose properly corroborated statements in support of their applications, setting forth all facts relevant to their claims. Detailed rules and regulations governing applications which may be filed pursuant to this notice can be found in Title 43 of the Code of Federal Regulations.

Inquiries concerning the lands shall be addressed to the Manager, Land Office, Bureau of Land Management, Fairbanks, Alaska.

ROGER ERNST,
Assistant Secretary of the Interior.

JULY 30, 1958.

[F. R. Doc. 58-5972; Filed, Aug. 4, 1958; 8:45 a. m.]

PROPOSED RULE MAKING

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

[7 CFR Part 1023]

[Docket No. AO-295]

MILK IN DES MOINES, IOWA, MARKETING AREA

DECISION WITH RESPECT TO PROPOSED MARKETING AGREEMENT AND ORDER

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), and the applicable rules of practice and procedure governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), a public hearing was held at Des Moines, Iowa, on June 18-24, 1957, pursuant to notice thereof issued on May 17, 1957 (22 F. R. 3588), upon a proposed marketing agreement and order regulating the handling of milk in the Des Moines, Iowa, marketing area.

Upon the basis of the evidence introduced at the hearing and the record thereof, the Acting Deputy Administrator, Agricultural Marketing Service, on May 29, 1958 (23 F. R. 3881), filed with the Hearing Clerk, United States Department of Agriculture, his recommended decision, containing notice of opportunity to file written exceptions thereto.

The material issues of record relate to:

1. Whether the handling of milk produced for sale in the proposed marketing area is in the current of interstate commerce, or directly burdens, obstructs, or affects interstate commerce in milk or its products;

2. Whether marketing conditions show the need for the issuance of a milk marketing agreement or order which will tend to effectuate the policy of the act; and

3. If an order is issued, what its provisions should be with respect to:

(a) The scope of regulation;

(b) The classification and allocation of milk;

(c) The determination and level of class prices;

(d) Distribution of proceeds to producers; and

(e) Administrative provisions.

Findings and conclusions—1. *Character of commerce.* The handling of milk in the proposed marketing area is in the current of interstate commerce and directly burdens, obstructs or affects interstate commerce in milk and its products.

The marketing area specified in the proposed order, hereinafter referred to as the Des Moines marketing area, includes all the territory in the counties of Adair, Appanoose, Boone, Clarke, Dallas, Decatur, Greene, Guthrie, Jasper, Lucas, Madison, Mahaska, Marion, Monroe, Polk, Story, Union, Warren, Wapello, and Wayne and the city of Grinnell, all in the state of Iowa. Milk handled in the marketing area moves in many forms over state lines. Milk that is processed and packaged in the marketing area is distributed on routes in various communities in the State of Missouri and, conversely, some milk from Missouri plants is distributed in the marketing area. During those months in recent years when producer deliveries were inadequate for the needs of the market, milk for distribution in the marketing area was purchased from plants in Wisconsin.

When the supply of producer milk is in excess of local requirements milk is shipped for fluid use to points in Nebraska and as far distant as Texas. Fluid milk for which a fluid market is not available is usually disposed of through such plants as the Des Moines Cooperative Dairy, which manufacture substantial quantities of butter, cheese, nonfat dry milk powder and condensed milk. These manufactured dairy products are distributed over a wide area in the stream of interstate commerce.

Routes of handlers under the North Central Iowa and Cedar Rapids-Iowa City Federal milk marketing orders extend into the proposed marketing area, where milk is sold in competition with distributors who would be handlers under the Des Moines order. At the plants of these handlers who are regulated by other Federal orders the interstate commerce factor is indicated by the receipts of milk from and distribution to locations outside the State of Iowa.

2. *Need for an order.* Marketing conditions in the Des Moines, Iowa, marketing area justify the issuance of a marketing agreement and order.

There is no overall plan whereby farmers supplying milk to this marketing area are assured of payment for their milk in accordance with its use. In some segments of the area there is no procedure whereby farmers may participate in price determinations necessary for the marketing of their milk which, because of its perishability, must be delivered to the market as it is produced.

A certain amount of reserve milk in excess of the actual trade sales is necessary to assure an adequate supply of milk at all times. Fluctuations brought on by the seasonal nature of milk production, together with a relatively uniform level of consumption, necessitate the disposition of some of the Grade A milk produced for the market into manufacturing channels. This excess milk must be manufactured into butter, cheese, and similar products and sold in competition with products from ungraded milk.

Milk disposed of to manufacturing outlets returns considerably less than that marketed for fluid use. Consequently, a well defined and uniformly applied plan of use classification, with the proper pricing of milk in such uses, is necessary to prevent such excess milk from depressing the market price of all Grade A milk. To be successful, the classification of milk in accordance with its use and the payment to producers on the use basis, require the full participation of all those engaged in marketing milk in this market. Orderly marketing of the milk produced for fluid consumption requires uniformity of pay prices by handlers and a means whereby the lower average returns resulting from surplus milk may be shared equitably among producers.

The problems of unstable marketing encountered by producers in the Des Moines marketing area are not uncommon in fluid milk markets. The problems which have resulted in unrest and instability in this area are similar to those characteristic of the fluid milk industry in the absence of regulation or a well-defined classified pricing plan. A marketing order as herein proposed will promote orderly marketing by assuring producers prices equivalent to those contemplated under the act.

The buying practices of various handlers in the market have caused chaotic conditions and instability in the marketing of milk. Prices paid farmers for milk for fluid use have frequently been below the Class I prices an order would provide. Many producers have no means of ascertaining how their milk is utilized at the plants to which they deliver or whether the basis on which they are paid will be revised, and there is uncertainty among some regarding the accuracy of the weights and butterfat tests on which they are paid for their deliveries. Payment of surplus prices by handlers for milk which producers believe was needed in the market for fluid consumption is one of the causes of instability and uncertainty in the market.

Several handlers in the area have dealt with farmers in such a way as to discourage or completely thwart cooperative action by these farmers. Some handlers refused to make deductions for cooperative dues from payments due member producers even though such deductions had been properly authorized by producers. Failure to make such deductions has limited producers in instituting check weighing and testing programs.

Handlers at various localities throughout the marketing area have refused or failed to recognize or to bargain with the authorized representatives of producer groups as to the price or any other terms with respect to the sale of the milk of the producers. Various means have been used by handlers to discourage or to completely prevent producers from affiliating with cooperative associations. Such handlers have advised producers that they prefer to deal with them individually and in some instances indicated that action of a producer is fostering or abetting cooperative organizations would mean the loss of his market. Several producers who had served as officers or otherwise taken an active part in a cooperative were shut off from their Grade A markets when their activity had been found out by the handlers to whom they shipped. A reason commonly given for cutting off a producer was that his milk did not meet required sanitary standards even though no inspection had been made or other action taken by the

Health Department having jurisdiction in this matter.

The attitude of handlers in being hostile to and in impeding the efforts of producers to organize has apparently been especially purposeful on the part of some handlers. With a strong producer organization, for example, it is not likely that those producers delivering to an Ottumwa handler would have been forced to purchase through the fieldman of the handler the tanks needed on their farms to change to a bulk tank system of operation. Neither would these producers have had unauthorized deductions made from the payments due them by the handler to defray some of the expenses incurred by him in expanding his sales area to include a nearby city.

The stated base and excess prices paid producers are generally at the option of the handler and not meaningful. A producer's base is often changed without his being aware of it and arbitrary methods have been used in some instances in arriving at the percentage of milk to be paid for at the base price. Some of the statements issued by handlers, which accompany the payments to producers, fail to reveal the proportion of a producer's deliveries which is being paid for as surplus milk and no means are available to ascertain the actual utilization of milk by such handlers. Under these conditions, payment to a producer at the excess or surplus price for any of his milk does not indicate that such milk was not used for fluid purposes.

Des Moines is the largest city in the proposed marketing area and Des Moines handlers distribute milk in every county in the area. These handlers obtain their milk supplies, principally by direct delivery, from producer members of the Des Moines Cooperative Dairy. The Cooperative has enjoyed good relations with its buying handlers and, for an extended period of time, has been able to bargain effectively with them. Within the past several years, however, handlers have been exerting increasing pressure on the Des Moines Cooperative to adjust prices downward so that they may meet competition from handlers in that portion of the marketing area outside the city of Des Moines. Although less milk is distributed by Des Moines handlers outside Des Moines than within its boundaries, the disruptive marketing practices which prevail at various localities throughout the proposed marketing area are tending to create chaotic and unstable marketing conditions throughout the entire area.

It is not uncommon for handlers operating in the proposed marketing area to purchase milk from producers for fluid use at prices more comparable to the blend price of the Des Moines Cooperative than to its Class I price. For example, the producer members of the Farmers Cooperative Creamery, who produce approximately 110,000 pounds of Grade A milk monthly for John's Dairy of Corning, Iowa, are paid the Des Moines Cooperative's blend price for their total deliveries. Milk from this plant has displaced milk of Des Moines handlers in a number of the cities in the marketing area. The intense competition throughout the area from John's Dairy and other handlers similarly situated has resulted in price wars with their accompanying disruptive marketing practices.

Producers are generally required to bear the burden of such price wars by reduced returns, and the Des Moines Cooperative Dairy was requested by some of its handlers to make Grade A milk available to them at such prices as would enable them to meet the reduced prices of their competitors. For the Des Moines Cooperative to accede to the continuing requests of its buying handlers for reduced prices might enable the Des Moines handlers to overcome temporarily such advantages as they allege their competitors have, but could seriously threaten the maintenance of an adequate supply of Grade A milk for the Des Moines market.

The Des Moines Cooperative provides many services to its handlers. Each handler is supplied his Class I needs daily at his plant by direct delivery from producer members of the association. On such days as a plant is closed the milk normally delivered to it is received by the Cooperative at its plant. This is an especially valuable service, since some plants in the market receive milk from producers on only 3 days during the week. In periods of short supply, when milk from its producers is not adequate for the needs of its buying handlers, the Cooperative obtains milk from outside sources for the handlers. Cream and skim milk as needed, either for fluid use or for manufacturing purposes, are supplied to handlers by the Cooperative from its plant.

The argument of Des Moines handlers that they are suffering a competitive disadvantage in many parts of the sales area, because of such factors as price wars and of competitors buying on a flat-price basis, has been a significant deterrent to obtaining any increase in the rate of payment by handlers, directly or indirectly, for milk and milk products and for the many services provided the handlers, irrespective of the extent to which such increased prices or changes might be warranted. Producers contend that only a device such as a Federal milk marketing order can halt the continual deterioration in their bargaining position and bring about orderly marketing and stability in the sales area served by its buying handlers.

The conditions complained of by producers and herein cited with regard to the unstable marketing conditions are not peculiar to one or several localities in the marketing area, but apply throughout the area. Moreover, those handlers who would be regulated by the attached order compete with one another throughout the proposed marketing area.

There is a lack of detailed market information relative to the procurement of milk for and disposition of milk throughout the marketing area. Such information is essential to the effectuation of orderly marketing. Some data on receipts and utilization of milk for fluid and manufacturing uses were made available for the hearing by various handlers and cooperative associations. This information is incomplete with regard to the overall receipts and utilization of milk and milk products in the area. The institution of regulation would provide the basis for complete information on receipts and utilization of milk from producers.

It is concluded that the issuance of a marketing agreement and order for the Des Moines marketing area would contribute substantially to the improvement of many of the conditions complained of and would tend to effectuate the declared policy of the act. The adoption of a classified price plan based on the audited utilization of handlers would provide a uniform system of minimum prices to handlers for milk purchased from producers and a fair division among all producers of the proceeds from the sale of their milk. The procedures required by the Agricultural Marketing Agreement Act would afford all interested parties the opportunity to take part in determining, through public hearings, what the various order provisions should be.

3. (a) *Scope of regulation.* It is necessary to designate clearly what milk and what persons would be subject to the various provisions of the order. This can best be done by providing definitions which set forth the categories of persons, plants and milk products for purposes of classification of milk and of application of other provisions of the order.

Marketing area. The marketing area should include all of the territory within the counties of Adair, Appanoose, Boone, Clarke, Dallas, Decatur, Greene, Guthrie, Jasper, Lucas, Madison, Mahaska, Marion, Monroe, Polk, Story, Union, Warren, Wapello, Wayne and the city of Grinnell, all in the State of Iowa.

According to the 1950 census, the population in the territory proposed to be regulated is approximately 625,000. Because a significant portion of the sales of fluid milk products by handlers who would be regulated is in rural communities and because of the substantial population immediately surrounding the various cities, the marketing area should be defined, insofar as it is practicable, on the basis of county rather than city boundaries.

Grade A milk products sold for fluid consumption throughout the proposed marketing area must be approved by health authorities who are governed by health ordinances, practices and procedures patterned after the United States Public Health Milk Ordinance and Code. Movements of Grade A milk, both in bulk and packaged form, between various locations in the marketing area take place through reciprocal approval of the responsible health authorities. Ratings by the United States Public Health Service are recognized as a basis for approval of outside sources of milk. The degree of similarity of minimum health standards throughout the area justifies uniform regulation for milk marketed throughout the area.

Des Moines, the largest city in Iowa, is the principal city in the proposed marketing area. Its 1950 population was 178,000 and that of the next largest cities, Ottumwa and Ames, was 34 and 23 thousand, respectively. Other cities which are important in connection with

the distribution of milk throughout the area are Boone, Newton, Oskaloosa, Creston, Centerville, Knoxville, Grinnell, Perry, Chariton, Indianola, Albia, Jefferson, Winterset, Osceola, Lamoni, Greenfield, Guthrie Center, and Corydon.

Des Moines is the principal point at which milk from producers is processed and packaged for distribution throughout the marketing area. The eight handlers whose plants are in Des Moines receive milk from about 1100 of the approximately 1450 producers supplying handlers who would be regulated by the proposed order. From these plants in Des Moines milk is distributed on routes or through stores in most of the cities in the marketing area. All producers shipping to Des Moines handlers are members of the Des Moines Cooperative Dairy.

The three plants in Ottumwa receive milk from 139 producers, 103 of which are members of the Milk Producers Association of Ottumwa. The major portion of the fluid milk distribution from these plants is made in the proposed marketing area in competition with Des Moines handlers and other handlers who would be regulated by the proposed order.

In addition to the Des Moines and Ottumwa handlers there are about 15 other handlers who would be brought under regulation by the proposed order. These handlers, in the aggregate, distribute over a wide area and compete with Des Moines and Ottumwa handlers at numerous locations throughout the marketing area. The quantities of milk distributed by these handlers, who receive milk from a total of about 200 producers, are significantly smaller on the average than are the quantities distributed by Des Moines and Ottumwa handlers.

Although the city of Grinnell is in Poweshiek County it is very near the eastern border of Jasper County. Approximately 60 percent of the fluid milk distribution from the plant of the one handler in Grinnell is within the city of Grinnell. Distribution by this handler in Jasper and Mahaska Counties, both of which are proposed to be part of the marketing area herein recommended, is 20 percent and 6 percent, respectively. If Grinnell were not included in the marketing area, it might reasonably be expected that this handler would be regulated by the order because of his sales in Jasper and Mahaska Counties. However, if Grinnell were excluded from the marketing area the Grinnell handler would be at an economic disadvantage because all milk sold from his plant would be subject to pricing under an order while sales in Grinnell by any unregulated handler would not be subject to order prices.

The aggregate of the marketing area proposals contained in the notice of hearing include, in addition to that provided by this decision, the counties of Marshall, Adams, Ringgold and Taylor. The latter three are rural in character and do not represent important outlets for milk for handlers serving the proposed area. The 1950 population of Adams, Ringgold and Taylor Counties was 9, 10, and 12 thousand, respectively. These counties are on the fringe of the Des Moines marketing area and the milk distributed in them is principally from the plants of handlers who would otherwise not be regulated by the proposed order. These three counties should not be included in the marketing area.

The inclusion of Marshall County in the marketing area was proposed by Des Moines handlers. Although some sales are made in Marshall County by Des Moines handlers and other handlers who would be regulated by the proposed order, the principal distribution in this county is from the plants of handlers in Marshalltown, the major city in the county. On October 1, 1957, Order No. 105, regulating the handling of milk in the North Central Iowa marketing area, became effective (22 F. R. 7455). The city of Marshalltown is included in the marketing area under that order. In view of this, no purpose would now be accomplished by the inclusion of any portion of Marshall County in the proposed Des Moines marketing area, especially since practically all of the milk sold in the county would be subject to pricing under an existing order or the proposed Des Moines order. Accordingly, Marshall County should not be included in the marketing area.

One Ottumwa handler has 40 percent of his Class I sales outside the marketing area herein proposed. He argued that the city of Ottumwa should be included in a separate order that would take in the Iowa cities of Burlington, Fort Madison and Keokuk and other communities to the south and east of Ottumwa. This handler, the majority of whose sales is in 3 counties in the recommended marketing area, distributes milk in at least 7 Missouri counties and 7 Iowa counties outside the marketing area. Sales in these latter counties from his plant are scattered over a large area and are a significantly lesser quantity than his sales in the marketing area. This handler's principal competitors in the marketing area have practically no distribution in the Missouri and Iowa counties outside the marketing area in which he distributes milk. Accordingly, it would be impracticable to exclude Ottumwa from the marketing area under the proposed order or to conclude, on the basis of the record, that it would be more appropriate to include this city in the marketing area under some other order.

Other handlers stated that the marketing area considered at the hearing was inappropriate in that it does not include various places where milk from their plants is distributed. The distribution of milk in localities outside the marketing area from pool plants as defined under the proposed order is not in itself justification for the inclusion of such localities in the marketing area. Neither was it established that marketing conditions in these localities are such that their inclusion would be appropriate or justified at this time.

It is neither administratively feasible nor necessary to include all territory in the marketing area in which handlers to be regulated distribute milk. Furthermore, it would not be possible to designate a marketing area of reasonable size which would include all sales outlets of each and every handler that would be subject to regulation. As additional territory would be added, the problems associated with the extension of regulation to distributors that made a substantial portion of their fluid milk sales outside the marketing area would be increased many fold. By providing for a marketing area as proposed herein, regulation is at a minimum for milk distributors with a large proportion of their sales outside the marketing area and their operations will not be unduly disturbed with respect to the major portion of their sales in communities wherein they compete with other distributors who would not be regulated at all by the proposed order.

In the course of the operation of an order the question may arise whether any territory within the boundaries of the designated marketing area which is occupied by government (Municipal, State or Federal) reservations, installations, institutions, or other establishments shall be considered as within the marketing area. No proposal was made to exempt sales by a handler in any territory or to any agency from the provisions of the order and no evidence was presented at the hearing which would justify such exemption. However, so that there will be no doubt as to the meaning or the intent of the application of the marketing area definition in the proposed order, it should be indicated that the designated counties and city in the recommended Des Moines marketing area shall include territory within such boundaries which is occupied by government (Municipal, State or Federal) reservations, installations, institutions, or other establishments.

Definition of plants. The minimum class prices of the order should apply to that milk eligible for distribution as Grade A milk in the marketing area which is received from dairy farmers at plants primarily engaged in supplying fluid milk products for sale on retail and wholesale routes in the marketing area. Such plants would be defined as "pool plant".

The basis for determining which plants shall be pool plants under the order, and thereby fully subject to regulation, should be clearly set forth in the order and apply uniformly to all plants, wherever located. Pool plant status should not be determined solely on an occasional shipment of milk to the market, or on approval by a specified health authority. Such a method for determining which plants shall be subject to regulation would not provide a workable basis for administering an order for the Des Moines marketing area.

Since the production of high quality milk involves extra expenses, it is important that the amount of milk produced under Grade A inspection be no more than the minimum necessary to provide the market with an adequate and dependable supply of quality milk. To encourage more than enough production of such milk would represent an economic waste, since the expenditures involved in producing Grade A milk not

needed on the market would result in no extra value to consumers.

Essential to the operation of a market-wide pool is the establishment of performance standards to apply uniformly to all plants. Any plant, regardless of its location, should have equal opportunity to comply with the standards and thereby to participate in the marketwide pool and have its producers share in the Class I sales of the market. Any producer who meets the necessary health department requirements should be permitted, under the order, to sell his milk to plants meeting the standards of qualification. Whether or not plants and producers choose to supply the Des Moines order market will depend on the economic circumstances with which they are confronted, such as prices, transportation costs, and alternative outlets.

Performance standards should be such that any plant which has as its major function the supplying of milk to the market would pool its sales and share in the marketwide equalization. On the other hand, plants only casually, or incidentally, associated with the market should not be subject to complete regulation. Neither should they be permitted or required to equalize their sales with all handlers in the market. If a milk plant were to be permitted to share on a pro rata basis the Class I utilization of the entire market without being genuinely associated with the market, then the differentials paid by users of Class I milk would be dissipated without accomplishing their intended purpose. If a plant were to be qualified and fully regulated merely by making a token shipment of milk or cream into the market for sale as Class I milk, then any milk plant which found itself in a position where it was selling a smaller share of its milk in Class I than the average for all regulated handlers might make such shipment and receive equalization payments from the pool. The only qualification such a plant would be required to meet would be compliance with the necessary health department standards.

Since reserve milk is an essential part of any fluid milk business there will always be some excess milk in the plants of handlers supplying other markets. This will be particularly true in the months of flush production. Plants selling primarily to other markets, or plants shipping milk on an opportunity basis to any market where supplies happen to be short, do not represent sources of milk on which the Des Moines marketing area may depend. If such a plant, by selling a token quantity of Class I milk in the marketing area, were allowed to pool its surplus, the operator thereof could gain an unwarranted advantage in paying producers by receiving equalization payments from the Des Moines order pool. Such a distribution of equalization payments would, in fact, reduce the blend price to producers regularly supplying the market, thereby having an adverse effect on the milk supplies upon which the market depends. This could result in the need for higher Class I prices than would otherwise be required to supply the market adequately.

Because of the difference in marketing practices and functions between distributing plants and supply plants, separate performance standards have been provided for them. A "distributing plant" under the order would be defined as a plant in which milk is processed or packaged and from which any fluid milk products (as hereinafter defined) are disposed of during the month on routes (including routes operated by vendors) or through plant stores to retail or wholesale outlets (except pool plants) located in the marketing area. "Supply plant" would be defined to mean a plant (except a distributing plant) from which milk, skim milk or cream, acceptable to the appropriate health authority for distribution in the marketing area under a Grade A label, is shipped during the month to a distributing plant which is qualified as a pool plant.

In order to qualify as a pool plant, a distributing plant should be required to distribute at least 15 percent of its milk from producers and other plants during the month as Class I milk on retail or wholesale routes to outlets in the marketing area.

A distributing plant having more than 85 percent of its business outside the marketing area or in other outlets should not be considered as essentially associated with the market. It is not considered advisable to bring such a plant under full regulation because of the minor share of its business which is in the marketing area. Full regulation in such case would not be necessary to accomplish the purposes of the order, and might well place such plant at a competitive disadvantage in relation to its competitors in supplying the unregulated market.

Such a minimum is necessary also to avoid the possibility that a plant otherwise not associated with the market might qualify itself for equalization payments to its own advantage, and to the disadvantage of the market, by means of minor sales in the marketing area.

It is contemplated that only plants primarily engaged in route distribution of fluid milk products should be qualified as pool plants under this definition. In order to preserve this distinction, a further condition is placed on distributing plants that their total distribution of Class I milk on routes to wholesale or retail outlets, both inside and outside the marketing area, must amount during the month to at least 35 percent of their receipts of milk from dairy farmers and from other plants. Any plant which does not qualify on this basis should be deemed to be primarily a supply plant and its pool status should be judged by the standards applied to such plants.

A plant from which milk for Class I uses is distributed regularly in the marketing area under normal circumstances may be expected to dispose of its milk in such a way as to exceed by a reasonable margin the minimum performance standards necessary to qualify as a pool plant. There may be from time to time plants supplying milk to the marketing area which would not qualify for pool status. Such plants should be required to file reports, make available their records for audit by the market administrator, and be subject to payments hereinafter discussed if they are not fully subject to regulation.

The performance standards for supply plants to qualify for pool plant status should reflect the fact that currently the quantity of milk produced for the market is adequate on an annual basis for the needs of the market. At times, especially during the months of seasonally high production, distributors in the market may not need all of the milk available from producers in order to keep their Class I outlets fully supplied. In order to assure that all the producers' milk which is pooled with the market will be available for Class I, supply plant standards should be set at levels which require that such milk will be available.

In order to qualify for pool plant status a supply plant should ship to distributing plants which are pool plants at least 35 percent of its receipts of milk from dairy farmers in any month in the form of fluid milk products. A supply plant from which a proportionately lesser quantity of milk is disposed of in this manner should not, under the present conditions in the market, be considered as primarily associated with the regulated market.

It is recognized that if there is any demand for milk from supply plants it will be greatest during the season of low production. For sustained periods during the months of flush production supplies of milk received at plants located in or near the marketing area may be sufficient to supply the Class I outlets. During this part of the year, it would be more economical to leave the most distant milk in the country for manufacture, and use local supplies for Class I use. The performance provisions should not force milk to be transported to distributing plants in the months of seasonally high production in order to maintain the eligibility of supply plants to pool.

To avoid this, provision should be made whereby a supply plant may maintain pool plant status throughout the year if it supplies a substantial portion of its producer milk to distributing plants during the months when milk production tends to be lowest. The proposed standards require that a supply plant provide distributing plants which are pool plants with milk to the extent of 50 percent of its producer milk receipts during the period of September through November to maintain automatic pool status for the months of March through June.

The source of supply for all distributing plants in and near the city of Des Moines is from producer members of the Des Moines Cooperative Dairy. Milk from these producers is moved to such plants directly from their farms. In addition, various of the plants supplement their producer deliveries with purchases of milk, cream, and skim milk, both for fluid use and for manufacturing purposes, from the plant operated by the Cooperative. It is the practice of these plants to accept from producers only such quantities of milk as are needed for

their fluid operations and all milk in excess thereof is moved to the Cooperative's plant.

Most of the handlers supplied by producer members of the Des Moines Cooperative Dairy do not operate their plants on one or more days each week. On such days the producers ship to the Cooperative's plant. Because of the irregular day-to-day requirements of handlers, the Des Moines Cooperative Dairy must maintain extensive plant facilities for the handling of surplus milk.

Approximately 75 percent of the dairy farmers supplying handlers who would be regulated by the proposed order are members of the Des Moines Cooperative Dairy. The plant of the association is unusually well equipped to receive and handle large quantities of milk, most of which, on an annual basis, is used at the plant in the production of butter and skim milk powder. The marketing of milk in the Des Moines area requires the use of this plant to which producer deliveries are moved when not needed by handlers for Class I purposes. The service to the market provided by maintaining a plant such as is operated by the Des Moines producer association is necessary to insure orderly marketing in the proposed area.

In view of the above, it is concluded that the best interest of the market would be served by providing that a plant operated by a cooperative association whose membership represents more than one-half of the total number of producers shipping to the pool plants of other handlers during the month should be a pool plant for such month.

A pool plant or a distributing plant which is not a pool plant should be defined as an "approved plant", thereby including in one designation all plants for which reports are required to be submitted to the market administrator. Such a definition will enable the market administrator to use the same report forms for all distributing plants, both pool and nonpool. In addition, it will facilitate formulating the language in the various order provisions as they apply to such plants, especially with respect to those distributing plants which are not pool plants.

Some handlers in the market receive milk from both Grade A and ungraded producers. Where such an operation takes place, it is generally the practice of the handler to maintain the ungraded operation physically apart from that of his Grade A operation. The handler who operates an ungraded plant which is in the adjoining or same building as his Grade A plant should not be restricted in the operation of his ungraded plant to any greater degree than the operator of any other ungraded plant. However, proper safeguard should be provided in the order to insure that the ungraded and graded portions of a plant operated by the same handler are maintained as separate entities. It is concluded, therefore, that if a portion of a plant is physically apart from the Grade A portion of such plant, is operated separately and is not approved by any health authority for the receiving, processing or packaging of any fluid milk product for Grade A disposition, it should not be considered a part of a pool plant. However, if the graded and ungraded operations of a plant are not maintained separately, the entire operation of such plant would be considered as that of a pool plant, and all ungraded milk received at such plant would be considered as other source milk received at a pool plant.

Some milk that is distributed in the marketing area is from plants which are fully subject to the classification and pricing provisions of other Federal milk marketing orders. It is not necessary to extend full regulation under this order to such plants which dispose of a major portion of their receipts in another regulated marketing area. To do so would subject such plants to duplicate regulation. However, in order that the market administrator may be fully apprised of the continuing status of such a plant, the operator thereof should, with respect to the total receipts and utilization or disposition of skim milk and butterfat at the plant, make reports to the market administrator at such time and in such manner as the market administrator may require and allow verification of such reports by the market administrator.

Handler. Handler should be defined as any person in his capacity as the operator of one or more approved plants. The definition should also include any cooperative association with respect to producer milk diverted for the account of such association from a pool plant to a nonpool plant.

A handler is the person who receives approved milk and who is responsible for reporting the receipts, utilization and payment thereof. A cooperative association which markets the milk of its members may for short periods of time need to divert such milk from a pool plant to a nonpool plant. If the association is defined as a handler for such milk, even though it has no plant, the producers whose milk is so diverted will continue to receive the uniform price under the order and their production will be available to the market for fluid use when needed.

A handler operating more than one approved plant should be required to report separately for each plant so that its pool plant status can be determined each month by the market administrator. If a handler operates a plant not associated with the regulated market, he would not be a handler with respect to such plant.

Approved dairy farmer. Approved dairy farmer should mean any person, except a producer-handler, who produces milk in compliance with the Grade A inspection requirements of a duly constituted health authority, which milk is received at an approved plant.

Producer. Producer should mean an approved dairy farmer whose milk is received at a pool plant.

Fluid milk product. Fluid milk product should mean milk, skim milk, buttermilk, milk drinks (plain or flavored) cream or any mixture in fluid form of skim milk and cream (except aerated cream products, ice cream mix, evaporated or condensed milk, and sterilized products packaged in hermetically sealed containers). The items designed as fluid milk products pursuant to this definition are those products which when disposed of by handlers are considered as Class I milk.

Approved milk. Approved milk should be defined as all skim milk and butterfat contained in milk received at an approved plant directly from approved dairy farmers or diverted from an approved plant to a nonpool plant. Milk transferred to an approved plant from the plant of another handler should not be included in the approved milk definition. When receipts at a shipping plant are from approved dairy farmers and from other sources, the milk is intermingled and it cannot always be ascertained whether the milk being moved is that from approved dairy farmers, from other sources or a mixture of the two.

When approved milk is not needed in the market for Class I purposes, the movement of such milk to a nonpool plant for manufacturing purposes should be facilitated. Allowing for unlimited diversion during those months when reserve supplies of milk are heaviest will contribute to this end. Unlimited diversion is neither necessary nor desirable during the other months of the year when approved milk regularly associated with the market is needed to supply the Class I needs of the market. It is necessary, however, to provide for limited diversion during such months to enable handlers to divert approved milk on such occasions as weekends or holidays when the milk is not needed in the market for Class I purposes.

Provision should be made so that the approved milk regularly received at an approved plant may be diverted for the account of a handler to a nonpool plant any day during the flush production months and on not more than the numbers of days that milk was delivered to an approved plant from the farm of the approved dairy farmer during any other months and still retain approved milk status under the order. Diverted milk should be deemed to have been received at the plant from which it was diverted.

Producer milk. Producer milk should be defined as approved milk which is received at a pool plant.

Other source milk. Other source milk should be defined as all skim milk and butterfat contained in or represented by fluid milk products utilized by the handler in his operations except approved milk, fluid milk products received from pool plants, and inventory at the beginning of the month. Thus, other source milk would represent skim milk and butterfat which is not subject to the pricing provisions of this order during the month. It would include all milk products from plants other than pool plants and all manufactured dairy products from any source which are reprocessed or converted into another product during the month. It would include those manufactured products from a plant's own production which are made and are reprocessed or converted into another product during the same or a later month.

Producer-handler. Producer-handler should be defined as any person who operates a dairy farm and a distributing

plant but who, during the month, receives no approved milk or other source milk at such plant. The order is not intended to establish minimum prices for such operators, but they should be required to make reports to the market administrator. Such reports are necessary to make a determination as to whether the operator is a producer-handler and to facilitate accounting with respect to the transfer of milk from other handlers.

It was proposed by producers that the plant of a producer-handler from which an average of more than 1,000 pounds of milk daily is disposed of in the marketing area should be a pool plant. Proponents claimed that under an order such a producer-handler would have the benefit of a share of the Class I market without carrying his fair share of the burden of surplus for the market. This was not substantiated on the record in connection with current or prospective marketing conditions in the proposed marketing area.

No testimony was presented describing the operations of the various producer-handlers now on the market, including such producer-handlers, if any, distributing an average of more than 1,000 pounds of milk daily in the marketing area. However, it was stated by proponents that unless their proposed producer-handler definition is adopted an additional number of producers would come on the market as producer-handlers, bringing about unstable and demoralized marketing conditions. The information contained in the hearing record does not justify this conclusion.

Classification provisions of the proposed order should provide that any milk, skim milk, or cream transferred from an approved plant to the plant of a producer-handler will be Class I milk. Any supplemental supplies of milk which may be obtained from such plants may, by virtue of the type of operation involved, be presumed to be needed by the producer-handler for fluid use and should be classified in the supplying handler's plant as Class I milk. A producer-handler may receive milk from approved plants and still maintain his status as a producer-handler. Pursuant to the proposed order, any milk which a handler receives from a producer-handler would be other source milk and would, therefore, be allocated to the lowest class utilization at the pool plant of a handler after the allocation of shrinkage on approved milk. Milk disposed of to another handler by a producer-handler would normally be surplus to the operation of the producer-handler.

(b) *Classification of milk.* Milk and milk products received by handlers should be classified on the basis of skim milk and butterfat according to the form in which, or the purpose for which such skim milk and butterfat was used or disposed of as either Class I milk or Class II milk.

Milk is received at approved plants directly from approved dairy farmers, from other handlers, and from other sources. Milk from all of these sources is intermingled in handlers' plants. It is necessary, therefore, to classify all receipts of milk to afford a means to establish the classification of approved milk and to apply the classified price plan.

The products which should be included in Class I milk are those generally required by health authorities in the marketing area to be obtained from milk or milk products from approved "Grade A" sources. The extra cost of getting quality milk produced and delivered to the market in the condition and quantities required makes it necessary to provide a price for milk used in Class I products somewhat above the ungraded or manufacturing milk price. This higher price should be at such a level as will yield a blend price to farmers that will encourage production of enough milk to meet market needs.

Milk not needed for Class I purposes is utilized in the manufacture of various dairy products which are sold in competition with the same products made from ungraded milk. Milk so used should be classified as Class II milk and priced in accordance with its value in such outlets.

In accordance with these standards, Class I milk should comprise all skim milk (including concentrated and reconstituted skim milk) and butterfat disposed of in the form of milk, skim milk, buttermilk, milk drinks, (plain or flavored), cream and any mixture in fluid form of skim milk and cream (except aerated cream products, sour cream, ice cream mixes, evaporated or condensed milk, and sterilized products packaged in hermetically sealed containers); and skim milk and butterfat not accounted for as Class II milk.

Class I products which contain concentrated skim milk solids, such as skim milk drinks to which extra solids have been added or concentrated whole milk disposed of for fluid use, would be included under the Class I milk definition. Products such as evaporated or condensed milk packaged in bulk or in hermetically sealed cans would not be considered as concentrated milk.

All skim milk and butterfat used to produce products other than those classified in Class I milk should be Class II milk. Included as Class II milk are products such as ice cream, ice cream mix and other frozen desserts and mixes; aerated cream products, sour cream, butter, cheese (including cottage cheese); evaporated and condensed milk (plain or sweetened); nonfat dry milk solids, dry whole milk, condensed or dry buttermilk; and any other products not specified as Class I milk. The health ordinances applicable in the marketing area do not require that these products be made from Grade A milk.

Handlers have inventories of milk and milk products at the beginning and end of each month which enter into the accounting for current receipts and utilization. The accounting procedure would be facilitated by providing that month-end inventories of all fluid milk products be classified in Class II milk. Such inventories would be substracted under the proposed allocation procedure, from any available Class II milk in the following month. The higher use value of any fluid milk products in inventory which are allocated to Class I milk in the following month should be reflected in returns to producers. The mechanics of the attached order provide for the reclassification of inventories on that basis.

Inventories should include all the skim milk and butterfat in fluid milk products, whether in bulk or in packages. Since the disposition of skim milk and butterfat in non-fluid milk products had been accounted for when used to produce a manufactured dairy product (and classified as Class II milk), such skim milk and butterfat should not be included in inventories.

Inventories of fluid milk products on hand at an approved plant at the beginning of any month during which such plant becomes an approved plant for the first time should likewise be allocated to any available Class II utilization of the plant during the month. This will preserve the priority of assignment of current approved milk receipts to current Class I use.

Skim milk which is dumped or disposed of for livestock feed should be classified as Class II milk. The only outlets for surplus skim milk for many handlers are located at considerable distances from their processing plants. Transportation costs are such that it is uneconomical for these handlers to ship relatively small quantities of unneeded skim milk to such outlets.

It would not be practicable to permit in an unlimited manner the dumping of skim milk by pool plant handlers. Neither would it be appropriate to classify such skim milk, for which no better outlet is available, in other than Class II. Accordingly, the order should clearly specify a Class II classification for skim milk dumped, with a proviso that the market administrator be notified in advance and be afforded the opportunity to verify the dumping.

Shrinkage should be determined by subtracting from the total pounds of skim milk and butterfat received by the handler his total established utilization of skim milk and butterfat, respectively. Shrinkage not in excess of 2 percent of the handler's receipts of approved and other source milk should be prorated between approved and other source milk on the basis of the pounds received from each source. None of the shrinkage should be assigned to milk received from other approved plants because shrinkage on such milk would be allowed to the transferring handler. A plant which is operated in a reasonably efficient manner, and for which complete and accurate records of receipts and utilization are maintained, should have total shrinkage of less than 2 percent of total receipts. It is concluded that shrinkage which is not more than 2 percent of total receipts of approved and other source milk should be classified as Class II milk and any shrinkage in excess of this quantity should be classified as Class I milk.

Skim milk and butterfat are not used in most products in the same proportions as contained in the milk received from farmers, and therefore should be classified according to their separate uses. The skim milk and butterfat content of

milk products received and disposed of by a handler can be determined through certain testing procedures. Some products such as ice cream and condensed products present a difficult problem of testing in that some of the water contained in the milk has been removed. It is desirable, in the case of such products, to provide an acceptable means of ascertaining the amount of skim milk and butterfat contained in, or used to produce, these products. This may be accomplished through the use of appropriate plant records or by means of standard conversion factors of skim milk and butterfat used to produce such products. The accounting procedure to be used in the case of any concentrated milk product such as condensed milk or nonfat dry milk solids should be based on the pounds of milk or skim milk required to produce such product.

Butterfat and skim milk used to produce Class II products should be considered to be disposed of when so used. Handlers will need to maintain stock records on such products, however, to permit audit of their utilization records by the market administrator. Class II products from any source used in the production of any product, including products in Class I milk, should be considered to be a receipt of other source milk. This will maintain priority of assignment of current receipts of approved milk to Class I utilization.

Each handler must be held responsible for a full accounting of all his receipts of skim milk or butterfat in any form. A handler who first receives milk from approved dairy farmers should be responsible for establishing the classification of and making payment for such milk. Fixing responsibilities in this manner is necessary to effectively administer the provisions of the order.

Except for such limited quantities of shrinkage, which under certain conditions (as set forth elsewhere in this decision) may be classified in Class II, all skim milk and butterfat which is received and for which the handler cannot establish utilization should be classified as Class I milk. This provision is necessary to remove any advantage to handlers who fail to keep complete and accurate records and to assure that dairy farmers receive payment for their milk on the basis of its use. Accordingly, the burden of proof should be on the handler to establish the utilization of any milk as other than Class I.

Transfers. Classification of butterfat and skim milk used in the production of Class II milk items should be considered to have been established when the product is made. Classification of Class I milk should be established when the butterfat or skim milk is disposed of. However, some Class I items may be disposed of to other plants for Class II use. Classification of any product so transferred to another plant should, under certain circumstances, be determined according to its utilization in the plant to which transferred.

Fluid milk products transferred by a handler to a pool plant should be classified as Class I milk unless utilization as Class II milk is claimed for both plants on the reports submitted for the month to the market administrator. However, sufficient Class II utilization must be available at the transferee-plant for such assignment after prior allocation of shrinkage and other source milk. Moreover, if other source milk had been received at either or both plants during the month, the skim milk or butterfat in fluid milk products involved in such transfer should be classified at both plants so as to allocate the greatest possible Class I utilization to the producer milk at both plants.

Fluid milk products transferred or diverted to a nonpool plant should be classified as Class I milk unless certain conditions are met. The operator of the nonpool plant, if requested, should make his books and records available to the market administrator for the purpose of verifying the receipts and utilization of milk in such nonpool plant. Provision for verification by the market administrator is reasonable and necessary to insure proper application to the classification procedures prescribed in the order.

In order to classify such transfers or diversions as Class II milk the fluid milk products disposed of from the receiving nonpool plant should not exceed the receipts of skim milk and butterfat in milk received during the month from dairy farmers directly supplying such plant. However, if the fluid milk products disposed of from the receiving nonpool plants exceeds the receipts of skim milk and butterfat from dairy farmers regularly supplying such plant, the difference should be assigned to the fluid milk products transferred or diverted from an approved plant and classified as Class I milk. If the transfers and diversions to the nonpool plant during the month are from two or more plants subject to the provisions of this and other orders issued pursuant to the act, the skim milk and butterfat assigned to Class I milk at each such approved plant under the Des Moines order should be not less than that obtained by prorating the assignable Class I milk at the nonpool plant over the receipts from all plants subject to the provisions of this and other orders issued pursuant to the act.

The method herein recommended for classifying transfers and diversions from approved plants to nonpool plants accords equitable treatment to Des Moines order handlers and gives appropriate recognition to handlers in other regulated markets in the classification of milk transferred to a common nonpool plant. Giving priority to dairy farmers directly supplying a nonpool plant recognizes that they are the regular and dependable source of supply of milk for fluid use at such plant. The proposed method of classification will safeguard the primary functions of the transfer provision of the order by promoting orderly disposal of reserve supplies and in assuring that shipments to nonpool plants will be classified in an equitable manner.

The provision for classifying fluid milk products as Class II milk should not be extended to include milk transferred or diverted to nonpool plants located more than 150 miles from the nearest of the Post Offices of Corydon, Creston, Des Moines, Grinnell, Jefferson, and Ottumwa. The area thus described is adequate to dispose of reserve milk for Class II uses. Fluid milk products moving greater distances are normally for Class I use.

When milk or skim milk in bulk has been transferred or diverted to a nonpool plant located not more than 150 miles from Corydon, Creston, Des Moines, Grinnell, Jefferson, and Ottumwa, the market administrator is required to verify the utilization claimed by such nonpool plant. It may reasonably be expected that the market administrator will be able to make such verification within such "surplus disposal area" without incurring undue expense. It would not, however, be administratively feasible or otherwise justifiable to have a surplus disposal area of unlimited expanse or to cover a geographical area which is larger than that provided herein. Making such provision might tend to make unreasonable demands on the market administrator in connection with the verification of occasional or irregular shipments to nonpool plants located beyond the area wherein handlers who would be subject to the Des Moines order normally dispose of reserve supplies of milk for Class II purposes.

As stated elsewhere in this decision, any fluid milk product transferred to a producer-handler should be classified in Class I and should not be subject to reclassification.

Allocation. The order provides for determining the value of approved milk at a plant each month on the basis of the classification of such milk. It is necessary, therefore, if a plant has butterfat or skim milk other than that received in milk from approved dairy farmers, to determine the quantities of milk in each class to be assigned to approved milk.

The milk of approved dairy farmers who are primarily engaged in supplying the market should be given priority in the assignment to the Class I utilization at approved plants. This is necessary to insure the stabliity of the classified pricing program of the order. If the order permitted handlers to obtain other source milk whenever it was advantageous to do so for Class I use while approved milk in the plant was utilized in Class II, the order would not be effective in carrying out the purpose of the act. Also, the market would be deprived of a dependable supply of milk.

Other source milk from ungraded sources should be assigned to Class II milk first. The plants supplying such milk may not have purchased such milk from dairy farmers on a classification and use basis and it is not feasible to determine this or other conditions of sale. There is no assurance that such milk would not be used to displace approved milk in Class I to the advantage of the purchasing handler.

When supplemental supplies are obtained under conditions which assure that such supplies were paid for at Class I prices under another Federal order, a limited priority of assignment to Class I

should be permitted under the order. Accordingly, provision should be made that 5 percent of approved milk may be assigned to Class II before any assignment of Federally regulated other source milk to such class. This will permit a handler whose approved milk supplies run short to bring in milk from other Federal order markets and have it assigned to Class I, even though he has a small amount of reserve milk in his plant. Such other source milk will be assigned to any Class I milk in excess of 5 percent of approved milk. This is necessary to assure approved dairy farmers that no more than the necessary reserve supplies will be allocated to Class II use when supplemental supplies are imported from other regulated markets.

If after making the prescribed assignments of skim milk and butterfat pursuant to the allocation provisions of the order, the total of all Class I and Class II milk assigned to approved milk exceeds the amount of approved milk reported to have been received at a plant, such "overage" should be assigned first to the available Class II utilization and any remainder to Class I. The value of such overage should be computed at the applicable class prices.

(c) *Class prices.* Class I prices should be established at a level which, in conjunction with the Class II prices hereinafter concluded to be appropriate, will result in returns to producers high enough to maintain an adequate but not excessive supply of quality milk to meet the requirements of the marketing area. If prices remain too low, insufficient quantities of milk will be produced to assure that the Class I market will be fully supplied. Conversely, if prices are too high, production will be overstimulated and consumption curtailed. This would cause more milk to be produced than is needed to satisfy the demand for Class I milk, resulting in the development of unnecessary and uneconomic surpluses.

When milk produced locally is insufficient to meet the Class I needs of the market, supplemental supplies of Grade A milk are purchased by handlers in the marketing area from plants outside the regular supply area. Other items which influence the prices at which such milk will be available to Des Moines order handlers include the cost of transporting such milk to the marketing area and the alternative outlets for such milk.

Proper recognition must be given the prices at which alternative sources of supply are available, especially since any milk plant wherever located may, by meeting the prescribed qualifications, become a pool plant under the order. It is necessary, therefore, that the Class I prices in the proposed Des Moines milk marketing order should not be set at levels which will bring the cost of such milk above the cost of obtaining regular and dependable Grade A milk supplies from other areas.

Both producers and handlers emphasized in their testimony that the Class I price in the Des Moines order should be appropriately aligned with the Class I prices in nearby markets, especially with those Iowa markets under Federal milk marketing orders. There are six Federal milk orders currently in effect in Iowa: the so-called Missouri Valley Federal order markets of Omaha-Lincoln-Council Bluffs and Sioux City in the extreme western part of the state; the so-called Mississippi Valley Federal order markets of Quad Cities, Dubuque, and Cedar Rapids-Iowa City in the eastern part of the state; and the recently established North Central Iowa order market.

The Cedar Rapids-Iowa City order was amended effective August 1, 1957, to provide for a Class I price 15 cents above the Chicago order Class I price. This is the same as the price contained in the North Central Iowa order which became effective October 1, 1957. Since May 1, 1957, the Quad Cities order Class I price has been computed by adding 20 cents to the Chicago order Class I price and the Dubuque order Class I price is 10 cents below that of the Quad Cities order. For the year ending May 31, 1957, the Chicago Class I price per hundredweight of 3.5 percent milk averaged 4.01.

The average Class I prices per hundredweight of 3.5 percent milk under the Omaha-Lincoln-Council Bluffs and Sioux City orders for the year ending May 31, 1957, were $4.52 and $4.61, respectively.

Des Moines is the principal point from which milk is distributed in the proposed marketing area. Handlers in the city of Des Moines obtain their supplies from producer members of the Des Moines Cooperative Dairy, whose 1100 Grade A producers represent about 75 percent of the dairy farmers who would be producers under the attached order. The price paid to the Des Moines Cooperative by handlers for milk for fluid use received from its members is computed each month by adding 15 cents to the average of the Omaha-Lincoln-Council Bluffs order Class I price and a price patterned after the Quad Cities order Class I price. For the year ending May 31, 1957, the price paid by Des Moines handlers for milk for fluid use averaged $4.50 per hundredweight of 3.5 percent milk.

For the year ending May 31, 1957, the "base price" per hundredweight of 3.5 percent milk paid to the 139 producers supplying Ottumwa handlers—Beatrice Foods, Wapello Dairy, and Williams Dairy—averaged $4.07, $4.10 and $4.15, respectively. In some instances milk paid for as base milk by these handlers was utilized in the manufacture of ice cream and cottage cheese.

Boone Dairy, which receives milk from 31 producers, is the largest handler in Boone. This handler pays a Class I price of $4.40 for 3.5 percent milk. However, only bottled whole milk is considered in the Class I milk category by the handler. Milk used for fluid cream and other products which would be Class I under the proposed order are paid for at a lower price by Boone Dairy.

The three handlers in Ames receive milk from about 65 producers. The price for "base milk" paid to their producers is $4.00 per hundredweight of 3.5 percent milk. In addition to this base price, one Ames handler pays his producers a 20-cent per hundredweight quality premium.

Waterloo, Fort Dodge and Marshalltown are major cities in the North Central Iowa marketing area. Handlers in each of these communities are in competition with various handlers who would be regulated by the proposed Des Moines order. Although Des Moines order handlers sell in competition with Waterloo handlers in a number of places outside the proposed marketing area, Des Moines order handlers are in substantially greater competition with Marshalltown handlers.

Marshalltown, which is 51 miles northeast of Des Moines, is less than 15 miles from the nearest point in the proposed Des Moines marketing area. Waterloo is 52 miles northeast of Marshalltown. Fort Dodge, 88 miles north of Des Moines, is about 25 miles from the nearest point in the proposed Des Moines marketing area.

Marshalltown distributors are in competition with Des Moines order handlers both in and outside the proposed marketing area. In addition, there is an overlapping of the production areas for both markets.

Both Cedar Rapids and Iowa City are 119 miles east of Des Moines. There is some overlapping of the sales areas served from plants in the city of Des Moines and those under the Cedar Rapids-Iowa City order. There is, however, substantially greater competition for sales at various localities between Cedar Rapids-Iowa City handlers and other handlers who would be regulated by the proposed order, especially Ottumwa handlers.

Council Bluffs is 135 miles west of Des Moines and about 70 miles west of the nearest point in the Des Moines marketing area. The territory between Des Moines and Council Bluffs is not heavily populated and there is relatively little overlapping of the sales territories served by Omaha-Lincoln-Council Bluffs handlers and those who would be regulated by the Des Moines order.

Sioux City is 193 miles from Des Moines. No Sioux City handlers compete for sales in any territory served by handlers who would be regulated by the Des Moines order and there is no overlapping of the production areas for these markets.

Producers proposed a Class I price per hundredweight of 3.5 percent milk that would be computed each month by adding $1.40 to a basic formula price, which basic formula price would be the higher of either the average of the prices paid by specified midwestern condenseries or a price based on a butter-powder formula. For the year ending May 31, 1957, a price thus computed would have averaged $4.46. This price, although averaging 4 cents below that received by the Des Moines Cooperative for Class I sales to handlers during the same period, is 30 cents above the average price of $4.16 which would have been obtained by using the Class I pricing formula now contained in the North Central Iowa and Cedar Rapids-Iowa City orders.

In justification of the price level requested, producers stated that it costs more to produce milk in the production area for the Des Moines marketing area

than in the milkshed for the North Central Iowa and Cedar Rapids-Iowa City markets. It was also argued that, historically, Class I prices in the proposed marketing area have been higher than in the eastern Iowa markets. It was claimed that the Class I price under the proposed order should be based primarily on local marketing conditions and not on the basis of the prices prevailing in nearby markets. Local conditions, it was argued, would justify a pricing basis and a Class I price level such as is now contained in the Omaha-Lincoln-Council Bluffs order. The average Class I price for 3.5 percent milk under that order for the year ending May 31, 1957, of $4.52 is comparable to the average price which was obtained for Class I milk by the Des Moines Cooperative Dairy in the same period and that which would have been realized by using the Class I formula proposed by the cooperative.

Handlers proposed that the level of the Class I price in the Des Moines order should be similar to that presently provided in the North Central Iowa and Cedar Rapids-Iowa City orders. The Class I price under these orders was proposed as an appropriate price for the Des Moines order by handlers even though it was testified by their representatives that currently and historically the Class I prices applicable to the major portion of producer milk purchased by them are higher than those in the North Central Iowa and Cedar Rapids-Iowa City orders. There were no proposals at the hearing for a Class I price lower than those prescribed in the North Central Iowa and Cedar Rapids-Iowa City orders.

There was no substantial objection from producers or handlers to using the Chicago order Class I price as a basis for computing the Class I price under the Des Moines order if the level of the price thus obtained would be equal to that proposed by them. In this connection, the producers stated that the Class I price under the proposed order should be equal to the Chicago Class I price plus 45 cents and the handlers claimed that a Class I price 15 cents above that in the Chicago order would be adequate.

The Chicago milkshed is one of the principal milk production areas in the United States. At various times throughout the year, especially during the months of low production, milk from this area is shipped great distances throughout the country. The Chicago order Class I price is used extensively as a recognized price quotation both locally and nationally. It is not uncommon to fix Class I prices in a market on the basis of the price in a major milk marketing area, such as Chicago, or on the basis of obtaining alternative sources of supply from such major market.

The Class I price under the Chicago order, which averages $4.01 for the year ending May 31, 1957, is determined on the basis of a "basic formula price" which reflects the value of milk for manufacturing purposes nationally. As such, it may be expected to be a most appropriate basis for use in establishing the Des Moines order Class I price, especially since handlers in this market must compete in various localities with handlers regulated by other orders whose Class I prices are based on the Chicago order Class I price. Unless handlers regulated by the Des Moines order are able to anticipate and project the prices they will be required to pay for Class I milk in relation to recognized and established price quotations used in major markets, they will be at a disadvantage with handlers from other markets in competing for Class I sales beyond the confines of the marketing area. Determining the Des Moines order Class I price on a direct relationship with the Chicago order Class I price will provide an economically sound pricing basis.

In order to insure the maintenance of an adequate supply of milk for the Des Moines market it is necessary that the Class I price for such market be appropriately aligned with the Class I prices in the eastern Iowa order markets. The principal factor used in computing the Class I price in the Eastern Iowa order markets is the Chicago order Class I price.

In the recommended decision it was proposed that the Class I price be at the level of the Chicago Class I price plus 30 cents. This Class I price would be applicable to all plants located in the "base zone", which should be defined to include all the territory within the boundaries of Polk County, Iowa. The Class I price for milk received from approved dairy farmers at plants outside the base zone as proposed in the recommended decision would be 5 cents less.

Polk County, in which is located the city of Des Moines, is the most heavily populated county in Iowa. Although the 8 handlers whose plants are in Polk County distribute about three-quarters of all milk sold in the entire proposed marketing area, approximately 60 percent of the Class I sales from these plants are to retail and wholesale customers in Polk County. Producers shipping to plants in Polk County must pay more for hauling their milk than do their neighbors supplying plants in the more rural communities in the marketing area. Consequently, prices which have been paid for producer deliveries to plants in Polk County have been higher than those paid to producers delivering to plants at other locations in and near the marketing area.

Exceptions to the recommended decision claim that a Class I price in the base zone at the level of the Chicago order Class I price plus 30 cents is inappropriate. It was pointed out that this price is at least 15 cents below that proposed by producers and is an even greater amount below the price that handlers in the city of Des Moines have been paying for Class I milk. It was also stated that, historically, the prices paid by handlers in the base zone have been significantly greater than those paid by other handlers who would be regulated by the proposed order. The exceptions to the recommended decision with respect to the Class I price for milk received at plants outside the base zone indicate that such price should be at least 10 cents lower than in the base zone.

In view of the above stated consideration, it is concluded that the intent of the act will best be effectuated by fixing the Class I price at the level of the Chicago Class I price plus 35 cents at plants in the base zone and at a 10-cent lower rate at other plants.

This pricing gives consideration to the overall historical relationship of prices in the various communities in and near the marketing area. The level of prices thus obtained at the various localities where milk is received from producers should be helpful toward insuring the maintenance of orderly and stable marketing conditions throughout the territory where milk is distributed by Des Moines order handlers.

Class II price. Some milk in excess of Class I requirements is necessary in order to maintain an adequate supply of fluid milk for the market on an annual basis. The Class II price for such excess milk should be maintained at the highest level consistent with facilitating its movement to manufacturing outlets when it is not needed in the market for Class I purposes. The Class II price should be at such a level that handlers will accept and market whatever quantities of milk in excess of Class I needs may arise from time to time. The price, however, should not be so low that handlers will be encouraged to procure milk supplies solely for the purpose of converting them into Class II products.

Producers proposed a Class II price, based on a butter-powder formula which would be calculated each month as follows: (1) Multiply the Chicago 92-score butter price quotation for the month by 4.24, (2) multiply by 8.2 the weighted average of carlot prices for non-fat dry milk solids for human consumption, spray process, f. o. b. manufacturing plants in the Chicago area as published for the period from the 26th day of the immediately preceding month through the 25th day of the current month, and (3) add the amounts obtained in the above computations and subtract 75.2 cents therefrom. This formula, except for using the 92-score instead of 93-score price quotation, is used in computing the Class IV milk price under the Chicago order. For the year ending May 31, 1957, the monthly prices which would have been obtained by using this formula averaged $3.04. The monthly Class IV milk prices under the Chicago order for the same period also averaged $3.04.

The Class II price in the North Central Iowa, Cedar Rapids-Iowa City, Quad Cities, and Dubuque orders is based on the average of the pay prices at seven specified manufacturing plants, six in Illinois and one in Iowa. Of these, the Carnation Company plant at Waverly, Iowa, about 115 miles from Des Moines, is nearest the proposed marketing area. It was suggested at the hearing that the average of the prices paid by these manufacturing plants would be a suitable basis for determining the Class II price under the Des Moines order. For the year ending May 31, 1957, an average Class II price of $3.07 would have been realized by using these pay prices.

Each handler in the city of Des Moines receives daily only as much producer milk as is needed on that particular day for his fluid operations. Producer milk that handlers do not take is delivered to the plant of the Des Moines Cooperative Dairy. This plant, which has facilities for receiving, holding, and manufacturing large quantities of milk, is by a wide margin the leading user of milk for manufacturing purposes in the area. Although a number of dairy products are manufactured at this plant, the principal disposition of milk received at this plant is in the manufacture of butter and skim milk powder. In addition to receiving the Grade A milk of its members when it is not needed by handlers for Class I purposes, the cooperative receives substantial quantities of milk from ungraded dairy farmers for manufacturing purposes. The prices paid for ungraded milk of 3.5 percent butterfat range from $2.30 to $3.00 per hundredweight, depending on the quality of the milk. The 3.5 percent price paid by this cooperative to its producers for manufacturing purposes was $3.00 at the time of the hearing and averaged $2.94 for the year ending May 31, 1957. The actual returns to Grade A producers for milk for manufacturing purposes is further increased by the "13th check" which is paid annually to Grade A producers by the cooperative.

There is much variation in the handling and marketing of surplus milk by the various handlers in the marketing area outside the City of Des Moines. A significant proportion of the milk utilized for Class I purposes in the market is handled at plants with extremely limited manufacturing facilities. However, a relatively large number of plants which would be pool plants under the order maintain manufacturing operations, especially for such items as ice cream and cottage cheese. Throughout the year, particularly in the spring months of heavy production, producer milk not needed by some handlers is moved to manufacturing plants by the handler who regularly receives the milk or by the cooperative association responsible for marketing such producer milk. Producers are generally paid whatever is realized in the sale of such milk. In a number of instances, payments to producers for "over base" milk utilized for manufacturing purposes or otherwise disposed of follows no consistent pattern.

Throughout the milkshed area there are a number of plants which are primarily manufacturing plants and which would not be subject to the order. These plants, which include Story City Cooperative Creamery at Story City, Farmers Cooperative Creamery at Corning, Brooklyn Cooperative Creamery at Brooklyn, Lytton Cooperative Creamery at Lytton, and Hudson Cooperative Creamery at Hudson, are engaged principally in the manufacture of butter, skim milk powder and ice cream mix. These plants are all potential outlets for surplus milk from plants which would be regulated by the Des Moines order. Complete information was not submitted with respect to the prices paid by the various manufacturing plants in the area.

Prices paid by manufacturing plants may differ because of changes in the relative prices of the product which they manufacture and because of variations in the quantities of milk available for manufacturing purposes. Handlers will dispose of excess milk to those plants which are paying the highest price at the time of such disposal. Because of smaller volume and inefficient means of handling, it is possible that some handlers may at times incur losses in handling their necessary reserve supply of milk. The handling of such reserve milk is incidental, however, to the handling of fluid milk.

Elsewhere in this decision the need for maintaining an alignment of the Des Moines order Class I price with those in the eastern Iowa Federal order markets is emphasized. Providing for such alignment with respect to the Class II price for the Des Moines marketing area is no less necessary. However, the various manufacturing plants whose pay prices are used in computing the Class II price in the eastern Iowa order markets are relatively far from the marketing area and do not have any significant association with the Des Moines order market. Moreover, the disposition of surplus milk under the proposed order would be preponderantly in the manufacture of butter and skim milk powder. Established price quotations for both these products are available and can be used appropriately in computing a Class II price under the Des Moines order. Such a price under the formula proposed by producers, experience has indicated, would result in a price approximating the level of that provided in the eastern Iowa orders. Accordingly, it is concluded that the Class II price under the proposed order should be established by using the quotations for 93-score butter at Chicago and for nonfat dry milk powder on the basis of the formula proposed by producers. Although the price resulting from this formula will in some instance be above that which has been obtained by various handlers for producer milk disposed of for manufacturing purposes, the price here proposed reasonably approximates that which producers in the milkshed have been receiving for such milk and appropriately reflects the value of milk for manufacturing purposes in the area.

Provision is made in the attached order to permit a handler to divert directly to manufacturing plants any milk not needed in his own operations. Handlers who need and desire the entire output of producers during periods of short supply should assume the responsibility of paying producers at least the competitive manufacturing prices for Class II milk throughout the year.

Butterfat differentials. Provision is made elsewhere in this decision that butterfat and skim milk should be accounted for separately for classification purposes. It will be necessary, therefore, to adjust Class I and Class II prices of milk in accordance with the average test of milk in each class by a butterfat differential which will reflect differences in value due to variations in the butterfat content of each product.

The butterfat differential having the greatest application throughout the Des Moines marketing area is 6 cents for each one-tenth of one percent butterfat in a hundredweight of milk. This is the rate used by the Des Moines Cooperative Dairy, the organization representing 1,100 of the approximately 1,450 Grade A dairy farmers on the market. The Farmers Cooperative Creamery at Corning uses the 6-cent differential not only in paying its Grade A farmers but also in making payment for the large quantities of milk received from ungraded farms. A rate of 5.9 cents is used in Ottumwa. Although applicable to a considerably smaller proportion of the total quantity of milk produced for the marketing area, a 7-cent differential is used by handlers in Ames, Boone, and Corydon. The practice followed throughout the area is to pay farmers the same differential for all milk shipped irrespective of its use.

The values, to the nearest one-tenth cent, resulting from multiplying the 92-score Chicago butter price by 0.120 for Class I milk and by 0.110 for Class II milk, will obtain butterfat differentials which will approximate on an overall basis those which have been used in the market and will provide an appropriate basis for adjusting class prices. The use of butter prices in this manner will reflect changes in the central market prices of butterfat and follows standard practices in most fluid milk markets for adjusting for butterfat variations. The basing point from which adjustments are made should be 3.5 percent butterfat. This is the basis having widest acceptance in the Des Moines marketing area.

The lower butterfat differential for Class II milk will facilitate the movement of butterfat in the reserve supply of milk to manufacturing outlets and thereby eliminate the potentialities of unstable marketing conditions which milk without a market tends to create. The butterfat differential value of 110 percent of the Chicago butter price should be high enough so as not to give an unnatural incentive to the movement of butterfat to the manufacture of butter and Cheddar cheese at the expense of preferred outlets such as for condensed milk and frozen desserts. Moreover, at the recommended rate, the cost of butterfat in the market will be competitive with butterfat from alternative sources of supply.

In order that it may be known early each month, the Class I differential would be based on the average price of butter in the preceding month. This will permit announcement of the applicable butterfat differential at the same time that the Class I price is announced.

The Class II price and butterfat differential will not be announced until after the end of the month. Although handlers will not know the exact cost of such milk as it is utilized, they will know that their cost will tend to follow movements in daily or weekly dairy product prices and, in any event, the cost of milk of their principal competitors for manufactured product outlets.

The butterfat differential used in making payments to producers should be calculated at the average of the return actually received from the sale of butterfat in producer milk. The rate to be used for this purpose would be the average of the Class I and Class II differentials weighted by the proportion of butterfat in producer milk classified in each class. Thus, producer returns for butterfat will reflect the actual sale value of their butterfat at the class prices provided in the order. The producer butterfat differential in no way affects the handlers' cost of milk but merely prorates returns among producers whose milk differs in butterfat test.

Location differentials. A schedule of location differentials should be incorporated in the order to provide an appropriate adjustment of order prices at the location of any plant from which milk is moved to the marketing area.

It would be neither practicable nor economically justifiable to require each handler to pay the same minimum class prices for milk regardless of the location of his plant in relation to the marketing area. With the same class prices applicable, milk received at a plant outside the marketing area and moved to the marketing area for processing and packaging may be expected to be more costly to a handler than milk received directly from producers at his processing plant in the marketing area. In the same manner, additional transportation costs would be incurred by the operator of a plant from which packaged milk is moved a relatively long distance to the marketing area. Unless provision is made in the order for the application of location differentials, producers delivering milk to plants located at some distance from the marketing area would be paid the same uniform prices as producers delivering to plants in the marketing area.

It is economically more feasible to meet the needs of the market for fluid purposes from those farms or plants nearest the market before bringing in milk from more distant plants. The value of milk to the market for fluid purposes is greater at the location of a plant in the marketing area which packages it for distribution than at a plant from which milk must be moved to the marketing area for Class I uses. Recognition in the order through the medium of a location differential should be given to this difference in value.

So as to be equitable to all handlers the minimum Class I price to be paid for producer milk should not be dependent upon the type of plant receiving the milk. However, to the extent that milk is received elsewhere from producers and brought to the marketing area by a handler, the handler has assumed a transportation cost which might otherwise be borne by producers. Accordingly, the Class I price should be adjusted downward in the case of a plant which assumes the cost of hauling milk to the marketing area.

It is customary, in both regulated and unregulated markets, for handlers to pay producers delivering milk to plants farther removed from the market a lesser price per hundredweight than is paid producers delivering directly to plants in or near the marketing area. To the extent that this represents a lower price because of the location of the milk, such difference in value should be recognized under the order.

It was suggested that the location differential adjustment provision in this order be patterned after those contained in the Quad Cities and North Central Iowa orders. In the Quad Cities order, prices for Class I milk received from producers at a pool plant located more than 50 miles from the principal city (Rock Island, Illinois) in the marketing area is reduced by 10 cents for the first 65 miles or less and 1.5 cents for each additional 10 miles or fraction thereof that such plant is from the Rock Island City Hall. The applicable rates under the North Central Iowa order are the same as those for the Quad Cities except that the mileages are measured from the nearest of the city halls of the four principal cities from which milk is distributed throughout the marketing area.

Milk from approximately 40 producer members of the Des Moines Cooperative Dairy is received at a plant at Gowrie, Iowa, and transported from that country plant to the Des Moines Cooperative Dairy plant in Des Moines. The charge for this haul of approximately 75 miles is 20 cents per hundredweight. As might be expected, this rate is somewhat greater than that charged by commercial haulers specializing in hauling milk and milk products in tank trucks, since such companies generally carry relatively large and full loads. Such a company, the Dairyland Transport Corporation, charges 15 cents per hundredweight for a 70-mile haul.

It was proposed that a location differential deduction of 20 cents be applied to milk received at the Gowrie, Iowa, plant and that no other location differential be provided for in the order. Another proposal would base location differential adjustments on the distance of a plant from the city of Des Moines. The economic justification for these proposals was not established on the record. Moreover, it was shown that to adopt either of these proposals would unwarrantably create inequities among handlers.

In applying location differentials under the Des Moines order the mileage zone of a plant should be determined by its distance from the nearest of the cities of Corydon, Creston, Des Moines, Grinnell, Jefferson, and Ottumwa. These cities are so situated with respect to the overall marketing area so that basing location differential mileage zones from the nearest of them would be equitable to all handlers.

The post offices in each of these cities would be appropriate sites from which to measure the mileages used in applying location differential adjustments. Computing the location differential adjustments in this manner will reflect the value of the milk in relation to the nearest potential outlets in the marketing area and it may reasonably be expected that the source of the milk which is moved for regular distribution or as supplementary supplies would be nearer to the city to which the shipments were made than any other city in the marketing area. This method of arriving at location differential adjustments will result in values for milk at plants at different locations in such a manner as to promote the economical allocation of available supplies in accordance with location of such supplies with respect to the major consuming centers in the marketing area.

Because the Des Moines marketing area is spread over a relatively large territory and because milk distributed in the marketing area is moved great distances, it would be inappropriate to have location differential applicable at plants which are less than 60 miles from any of the cities named herein. Accordingly, it is concluded that the Class I price under the Des Moines order should be reduced by 10 cents for the first 75 miles and 1.5 cents for each additional 10 miles or fraction thereof with respect to producer milk received at a plant which is not less than 60 miles from the nearest of the post offices of Corydon, Creston, Des Moines, Grinnell, Jefferson and Ottumwa.

The location differential here recommended is economically sound and will be applicable to all handlers wherever located. The proposed rates are fundamentally the same as those contained in various other orders and are representative of the cost of hauling milk by an efficient means to the market.

Prices paid producers supplying plants to which location differentials apply should be reduced to reflect the lower value of such milk f. o. b. the point to which delivered.

As provided elsewhere in this decision the specified Class I price would be reduced by 10 cents for milk received at plants outside the base zone. It is appropriate, therefore, that the same amount should be deducted from the uniform price for producer milk delivered to these plants. Such deduction, to facilitate the accounting procedures under the order, should be considered as a separate location differential in making payment for producer milk.

No adjustment should be made in the Class II price because of the location of the plant to which the milk is delivered. There is little difference in the value of milk for manufactured uses associated with location of the plant receiving the milk. This is because of the low cost per hundredweight of milk involved in transporting manufactured products. The prices paid for ungraded milk received at various sections of the milkshed do not indicate any difference in value associated with location.

After a handler receives milk for Class II use, he should be expected to handle and dispose of the milk by the most advantageous possible method. Prices paid producers for such milk should not be made dependent upon the method employed by the handler in disposing of such milk. To do otherwise would remove part of the incentive for keeping handling costs at a minimum. To insure that milk will not be moved unnecessarily at producers' expense, the order should contain a provision to determine whether milk transferred between plants may receive the location differential credit. This should provide that

any milk transferred be assigned to any Class II use remaining in the transferee plant after a maximum assignment of 5 percent of the direct producer receipts to Class II milk at such plant.

Use of equivalent prices. If for any reason a price quotation required by this order for computing class prices or for other purposes is not available in the manner described, the market administrator should use a price determined by the Secretary to be equivalent to the price which is required. Including such a provision in the order will leave no uncertainty with respect to the procedure which shall be followed in the absence of any price quotations which are customarily used and thereby prevent any unnecessary interruption in the operation of the order.

Payments on unpriced milk. The order should provide that payment be made into the producer-settlement fund with respect to unpriced milk which is allocated to Class I milk in a pool plant. There was no opposition at the hearing to the proposal of producers for including such a provision in the order.

Receipt of milk in excess of Class I disposition is necessary to operate a fluid milk business. Because of seasonal fluctuations in production without corresponding changes in demand, this excess or reserve milk must be marketed in manufactured form in competition with products made from ungraded milk. The existence of this reserve Grade A milk, which must be marketed at a lower price, is the primary cause of the instability which may affect fluid milk markets.

Considerable volumes of Grade A milk must be disposed of as surplus by various unregulated plants from which the Des Moines order handlers may obtain milk. When milk is available in substantial volumes from nonpool sources, handlers under the order could obtain such milk at prices reflecting its value as surplus milk, which prices would approximate the Class II price under the order. During the seasonally high production months of April, May and June, the compensation payment on other source milk allocated to Class I milk should be the difference between the minimum price of producer milk used for surplus (Class II) and the Class I price adjusted to the location of the plant from which such other source milk was received from farmers. This rate will reflect generally the difference in the value between unregulated and regulated milk for Class I use at that time.

During the months of July through March, when milk supplies tend to be shorter than in other months, it is not likely that other source fluid milk products will be available to the market at surplus prices. It may reasonably be expected that during such months milk would be available from unregulated sources at prices more nearly at the level of the uniform price under the order. The compensation payment during these months should be the difference between the marketing area uniform price to producers and the Class I price adjusted to the location of the plant from which such fluid milk products are supplied. The relationship between the supply of and demand for milk in the market in the July through March period tends to fluctuate from year to year according to marketing conditions. These conditions will generally prevail also in surrounding markets which are potential sources of supply for unpriced milk. Thus, the rate of compensation payment based on the difference between Class I and uniform prices will adjust itself automatically in these months in accordance with the proportion of Class I milk to the total milk pooled and this will tend to affect also conditions in the area from which unpriced milk is obtained.

The rates which are here found to be appropriate for the Des Moines marketing area give recognition to general competitive conditions in the purchase and sale of fluid milk products. However, such conditions do not prevail uniformly in all instances since all transactions are not made under the same circumstances and it would not be administratively feasible to adjust prices or payments to individual transactions.

It is therefore necessary to have definite and specified rates applicable to all handlers similarly situated. The rates herein proposed are those which will best effectuate the intent of the act under current marketing conditions in the area.

Other source milk used in the form of concentrated milk products should be considered to be from a source at the location of the pool plant where it is used. In some instances there will be no and in all cases insignificant transportation charges per hundredweight experienced by handlers on such other source milk under the skim milk equivalent basis of accounting provided in the order. By following this procedure, the compensation payment on other source milk derived from concentrated products, such as condensed milk or nonfat dry milk solids, will be comparable to that on any other source milk which is allocated to Class I milk.

In the case of a handler whose distributing plant fails to qualify as a pool plant but who has sales of fluid milk products on routes in the marketing area, such handler also should under certain conditions be required to make payments to the producer-settlement fund. The amount of these payments would be the lesser of (1) the amount of Class I milk sold in the marketing area multiplied by the difference between the Class I and Class II price during April, May and June and by the difference between the Class I and uniform price during other months, or (2) the amount by which total payments to dairy farmers are less than the total amount of the plant's obligation to producers if such obligation is computed as if such plant were a pool plant.

If the handler elects to make payments under the first option, the regulatory plan will be protected in the same manner and to the same extent as is provided with respect to compensatory payments on other source milk. If the handler chooses to pay the full utilization value of his milk either directly to his own farmers or by combination of payments to his farmers and to the producer-settlement fund, he will obviously not have any advantage in terms of the minimum order class prices on his sales of Class I milk in the marketing area, for his total minimum obligation for milk will be determined in exactly the same way as if he were a fully regulated handler.

Affording this last option to nonpool plants which distribute some Class I milk in the marketing area will adequately protect the regulatory plan in this market. In the areas from which it is expected such nonpool handlers would procure supplies, no great quantities of milk are available. Moreover, the size of handlers who would use this option is relatively small. It is expected also that the difference between the Class I price and uniform price, which will prevail in this market, will be relatively minor. Consequently, the price which these handlers would be required to pay under the option and the uniform price payable by wholly regulated handlers would not differ greatly. Consequently, the exercise of this option could not have a disruptive influence on the handling of milk in this area. For these reasons, it is not necessary, in order to maintain the integrity of the regulatory plan in this market, to require these partially regulated plants to make payments into the producer-settlement fund if it is ascertained that they have paid their producers at least the total amount of money which they would be required to pay if they were fully regulated.

No compensation payment should be required on milk classified and priced as Class I under another Federal milk marketing order. The minimum prices for Class I milk under other Federal orders where Des Moines order handlers might obtain supplemental supplies approximate or exceed the Des Moines order Class I price as adjusted for location of the supplying plants. Since handlers operating plants under other Federal orders must pay for producer milk on a utilization basis, they would not be in a position to dispose of their surplus producer milk in the Des Moines marketing area for Class I use at less than Class I prices.

Handlers proposed that no compensatory payment be required on other source milk received at a pool plant during a month when receipts of producer milk are below 120 percent of Class I sales. Some handlers on the market purchase milk from a sufficient number of producers to insure their having an adequate supply of producer milk to meet their Class I needs in the months of lowest production. A number of other handlers limit their purchases of milk from producers and obtain supplemental supplies to meet their Class I requirements from other sources during the months of seasonally low production.

Production from dairy farms in the milkshed for the proposed marketing area is more than adequate to meet the Class I needs of the market throughout the year. In addition to those Grade A dairy farmers now supplying the market, there are in the production area a large

number of farmers now shipping ungraded milk which could, on short notice, meet the qualifications to ship Grade A milk. A number of handlers stated that they had long waiting lists of such producers wanting to ship to them. In effect, the Des Moines marketing area is not a deficit market with regard to the potential availability of producer milk for the Class I needs of the market.

If the provision that no compensatory payment be required on other source milk received at a pool plant during a month when receipts of producer milk are below 120 percent of Class I sales were incorporated in the order, it would not be expected to have any effect in the seasonally high production months of April through June. During the months of July through March the compensatory payment rate herein provided of the difference between the Class I price and uniform price would adjust itself automatically to changes in the relationship between the producer milk supply and the Class I sales of the market. Thus, with producer milk receipts at a ratio of less than 120 percent of Class I sales the compensatory payment rate would be relatively small or completely nonexistent. In view of this, there is no need for providing in the order that the compensatory payment provision shall be inoperative when producer receipts are below 120 percent of Class I sales. Moreover, such a provision would be harmful to the best interests of the market by encouraging handlers to limit their purchases of producer milk and thereby bring about an uneconomic procurement pattern for the market at the expense of nearby dairy farmers.

(d) *Distribution of the proceeds to producers.* A marketwide equalization pool should be included in the order as a means of distributing to producers the proceeds from the sale of their milk. Such a pool will assure each producer supplying the market that he will receive a return based on his pro rata share of the Class I sales of the entire market. The "blend" price that a producer receives will depend on the overall utilization of all producer milk received at the pool plants of all regulated handlers during the month. Although each handler subject to the order will be required to pay uniform prices for producer milk in accordance with the classification of such milk pursuant to the order, the minimum blend prices payable to producers will be the same for all producers in the market irrespective of the use made of such milk by the individual handler.

The uniformity of payments to producers which is provided under a marketwide pool permits a handler either to maintain a manufacturing operation in his plant to handle the seasonal and daily reserve supplies of milk or to limit the operation at his plant to the handling of milk for Class I purposes only, without affecting the blend prices payable to his producers as against other producers in the market. The facilities in the various plants in the area for handling producer milk which is in excess of that needed for Class I purposes vary considerably. While a number of plants in the market are exclusively Class I operations and handle no surplus milk, many plants which would be subject to the order handle substantial quantities of milk for manufacturing purposes. Under these conditions a marketwide pool in the Des Moines marketing area will facilitate the marketing of producer milk. A marketwide pool will make it possible for the producers' associations to assist in diverting seasonal reserve milk and thus keep producers on the market who are needed to fulfill the year-round requirements of the market. It assists in apportioning among all producers the lower returns from reserve milk where otherwise this burden may be placed on individual groups of producers. A marketwide pool will thereby contribute to market stability and the attainment of an adequate and dependable supply of producer milk.

Although Order No. 105, regulating the handling of milk in the nearby North Central Iowa marketing area provides for individual handler pools, there was no support at the hearing for this type of pooling under the Des Moines order. Marketing conditions in the proposed Des Moines marketing area are significantly different from those in the North Central Iowa market. Most marked in this regard is that the principal cooperative in the Des Moines order market operates a plant and utilizes for manufacturing purposes any milk not needed by its buying handlers for Class I purposes. None of the major producer organizations in the North Central Iowa market operates a plant. Moreover, no handler, under the North Central Iowa order carries an undue proportion of excess milk in order to supply other handlers with supplemental milk. In the Des Moines order market this is not the case, and the sharing by all producers on the market of the Class I sales and the burden of surplus through the medium of a marketwide pool would, in conjunction with the various other provisions contained in the attached proposed order, best effectuate the intent of the act in the area proposed to be regulated.

Producers proposed a "Louisville plan" of fall production incentive payments. Such a plan provides for setting aside a portion of the payments made by handlers for producer deliveries in the spring months of flush production to be paid to producers on the basis of their deliveries during the fall months of low production. Except for the operation of such a plan by the cooperative association supplying the handler in Grinnell, the Louisville plan of distributing returns to producers is not now used in the market.

Handlers did not support the proposal for a Louisville plan but suggested instead the adoption of a base and excess plan for distributing returns to producers. Producers stated that they would have no objection to the order making provision for a base and excess plan if the record failed to support the inclusion of a Louisville plan in the order.

There are a number of base and excess plans in operation throughout the milkshed area. This method of distributing returns to producers is utilized in various forms by a number of handlers in the market. While the principles embodied in the base and excess plans now in operation are fundamentally the same, there are many differences in the practices followed in administering them and in the months used for the base forming and base paying periods.

The Des Moines Cooperative Dairy, the major producer organization in the area, operates neither a base and excess plan nor a Louisville plan in distributing returns to producers. Although the association was a proponent of a Louisville plan provision, a spokesman for the cooperative stated that the association would not be unfavorable to having a base and excess plan in the proposed order.

The seasonal pricing in the proposed Des Moines order follows the same pattern as the Class I pricing provisions in the nearby North Central Iowa and Cedar Rapids-Iowa City Federal orders, neither of which provides for a Louisville plan or a base and excess plan.

The price of Class I milk in the attached proposed order, which is calculated by adding 30 cents to the Chicago order Class I price varies seasonally by significant amounts. For example, the Class I price of $4.50 which would have prevailed for November 1956 is 59 cents above the $3.91 Class I price which would have resulted the following May. In contrast, the prices which have been paid for milk used for Class I purposes by handlers who would be subject to the proposed order have varied relatively little seasonally or have remained at fixed levels for indefinite periods. The seasonal pricing recommended in this decision, by returning to producers a higher price for fall production and a correspondingly lower price in the spring months of high production than have generally prevailed in the market, will provide to a considerable extent the incentive for more even production throughout the year, the purpose for which a Louisville plan is frequently employed. In view of this, no provision should be made at this time for including a Louisville plan in the order.

It would be neither desirable nor administratively practicable to provide for a base and excess plan within the framework of the proposed order at this time. Even though some producer groups in the milkshed have been paid on the basis of various base and excess plans and have, in some degree, adapted their production to the particular schemes under which they operate, producers who represent a major portion of the milk produced for the market have not been paid in accordance with such a plan. Such producers would need some time to adapt their dairy farm operations to an order with a base and excess plan.

While there might be some merit to making provision at this time for a Louisville plan or a base and excess plan that would become operative at a date subsequent to the effective date of the order, it would be more appropriate, if any action is then warranted, to give consideration to such plans at a hearing after the order had been in effect for a reasonable period of time. By then the information gained through operation of the order, which information would then be available to the market, could be used ad-

vantageously in determining whether there is then justification for a Louisville plan or a base and excess plan and what the provisions of such plan should be.

Payments to producers. The order should provide that each handler shall pay each producer for milk received from such producer, and for which payment is not made to a cooperative association, at not less than the applicable uniform price on or before the 15th day after the end of each month. Since it has been the practice in this area for handlers to pay producers semimonthly, provision should be made for partial payments to producers on or before the last day of each month for milk delivered during the first 15 days of such month at not less than the Class II milk price per hundredweight for the preceding month. No adjustment for butterfat content is required on such partial payment.

It was proposed by producers that provision be made for a cooperative association to receive payment for the producer milk which it causes to be delivered to a pool plant. The taking of title to milk of its members and the blending of the proceeds for the sale of such milk will tend to promote the orderly marketing of milk and will assist a cooperative association in discharging its responsibility to its members and to the market. Such functions can be accomplished more expediently if the association is collecting payments for the sales of members' milk.

The contracts with their members authorize the principal cooperative in the market to collect payment for producer milk. The act provides for the payment by handlers to cooperative associations of producers for milk delivered by them and permits the blending of all proceeds from the sale of members' milk. It is concluded, therefore, that each handler shall, if requested by a cooperative association, pay such association an amount equal to the sum of the individual payments otherwise payable to such producers. Handlers should be required to make such payments to the cooperative association on or before the 26th of the month for milk received during the first 15 days of the month and make the final settlement for milk received during the month on or before the 13th day of the following month.

At the time final settlement is made for milk received from producers during the month, the handler should be required to furnish to each producer a supporting statement. Such statement should show the pounds and butterfat tests of milk received from him, the rate of payment for such milk and a description of any deductions claimed by the handler.

Producer-settlement fund. Because all producers will receive payment at the rate of the marketwide uniform price each month and because the payment due from each handler for producer milk at the applicable class prices may be more or less than he is required to pay directly to producers, a method of equalizing this difference is necessary. A producer-settlement fund should be established for this purpose. A handler whose obligation for producer milk received during the month is greater than the amount he is required to pay producers for such milk at the applicable uniform price would pay the difference into the producer-settlement fund, and each handler whose obligation for producer milk is less than the applicable uniform price value would receive payment of the difference from the fund. Provision for the establishment and maintenance of the producer-settlement fund as set forth in the attached order is similar to that contained in all other Federal orders with marketwide pools.

Experience has indicated that it is desirable to set aside a reasonable reserve or balance in such fund at the end of each month. Such a reserve is necessary in order to provide for contingencies such as the failure of a handler to make payment of his monthly billing to the fund or the payment to a handler from the fund by reason of an audit adjustment. The reserve which would be operated as a revolving fund and adjusted each month, is established in the attached order at not less than four nor more than five cents per hundredweight of producer milk in the pool for the month. The unobligated balance in the producer-settlement fund remaining from the preceding month would be added to the values used in calculating the uniform prices each month. The amount of the reserve which is provided herein should be adequate to enable the producer-settlement fund to perform its function efficiently.

As indicated elsewhere in this decision compensatory payments received by the market administrator from any handler would be deposited in the producer-settlement fund. Money thus deposited into the producer-settlement fund would be included in the uniform price computation and thereby be distributed to all producers on the market.

If at any time the balance in the producer-settlement fund is insufficient to cover payments due to all handlers from the producer-settlement fund, payments to such handlers would be reduced uniformly per hundredweight of milk. The handlers may then reduce payments to producers by an equivalent amount. The remaining amounts due such handlers from the fund would be paid as soon as the balance in the fund becomes adequate to meet such payments, and handlers would then complete payments to producers. In order to reduce the possibility of this occurring, milk received by any handler who has failed to make the required payments to the producer-settlement fund for the preceding month would be eliminated in the computation of the uniform price.

(e) *Administrative provisions.* Provisions should be included in the order with respect to the administrative steps necessary to carry out the proposed regulation.

In addition to the definitions discussed earlier in this decision which define the scope of the regulation, certain other terms and definitions are desirable in the interest of brevity and to assure that each usage of the term denotes the same meaning. Such terms as are defined in the attached order are common to many other Federal milk orders.

Market administrator. Provision should be made for the appointment by the Secretary of a market administrator to administer the order and to set forth the powers and duties for such agency essential to the proper functioning of such office.

Records and reports. Provisions should be included in the order requiring handlers to maintain adequate records of their operations and to make reports necessary to establish classification of approved milk and payments due therefor. Time limits must be prescribed for filing such reports and for making the payments therefor.

Handlers should maintain and make available to the market administrator all records and accounts of their operations, together with facilities which are necessary to determine the accuracy of information reported to the market administrator or any other information upon which the classification of approved milk depends. The market administrator must likewise be permitted to check the accuracy of weights and tests of milk and milk products received and handled, and to verify all payments required under the order.

As indicated elsewhere in this decision, detailed reports to the market administrator and complete records available for his inspection by all handlers would be used to determine whether the plants of such handlers qualify as pool plants. Reports of handlers operating nonpool plants from which fluid milk products are distributed in the marketing area are needed by the market administrator in order to compute the amounts payable to the producer-settlement fund on such unpriced milk.

In addition to the regular reports required of handlers, provision is made for a handler to notify the market administrator when he intends to divert producer milk or when he intends to import other source milk. This will facilitate the check-testing program of the market administrator. Such information on a marketwide basis also may assist handlers in locating local sources of producer milk and expedite the transfer of such milk among handlers.

It is necessary that handlers retain records to prove the utilization of the milk and that proper payments were made thereto. Since the books and records of all handlers cannot be completed or audited immediately after the milk has been delivered to a plant, it therefore becomes necessary to keep such records for a reasonable period of time.

The order should provide limitations on the period of time handlers shall be required to retain such books and records and on the period of time in which obligations under the order shall terminate. Provision made in this regard is identical in principle with the general amendment made to all milk orders in operation on July 30, 1947, following the Secretary's decision of January 26, 1949 (14 F. R. 444). That decision, covering the retention of records and limitation of claims, is equally applicable in this situation and is adopted as a part of this decision.

Expense of administration. Each handler should be required to pay the market administrator, as his pro rata share of the cost of administering the order, not more than 4 cents per hundredweight or such lesser amount as the Secretary may prescribe, on (a) producer milk, (b) other source milk at a pool plant which is classified as Class I milk, and (c) approved milk received at a nonpool plant.

The market administrator must have sufficient funds to enable him to administer properly the terms of the order. The act provides that such cost of administration shall be financed through an assessment on handlers. One of the duties of the market administrator is to verify the receipts and disposition of milk from all sources. The record indicates that other source milk is received by some handlers to supplement local supplies of approved milk. Equity in sharing the cost of administration of the order among handlers will be achieved, therefore, by applying the administrative assessment to approved milk (which includes a handler's own production) and to other source milk allocated to Class I milk.

If a nonpool handler from whose plant Grade A milk is distributed in the marketing area elects to make payment to the producer-settlement fund at the rate of payment applied to other source milk at a pool plant (instead of making payment for milk received from dairy farmers according to the utilization at such plant at not less than the prices prescribed in the order) the scope of the audit of his records by the market administrator would be significantly lessened. Under such circumstances, it would be necessary to ascertain only the quantities of fluid milk products distributed in the marketing area from such plant during the month and the percentage that such distribution is of the total receipts of such plant. In such instances, only the fluid milk products disposed of in the marketing area from the nonpool plant should be subject to the administrative assessment.

In view of the anticipated volume of milk and the cost of administering orders in markets of comparable circumstances, it is concluded that an initial rate of 4 cents per hundredweight is necessary to meet the expenses of administration. Provision should be made to enable the Secretary to reduce the rate of assessment below the 4 cents per hundredweight maximum without necessitating an amendment to the order. This should be done at any time experience in the market reveals that a lesser rate will produce sufficient revenue to administer the order properly.

Marketing services. Provision should be made in the order for furnishing marketing services to producers, such as verifying tests and weights and furnishing market information. These services should be provided by the market administrator and the cost should be borne by the producer receiving the service. If a cooperative association is performing such services for any member producers and is approved for such activities by the Secretary, the market administrator may accept this in lieu of his own service.

There is a need for a marketing service program in connection with the administration of an order in this area. Orderly marketing will be promoted by assuring individual producers that payments received for their milk are based on the pricing provisions of the order, and reflect accurate weights and tests of such milk. To accomplish this fully, it is necessary that the butterfat tests and weights of individual producer deliveries of milk as reported by the handler be verified for accuracy.

An important phase of the marketing service program is to furnish producers with current market information. Detailed information regarding market conditions is not now regularly available either to producers or to cooperative associations. Efficiency in the production, utilization and marketing of milk will be promoted by the dissemination of current information on a marketwide basis to all producers.

To enable the market administrator to furnish such services, provision should be made for a maximum deduction of 5 cents per hundredweight with respect to receipts of milk from producers for whom he renders marketing services. Comparison of the extent of the milkshed and the volume of milk involved with that of several other markets now under Federal regulation indicates that this will reflect the maximum cost of such services. If later experience indicates that marketing services can be performed at a lesser rate, provision is made for the Secretary to adjust the rate downward without the necessity of a hearing.

Rulings on proposed findings and conclusions. Briefs and proposed findings and conclusions were filed on behalf of certain interested parties in the market. These briefs, proposed findings, and conclusions and the evidence in the record were considered in making the findings and conclusions set forth above.

To the extent that the suggested findings and conclusions filed by interested parties are inconsistent with the findings and conclusions set forth herein, the requests to make such findings or to reach such conclusions are denied for the reasons previously stated in this decision.

General findings. (a) The proposed marketing agreement and order and all of the terms and conditions thereof, will tend to effectuate the declared policy of the act;

(b) The parity prices of milk as determined pursuant to section 2 of the act are not reasonable in view of the price of feeds, available supplies of feeds, and other economic conditions which affect market supply and demand for milk in the marketing area, and the minimum prices specified in the proposed marketing agreement and the order are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest; and

(c) The proposed marketing agreement and order will regulate the handling of milk in the same manner as, and will be applicable to persons in the respective classes of industrial and commercial activity specified in, a marketing agreement upon which a hearing has been held.

Rulings on exceptions. In arriving at the findings and conclusions, and the regulatory provisions of this decision, each of the exceptions received was carefully and fully considered in conjunction with the record evidence pertaining thereto. To the extent that the findings and conclusions, and the regulatory provisions of this decision are at variance with any of the exceptions, such exceptions are hereby overruled for the reasons previously stated in this decision.

Marketing agreement and order. Annexed hereto and made a part hereof are two documents entitled, respectively, "Marketing agreement regulating the handling of milk in Des Moines, Iowa, marketing area", and "Order regulating the handling of milk in the Des Moines, Iowa, marketing area," which have been decided upon as the detailed and appropriate means of effectuating the foregoing conclusions.

It is hereby ordered, That all of this decision, except the attached marketing agreement, be published in the FEDERAL REGISTER. The regulatory provisions of said marketing agreement are identical with those contained in the attached order which will be published with this decision.

Referendum order; determination of representative period; and designation of referendum agent. It is hereby directed that a referendum be conducted among producers to determine whether the issuance of the attached order regulating the handling of milk in the Des Moines, Iowa, marketing area, is approved or favored by the producers, as defined under the terms of the proposed order, and who, during the representative period, were engaged in the production of milk for sale within the aforesaid marketing area.

The month of May 1958 is hereby determined to be the representative period for the conduct of such referendum.

Hobart E. Crone is hereby designated agent of the Secretary to conduct such referendum in accordance with the procedure for the conduct of referenda to determine producer approval of milk marketing orders as published in the FEDERAL REGISTER on August 10, 1950 (15 F. R. 5177), such referendum to be completed on or before the 20th day from the date this decision is published in the FEDERAL REGISTER.

Issued at Washington, D. C., this 30th day of July 1958.

[SEAL] DON PAARLBERG,
Assistant Secretary.

Order[1] Regulating the Handling of Milk in the Des Moines, Iowa, Marketing Area

Sec.
1023.0 Findings and determinations.

DEFINITIONS

1023.1 Act.
1023.2 Secretary.

[1] This order shall not become effective unless and until the requirements of § 900.14 of the rules of practice and procedure, as amended, governing proceedings to formulate marketing agreements and orders have been met.

Sec.
1023.3 Department.
1023.4 Person.
1023.5 Cooperative association.
1023.6 Des Moines, Iowa, marketing area.
1023.7 Approved dairy farmer.
1023.8 Producer.
1023.9 Distributing plant.
1023.10 Supply plant.
1023.11 Approved plant.
1023.12 Pool plant.
1023.13 Nonpool plant.
1023.14 Handler.
1023.15 Producer-handler.
1023.16 Approved milk.
1023.17 Producer milk.
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REPORTS, RECORDS AND FACILITIES

1023.30 Reports of receipts and utilization.
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CLASSIFICATION

1023.40 Skim milk and butterfat to be classified.
1023.41 Classes of utilization.
1023.42 Shrinkage.
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1023.46 Allocation of skim milk and butterfat classified.

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1023.50 Class prices.
1023.51 Butterfat differentials to handlers.
1023.52 Location differentials to handlers.
1023.53 Use of equivalent prices.

APPLICATION OF PROVISIONS

1023.60 Producer-handler.
1023.61 Plants subject to other Federal orders.
1023.62 Handlers operating nonpool plants.
1023.63 Rate of payment on unpriced milk.

DETERMINATION OF UNIFORM PRICE

1023.70 Computation of value of milk at each approved plant.
1023.71 Computation of aggregate value used to determine uniform price.
1023.72 Computation of uniform price.

PAYMENT FOR MILK

1023.80 Time and method of payment.
1023.81 Butterfat differentials to producers.
1023.82 Location differentials to producers.
1023.83 Producer-settlement fund.
1023.84 Payments to the producer-settlement fund.
1023.85 Payments out of the producer-settlement fund.
1023.86 Adjustment of accounts.
1023.87 Marketing services.
1023.88 Expense of administration.
1023.89 Termination of obligations.

EFFECTIVE TIME, SUSPENSION OR TERMINATION

1023.90 Effective time.
1023.91 Suspension or termination.
1023.92 Continuing power and duty of the market administrator.
1023.93 Liquidation after suspension or termination.

MISCELLANEOUS PROVISIONS

1023.100 Separability of provisions.
1023.101 Agents.

AUTHORITY: §§ 1023.0 to 1023.101 issued under sec. 5, 49 Stat. 753 as amended; 7 U. S. C. 608c.

§ 1023.0 *Findings and determinations*—(a) *Findings upon the basis of the hearing record.* Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), and the applicable rules of practice and procedure, governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), a public hearing was held upon a proposed marketing agreement and a proposed order regulating the handling of milk in the Des Moines, Iowa, marketing area. Upon the basis of the evidence introduced at such hearing and the record thereof, it is found that:

(1) The said order, and all of the terms and conditions thereof, will tend to effectuate the declared policy of the act;

(2) The parity prices of milk as determined pursuant to section 2 of the act are not reasonable in view of the price of feeds, available supplies of feeds, and other economic conditions which affect market supply and demand for milk in the said marketing area, and the minimum prices specified in the order are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk and be in the public interest;

(3) The said order regulates the handling of milk in the same manner as, and is applicable only to persons in the respective classes of industrial or commercial activity specified in a marketing agreement upon which a hearing has been held;

(4) All milk and milk products handled by handlers, as defined in this order, are in the current of interstate commerce or directly burden, obstruct, or affect interstate commerce in milk or its products; and

(5) It is hereby found that the necessary expense of the market administrator for the maintenance and functioning of such agency will require the payment by each handler, as his pro rata share of such expense, 4 cents per hundredweight or such amount not to exceed 4 cents per hundredweight as the Secretary may prescribe, with respect to (a) producer milk, (b) other source milk at a pool plant which is allocated to Class I milk pursuant to § 1023.46, and (c) approved milk received at a nonpool plant: *Provided*, That if payment for such milk is not made pursuant to § 1023.80 (b) the expense of administration payable shall be applicable only to the Class I milk disposed of in the marketing area (except to a pool plant) from such plant.

Order relative to handling. It is therefore ordered, that on and after the effective date hereof, the handling of milk in the Des Moines, Iowa, marketing area shall be in conformity to, and in compliance with, the following terms and conditions:

DEFINITIONS

§ 1023.1 *Act.* "Act" means Public Act No. 10, 73d Congress, as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.).

§ 1023.2 *Secretary.* "Secretary" means the Secretary of Agriculture of the United States or any officer or employee of the United States authorized to exercise the powers or to perform the duties of the said Secretary of Agriculture.

§ 1023.3 *Department.* "Department" means the United States Department of Agriculture or any other Federal Agency authorized to perform the price reporting functions of the United States Department of Agriculture.

§ 1023.4 *Person.* "Person" means any individual, partnership, corporation, association or any other business unit.

§ 1023.5 *Cooperative Association.* "Cooperative association" means any cooperative marketing association which the Secretary determines, after application by the association:

(a) To be qualified under the provisions of the act of Congress of February 18, 1922, as amended, known as the "Capper-Volstead Act" and

(b) To have full authority in the sale of milk of its members and is engaged in making collective sales of or marketing milk or its products for its members.

§ 1023.6 *Des Moines, Iowa, Marketing Area.* "Des Moines, Iowa, marketing area" (hereinafter called the "marketing area"), means all the territory within the boundaries of the city of Grinnell and the counties of Adair, Appanoose, Boone, Clarke, Dallas, Decatur, Greene, Guthrie, Jasper, Lucas, Madison, Mahaska, Marion, Monroe, Polk, Story, Union, Warren, Wapello, and Wayne, all in the State of Iowa, including territory within such boundaries which is occupied by government (Municipal, State or Federal) reservations, installations, institutions, or other establishments.

§ 1023.7 *Approved dairy farmer.* "Approved dairy farmer" means any person, except a producer-handler, who produces milk in compliance with Grade A inspection requirements of a duly constituted health authority which milk is received at an approved plant.

§ 1023.8 *Producer.* "Producer" means an approved dairy farmer whose milk is received at a pool plant.

§ 1023.9 *Distributing plant.* "Distributing plant" means a plant which is approved by an appropriate health authority for the processing or packaging of Grade A milk and from which any fluid milk product is disposed of during the month on routes (including routes operated by vendors) or through plant stores to retail or wholesale outlets (except pool plants) located in the marketing area.

§ 1023.10 *Supply plant.* "Supply plant" means a plant from which milk, skim milk or cream which is acceptable to the appropriate health authority for distribution in the marketing area under a Grade A label is shipped during the month to a pool plant qualified pursuant to § 1023.12.

§ 1023.11 *Approved plant.* "Approved plant" means a pool plant or a distributing plant which is not a pool plant.

§ 1023.12 *Pool plant.* "Pool plant" means:

(a) A distributing plant from which a volume of Class I milk equal to not less than 35 percent of the Grade A milk received at such plant from dairy farmers and from other plants is disposed of during the month on routes (including routes operated by vendors) or through plant stores to retail or wholesale outlets (except pool plants) and not less than 15 percent of such receipts are so disposed of to such outlets in the marketing area: *Provided,* That if a portion of a plant is physically apart from the Grade A portion of such plant, is operated separately and is not approved by any health authorities for the receiving, processing or packaging of any fluid milk product for Grade A disposition, it shall not be considered as part of a pool plant pursuant to this section.

(b) A supply plant from which the volume of fluid milk products shipped during the month to pool plants qualified pursuant to paragraph (a) or (c) of this section is equal to not less than 35 percent of the Grade A milk received at such plant from dairy farmers during such month: *Provided,* That if such shipments are not less than 50 percent of the receipts of Grade A milk directly from dairy farmers at such plant during the immediately preceding period of September through November, such plant shall be a pool plant for the months of March through June, unless written application is filed with the market administrator on or before the 15th day of any of the months of March, April, May, or June to be designated a nonpool plant for such month and for each subsequent month through June of the same year: *And provided further,* That if a portion of a plant is physically apart from the Grade A portion of such plant, is operated separately and is not approved by any health authority for the receiving, processing or packaging of any fluid milk product for Grade A disposition, it shall not be considered as part of a pool plant pursuant to this section.

(c) A plant operated by a cooperative association whose members are the majority of the total number of producers shipping to pool plants of other handlers during the month: *Provided,* That if a portion of such association's plant is physically apart from the Grade A portion of such plant, is operated separately and is not approved by any health authority for the receiving, processing or packaging of any fluid milk product for Grade A disposition, it shall not be considered as part of a pool plant pursuant to this section.

§ 1023.13 *Nonpool plant.* "Nonpool plant" means any plant other than a pool plant which receives milk from dairy farmers or is a milk manufacturing, processing or bottling plant.

§ 1023.14 *Handler.* "Handler" means: (a) Any person in his capacity as the operator of one or more approved plants, or (b) any cooperative association with respect to the milk from approved dairy farmers diverted by the association for the account of such association from an approved plant to a nonpool plant.

§ 1023.15 *Producer-handler.* "Producer-handler" means any person who operates a dairy farm and a distributing plant but who receives no milk from approved dairy farmers or from sources other than approved plants.

§ 1023.16 *Approved milk.* "Approved milk" means the skim milk and butterfat contained in milk received at an approved plant directly from an approved dairy farmer: *Provided,* That milk diverted from an approved plant to a nonpool plant for the account of either the operator of the approved plant or a cooperative association shall be deemed to have been received by the diverting handler at the plant from which diverted: *And provided further,* That in any of the months of July through March milk diverted from the farm of an approved dairy farmer on more than the number of days that milk was delivered to an approved plant from such farm during the month shall not be deemed to have been received by the diverting handler at the plant from which diverted on such days.

§ 1023.17 *Producer milk.* "Producer milk" means approved milk which is received at a pool plant.

§ 1023.18 *Fluid milk product.* "Fluid milk product" means milk, skim milk, buttermilk, milk drinks (plain or flavored), cream or any mixture in fluid form of skim milk and cream (except aerated cream products, sour cream, ice cream mix, evaporated or condensed milk, and sterilized products packaged in hermetically sealed containers).

§ 1023.19 *Other source milk.* "Other source milk" means all skim milk and butterfat contained in or represented by:

(a) Receipts during the month in the form of fluid milk products except (1) fluid milk products received from pool plants, (2) approved milk, or (3) inventory at the beginning of the month; and

(b) Products other than fluid milk products from any source (including those produced at the plant) which are reprocessed or converted to another product in the plant during the month.

§ 1023.20 *Base zone.* "Base zone" means all the territory within the boundaries of Polk County, Iowa.

§ 1023.21 *Chicago butter price.* "Chicago butter price" means the simple average as computed by the market administrator of the daily wholesale selling prices (using the midpoint of any range as one price) per pound of Grade A (92-score) bulk creamery butter at Chicago as reported during the month by the Department.

MARKET ADMINISTRATOR

§ 1023.25 *Designation.* The agency for the administration of this part shall be a market administrator, selected by the Secretary, who shall be entitled to such compensation as may be determined by, and shall be subject to removal at the discretion of, the Secretary.

§ 1023.26 *Powers.* The market administrator shall have the following powers with respect to this part:

(a) To administer its terms and provisions;

(b) To receive, investigate, and report to the Secretary complaints of violations;

(c) To make rules and regulations to effectuate its terms and provisions; and

(d) To recommend amendments to the Secretary.

§ 1023.27 *Duties.* The market administrator shall perform all duties necessary to administer the terms and provisions of this part, including but not limited to, the following:

(a) Within 45 days following the date on which he enters upon his duties, or such lesser period as may be prescribed by the Secretary, execute and deliver to the Secretary a bond, effective as of the date on which he enters upon his duties and conditioned upon the faithful performance of such duties, in an amount and with surety thereon satisfactory to the Secretary;

(b) Employ and fix the compensation of such persons as may be necessary to enable him to administer its terms and provisions;

(c) Obtain a bond in a reasonable amount and with reasonable surety thereon covering each employee who handles funds entrusted to the market administrator;

(d) Pay out of the funds provided by § 1023.88 the cost of his bond and of the bonds of his employees, his own compensation, and all other expenses, except those incurred under § 1023.87, necessarily incurred by him in the maintenance and functioning of his office and in the performance of his duties;

(e) Keep such books and records as will clearly reflect the transactions provided for in this part, and, upon request by the Secretary, surrender the same to such person as the Secretary may designate;

(f) Publicly announce, at his discretion, unless otherwise directed by the Secretary, by posting in a conspicuous place in his office and by such other means as he deems appropriate, the name of any person who, after the date upon which he is required to perform such acts, has not made reports pursuant to §§ 1023.30 and 1023.31 or payments pursuant to §§ 1023.62, 1023.80, 1023.84, 1023.86, 1023.87, and 1023.88;

(g) Submit his books and records to examination by the Secretary and furnish such information and reports as may be required by the Secretary;

(h) Prepare and disseminate publicly such statistics and informations as he deems advisable and as do not reveal confidential information;

(i) Verify all reports and payments of each handler by audit, if necessary, of such handler's records and the records of any other handler or person upon whose utilization the classification of skim milk and butterfat for such handler depends, or by such investigation as the market administrator deems necessary;

(j) Publicly announce and notify each handler in writing on or before:

(1) The 5th day of each month, the minimum price for Class I milk pursuant

to § 1023.50 (a) and the Class I butterfat differential pursuant to § 1023.51 (a), both for the current month; and the minimum price for Class II milk pursuant to § 1023.50 (b) and the Class II butterfat differential pursuant to § 1023.51 (b) both for the preceding month; and

(2) The 10th day after the end of each month, the uniform price pursuant to § 1023.72, and the butterfat differential pursuant to § 1023.81; and

(k) On or before the 10th day after the end of each month, report to each cooperative association, which so requests, the percentage of the milk caused to be delivered by the cooperative association or by its members to the pool plant of each handler during the month that was utilized in each class. For the purpose of this report the milk so delivered shall be allocated to each class in the same ratio as all producer milk received at such plant during the month.

REPORTS, RECORDS AND FACILITIES

§ 1023.30 *Reports of receipts and utilization.* On or before the 7th day after the end of each month each handler, except a producer-handler, shall report to the market administrator for such month, reporting separately for each of his approved plants, in the detail and on forms prescribed by the market administrator:

(a) The quantities of skim milk and butterfat contained in or represented by receipts of approved milk;

(b) The quantities of skim milk and butterfat contained in or represented by fluid milk products received from pool plants;

(c) The quantities of skim milk and butterfat contained in or represented by other source milk;

(d) The quantities of skim milk and butterfat contained in or represented by approved milk diverted to nonpool plants pursuant to § 1023.16;

(e) Inventories of fluid milk products on hand at the beginning and end of the month; and

(f) The utilization of all skim milk and butterfat required to be reported pursuant to this section, including a separate statement of the disposition of Class I milk outside the marketing area.

§ 1023.31 *Other reports.* (a) Each producer-handler shall make reports to the market administrator at such time and in such manner as the market administrator may prescribe.

(b) Each handler, except a producer-handler, shall report to the market administrator in detail and on forms prescribed by the market administrator:

(1) On or before the 20th day after the end of the month for each of his pool plants his producer payroll for such month which shall show for each producer: (i) His name and address, (ii) the total pounds of milk received from such producer, (iii) the number of days, if less than the entire month, for which milk was received from such producer, (iv) the average butterfat content of such milk, and (v) the net amount of such handler's payment, together with the price paid and the amount and nature of any deductions;

(2) On or before the first day other source milk is received in the form of any fluid milk product at his pool plant, his intention to receive such product, and on or before the last day such product is received, his intention to discontinue receipt of such product;

(3) Prior to his diversion of producer milk to a nonpool plant, his intention to divert such milk, the proposed date or dates of such diversion and the plant to which such milk is to be diverted; and

(4) Such other information with respect to the utilization of butterfat and skim milk as the market administrator may prescribe.

§ 1023.32 *Records and facilities.* Each handler shall maintain and make available to the market administrator or to his representative during the usual hours of business such accounts and records of his operations, together with such facilities as are necessary for the market administrator to verify or establish the correct data with respect to:

(a) The receipts and utilization of all skim milk and butterfat handled in any form during the month;

(b) The weights and butterfat and other content of all milk, skim milk, cream, and other milk products handled during the month;

(c) The pounds of skim milk and butterfat contained in or represented by all milk products on hand at the beginning and end of each month; and

(d) Payments to approved dairy farmers and cooperative associations including the amount and nature of any deductions and the disbursement of money so deducted.

§ 1023.33 *Retention of records.* All books and records required under this part to be made available to the market administrator shall be retained by the handler for a period of 3 years to begin at the end of the month to which such books and records pertain: *Provided,* That if, within such 3-year period, the market administrator notifies the handler in writing that the retention of such books and records is necessary in connection with a proceeding under section 8c (15) (A) of the act or a court action specified in such notice, the handler shall retain such books and records, or specified books and records, until further written notification from the market administrator. In either case, the market administrator shall give further written notification to the handler promptly upon the termination of the litigation or when the records are no longer necessary in connection therewith.

CLASSIFICATION

§ 1023.40 *Skim milk and butterfat to be classified.* The skim milk and butterfat which are required to be reported pursuant to § 1023.30 shall be classified each month by the market administrator, pursuant to the provisions of §§ 1023.41 to 1023.46.

§ 1023.41 *Classes of utilization.* Subject to the conditions set forth in § 1023.44 the classes of utilization shall be as follows:

(a) *Class I milk.* Class I milk shall be all skim milk (including concentrated and reconstituted skim milk) and butterfat (1) disposed of in the form of a fluid milk product (except as provided in paragraph (b) (2) of this section) and (2) not accounted for as Class II milk.

(b) *Class II milk.* Class II milk shall be (1) skim milk and butterfat used to produce any product other than a fluid milk product; (2) skim milk disposed of for livestock feed or dumped if the market administrator has been notified in advance and afforded the opportunity of verifying such dumping; (3) skim milk and butterfat contained in inventory of fluid milk products on hand at the end of the month; and (4) skim milk and butterfat in shrinkage allocated to receipts of approved milk and other source milk (except milk diverted to a nonpool plant pursuant to § 1023.16) but not in excess of 2 percent of such receipts of skim milk and butterfat, respectively.

§ 1023.42 *Shrinkage.* The market administrator shall allocate shrinkage over a handler's receipts as follows:

(a) Compute the total shrinkage of skim milk and butterfat at each approved plant; and

(b) Prorate the resulting amounts between the receipts of skim milk and butterfat contained in approved milk and other source milk.

§ 1023.43 *Responsibility of handlers and reclassification of milk.* All skim milk and butterfat shall be Class I milk unless the handler who first receives such skim milk or butterfat can prove to the market administrator that such skim milk or butterfat should be classified otherwise.

§ 1023.44 *Transfers.* Skim milk or butterfat disposed of each month from an approved plant shall be classified:

(a) As Class I milk, if transferred in the form of a fluid milk product to a pool plant unless utilization as Class II milk is claimed for both plants on the reports submitted for the month to the market administrator pursuant to § 1023.30: *Provided,* That the skim milk or butterfat so assigned to Class II milk shall be limited to the amount thereof remaining in Class II milk in the plant of the transferee-handler after the subtraction of other source milk pursuant to § 1023.46 and any additional amounts of such skim milk or butterfat shall be classified as Class I milk: *Provided further,* That if the transferor plant is a nonpool plant the skim milk or butterfat transferred shall be classified as Class I milk and as Class II milk in the same ratio as other source milk at the transferee plant is allocated to each class pursuant to § 1023.46 (a) (2) and the corresponding step in paragraph (b) thereof: *And provided further,* That if other source milk was received at either or both plants the skim milk or butterfat so transferred shall be classified at both plants so as to allocate the greatest possible Class I utilization to the producer milk of both handlers;

(b) As Class I milk, if transferred to a producer-handler in the form of a fluid milk product;

(c) As Class I milk, if transferred or diverted in the form of a fluid milk product to a nonpool plant located more than 150 miles, by the shortest highway distance as determined by the market administrator, from the nearest of the Post Offices of Corydon, Creston, Des Moines, Grinnell, Jefferson and Ottumwa, Iowa; and

(d) As Class I milk if transferred or diverted in the form of a fluid milk product in bulk to a nonpool plant located not more than 150 miles, by the shortest highway distance as determined by the market administrator, from the nearest of the Post Office of Corydon, Creston, Des Moines, Grinnell, Jefferson and Ottumwa, unless:

(1) The transferring or diverting handler claims classification in Class II milk in his report submitted to the market administrator pursuant to § 1023.30 for the month within which such transactions occurred;

(2) The operator of such nonpool plant maintains books and records showing the utilization of all skim milk and butterfat received at such plant which are made available if requested by the market administrator for the purpose of verification; and

(3) The skim milk and butterfat in the fluid milk products (except in ungraded cream disposed of for manufacturing uses) disposed of from such nonpool plant do not exceed the receipts of skim milk and butterfat in milk received during the month from dairy farmers who the market administrator determines constitute the regular source of supply for such plant: *Provided*, That any skim milk or butterfat in fluid milk products (except in ungraded cream disposed of for manufacturing uses) disposed of from the nonpool plant which is in excess of receipts from such dairy farmers shall be assigned to the fluid milk products so transferred or diverted and classified as Class I milk: *And provided further*, That if the total skim milk and butterfat which were transferred or diverted during the month to such nonpool plant from all plants subject to the classification and pricing provisions of this part and other orders issued pursuant to the act is more than the skim milk and butterfat available for assignment to Class I milk pursuant to the preceding proviso hereof, the skim milk and butterfat assigned to Class I milk at an approved plant shall be not less than that obtained by prorating the assignable Class I milk at the transferee plant over the receipts at such plant from all plants subject to the classification and pricing provisions of this and other orders issued pursuant to the act.

§ 1023.45 *Computation of the skim milk and butterfat in each class.* For each month the market administrator shall correct for mathematical and for other obvious errors the reports of receipts and utilization for each approved plant and shall compute the pounds of butterfat and skim milk in each class at each such plant: *Provided*, That if any of the water contained in the milk from which a product is made is removed before the product is utilized or disposed of by a handler, the pounds of skim milk disposed of in such product shall be considered to be an amount equivalent to the nonfat milk solids contained in such product plus all of the water reasonably associated with such solids in the form of whole milk.

§ 1023.46 *Allocation of skim milk and butterfat classified.* After making the computations pursuant to § 1023.45, the market administrator shall determine the classification of approved milk received at each approved plant each month as follows:

(a) Skim milk shall be allocated in the following manner:

(1) Subtract from the total pounds of skim milk in Class II milk the pounds of skim milk assigned to approved milk pursuant to § 1023.41 (b) (4);

(2) Subtract from the remaining pounds of skim milk in each class, in series beginning with Class II milk, the pounds of skim milk in other source milk received in the form of fluid milk products which were not subject to the Class I pricing provisions of an order issued pursuant to the act;

(3) Subtract from the remaining pounds of skim milk in each class, in series beginning with Class II milk, the pounds of skim milk in other source milk other than that received in the form of fluid milk products;

(4) Subtract from the remaining pounds of skim milk in Class II milk an amount equal to such remainder, or the product obtained by multiplying the pounds of skim milk in approved milk by 0.05, whichever is less;

(5) Subtract from the remaining pounds of skim milk in each class, in series beginning with Class II milk, the pounds of skim milk in other source milk which were received in the form of fluid milk products which are subject to the Class I pricing provisions of another order issued pursuant to the act;

(6) Add to the pounds of skim milk remaining in Class II milk the pounds of skim milk subtracted pursuant to subparagraph (4) of this paragraph;

(7) Subtract from the remaining pounds of skim milk in each class the skim milk in fluid milk products received from pool plants according to the classification of such products as determined pursuant to § 1023.44 (a);

(8) Subtract from the remaining pounds of skim milk in each class, in series beginning with Class II milk, the pounds of skim milk contained in inventory of fluid milk products on hand at the beginning of the month; and

(9) Add to the pounds of skim milk remaining in Class II milk the pounds of skim milk subtracted pursuant to subparagraph (1) of this paragraph and if the remaining pounds of skim milk in both classes exceed the pounds of skim milk contained in approved milk, subtract such excess from the remaining pounds of skim milk in series beginning with Class II. Any amount of excess so subtracted shall be called "overage".

(b) Butterfat shall be allocated in accordance with the same procedure prescribed for skim milk in paragraph (a) of this section.

(c) Determine the weighted average butterfat content of approved milk remaining in each class computed pursuant to paragraphs (a) and (b) of this section.

MINIMUM PRICES

§ 1023.50 *Class prices.* Subject to the provisions of §§ 1023.51 and 1023.52 the class prices per hundredweight for the month shall be as follows:

(a) *Class I milk price.* The Class I milk price shall be the price for Class I milk established under Federal Order No. 41, as amended, regulating the handling of milk in the Chicago, Illinois, marketing area, plus 35 cents: *Provided*, That for milk received from approved dairy farmers at an approved plant outside the base zone the price otherwise applicable pursuant to this paragraph shall be reduced 10 cents.

(b) *Class II milk price.* The Class II milk price shall be computed as follows:

(1) Multiply by 4.24 the simple average, as computed by the market administrator, of the daily wholesale selling prices (using the midpoint of any price range as one price) of Grade AA (93-score) bulk creamery butter per pound at Chicago, as reported by the Department, during the delivery period: *Provided*, That if no price is reported for Grade AA (93-score) butter, the highest of the prices reported for Grade A (92-score) butter for that day shall be used in lieu of the price for Grade AA (93-score) butter;

(2) Multiply by 8.2 the weighted average of carlot prices for nonfat dry milk solids for human consumption, spray process, f. o. b. manufacturing plants in the Chicago area as published for the period from the 26th day of the immediately preceding month through the 25th day of the current month;

(3) Add into one sum the amounts obtained in subparagraphs (1) and (2) of this paragraph; and

(4) Subtract 75.2 cents therefrom.

§ 1023.51 *Butterfat differentials to handlers.* For milk containing more or less than 3.5 percent butterfat, the class prices for the month calculated pursuant to § 1023.50 shall be increased or decreased, respectively, for each one-tenth percent butterfat at the appropriate rate, rounded to the nearest one-tenth cent, determined as follows:

(a) *Class I price.* Multiply the Chicago butter price for the preceding month by 0.120.

(b) *Class II prices.* Multiply the Chicago butter price for the current month by 0.110.

§ 1023.52 *Location differentials to handlers.* For approved milk which is received at an approved plant located 60 miles or more from the Post Offices of Corydon, Creston, Des Moines, Grinnell, Jefferson, and Ottumwa, Iowa, by the shortest hard-surfaced highway distance as determined by the market administrator, and which is classified as Class I milk, the price specified in § 1023.50 shall be reduced by 10 cents for the first 75 miles or less and by 1.5 cents for each additional 10 miles or fraction thereof that such plant is from the nearest of the Post Offices of Corydon, Creston, Des Moines, Jefferson, Grinnell, and Ottumwa: *Provided*, That for the

purpose of calculating such location differential, fluid milk products which are transferred between approved plants shall be assigned to any remainder of Class II milk in the transferee-plant after making the calculations prescribed in § 1023.46 (a) (4), and the comparable steps in § 1023.46 (b) for such plant, such assignment to transferor plants to be made in sequence according to the location differential applicable at each plant, beginning with the plant having the largest differential.

§ 1023.53 *Use of equivalent prices.* If for any reason a price quotation required by this order for computing class prices or for other purposes is not available in the manner described, the market administrator shall use a price determined by the Secretary to be equivalent to the price which is required.

APPLICATION OF PROVISIONS

§ 1023.60 *Producer-handler.* Sections 1023.40 to 1023.46, 1023.50 to 1023.52, 1023.70 to 1023.72 and 1023.80 to 1023.88 shall not apply to a producer-handler.

§ 1023.61 *Plants subject to other Federal orders.* The provisions of this part shall not apply to a distributing plant or a supply plant during any month in which such plant would be subject to the classification and pricing provisions of another order issued pursuant to the act unless such plant is qualified as a pool plant pursuant to § 1023.12 and a greater volume of fluid milk products is disposed of from such plant to retail or wholesale outlets and to pool plants in the Des Moines marketing area than in the marketing area regulated pursuant to such other order: *Provided,* That the operator of a distributing plant or a supply plant which is exempt from the provisions of this part pursuant to this section shall, with respect to the total receipts and utilization or disposition of skim milk and butterfat at the plant, make reports to the market administrator at such time and in such manner as the market administrator may require (in lieu of the reports required pursuant to § 1023.30) and allow verification of such reports by the market administrator.

§ 1023.62 *Handlers operating nonpool plants.* Unless payment for approved milk at such plant is made pursuant to § 1023.80 (b), each handler in his capacity as the operator of a nonpool plant shall, on or before the 13th day after the end of each month, pay to the market administrator for deposit into the producer-settlement fund an amount obtained by multiplying the total hundredweight of butterfat and skim milk disposed of as Class I milk from such plant to retail or wholesale outlets (including sales by vendors and plant stores) in the marketing area during the month by the rate determined pursuant to § 1023.63.

§ 1023.63 *Rate of payment on unpriced milk.* The rate of payment per hundredweight to be made by handlers on unpriced other source milk allocated to Class I milk shall be any plus amount obtained by subtracting from the Class I price adjusted by the Class I butterfat and location differentials applicable at a pool plant of the same location as the nonpool plant supplying such other source milk:

(a) During the months of April, May and June, the Class II price adjusted by the Class II butterfat differential; and

(b) During the months of July through March, the uniform price pursuant to § 1023.72 adjusted by the Class I butterfat differential.

DETERMINATION OF UNIFORM PRICE

§ 1023.70 *Computation of value of milk at each approved plant.* The value of approved milk received during each month at each approved plant shall be a sum of money computed by the market administrator as follows:

(a) Multiply the pounds of milk in each class by the applicable class price and add together the resulting amounts;

(b) Add the amounts computed by multiplying the pounds of overage deducted from each class pursuant to § 1023.46 (a) (9) and the corresponding step of (b) by the applicable class prices;

(c) Add the amount obtained in multiplying the difference between the Class II price for the preceding month and the Class I price for the current month by the lesser of (1) the hundredweight of approved milk classified in Class II less shrinkage during the preceding month or (2) the hundredweight of milk subtracted from Class I pursuant to § 1023.46 (a) (8) and the corresponding step of (b);

(d) Add an amount calculated by multiplying the hundredweight of skim milk and butterfat subtracted from Class I milk pursuant to § 1023.46 (a) (2) and (3) and the corresponding step of (b) by the rate of payment on unpriced milk determined pursuant to § 1023.63 at the nearest nonpool plant(s) from which an equivalent amount of other source skim milk or butterfat was received: *Provided,* That if the source of any such fluid milk product received at an approved plant is not clearly established, or if such skim milk and butterfat is received or used in a form other than a fluid milk product, such product shall be considered to have been received from a source at the location of the approved plant where it is classified.

§ 1023.71 *Computation of aggregate value used to determine uniform price.* For each month the market administrator shall compute an aggregate value from which to determine the uniform price per hundredweight for producer milk of 3.5 percent butterfat content, f. o. b. plants located within the base zone, as follows:

(a) Combine into one total the values computed pursuant to § 1023.70 for all pool plants for which the reports prescribed in § 1023.30 for such month were made, except those in default of payments required pursuant to § 1023.84 for the preceding month;

(b) Add or subtract for each one-tenth percent that the average butterfat content of producer milk represented by the values included under paragraph (a) of this section is less or more, respectively, than 3.5 percent, an amount computed by multiplying such differences by the butterfat differential to producers, and multiplying the result by the hundredweight of such producer milk;

(c) Add an amount equal to the sum of the location differential deductions to be made pursuant to § 1023.82; and

(d) Add an amount equal to one-half of the unobligated cash balance in the producer-settlement fund.

§ 1023.72 *Computation of uniform price.* For each month the market administrator shall compute a uniform price for producer milk of 3.5 percent butterfat content f. o. b. pool plants located within the base zone, as follows:

(a) Divide the aggregate value computed pursuant to § 1023.71 by the total hundredweight of producer milk included in such computations; and

(b) Subtract not less than 4 cents nor more than 5 cents from the price computed pursuant to paragraph (a) of this section. The resulting figure shall be the uniform price for producer milk.

PAYMENT FOR MILK

§ 1023.80 *Time and method of payment.* (a) Each handler shall pay each producer for producer milk for which payment is not made to a cooperative association pursuant to paragraph (c) of this section, as follows:

(1) On or before the last day of each month, for producer milk received during the first 15 days of the month, at not less than the Class II price for the preceding month; and

(2) On or before the 15th day after the end of each month, for producer milk received during such month, an amount computed at not less than the uniform price adjusted pursuant to §§ 1023.81, 1023.82 and 1023.87 and less the payment made pursuant to subparagraph (1) of this paragraph.

(b) Unless payment is made to the producer-settlement fund pursuant to § 1023.62, each handler shall make payment on or before the 15th day after the end of each month to each approved dairy farmer for approved milk received from him during the month at an approved plant which is a nonpool plant at not less than the price per hundredweight, adjusted by the butterfat differential pursuant to § 1023.81, obtained by dividing the value of approved milk at such plant computed pursuant to § 1023.70 by the hundredweight of approved milk at such plant: *Provided,* That if the total amount paid to such approved dairy farmers is less than that prescribed by this paragraph, payment of the difference shall be made to the producer-settlement fund.

(c) Each handler shall make payment to a cooperative association for producer milk which it caused to be delivered to such handler, if such cooperative association is authorized to collect such payments for its members and exercises such authority, an amount equal to the sum of the individual payments otherwise payable for such producer milk, as follows:

(1) On or before the 26th day of each month for producer milk received during the first 15 days of the month; and

(2) On or before the 13th day after the end of each month for milk received during such month.

(d) In making the payments for producer milk pursuant to this section, each handler shall furnish each producer or cooperative association from whom he has received milk with a supporting statement in such form that it may be retained by the recipient, which shall show:

(1) The month and identity of the handler and of the producer;

(2) The daily and total pounds and the average butterfat content of producer milk;

(3) The minimum rate or rates at which payment to the producer is required pursuant to the order;

(4) The rate which is used in making the payment, if such rate is other than the applicable minimum rate;

(5) The amount or the rate per hundredweight and nature of each deduction claimed by the handler; and

(6) The net amount of payment to such producer or cooperative association.

§ 1023.81 *Butterfat differentials to producers.* The uniform price for producer milk shall be increased or decreased for each one-tenth of one percent that the butterfat content of such milk is above or below 3.5 percent, respectively, at the rate determined by multiplying the pounds of butterfat in producer milk allocated to Class I and Class II milk pursuant to § 1023.46 by the respective butterfat differential for each class, dividing the sum of such values by the total pounds of such butterfat, and rounding the resultant figure to the nearest one-tenth cent.

§ 1023.82 *Location differentials to producers.* (a) The uniform price for producer milk received at a pool plant located 60 miles or more from the Post Offices of Corydon, Creston, Des Moines, Grinnell, Jefferson, and Ottumwa, Iowa, by the shortest hard-surfaced highway distance as determined by the market administrator shall be reduced by 10 cents for the first 75 miles or less and by 1.5 cents for each additional 10 miles or fraction thereof that such plant is from the nearest of the Post Offices of Corydon, Creston, Des Moines, Grinnell, Jefferson, and Ottumwa; and

(b) The uniform price for producer milk received at a pool plant outside the base zone shall be reduced 10 cents.

§ 1023.83 *Producer-settlement fund.* The market administrator shall maintain a separate fund known as the "producer-settlement fund" into which he shall deposit all payments made to such fund and out of which he shall make all payments from such fund pursuant to §§ 1023.62, 1023.80, 1023.84, 1023.85, and 1023.86: *Provided,* That the market administrator shall offset the payment due to a handler against payments due from such handler.

§ 1023.84 *Payments to the producer-settlement fund.* On or before the 12th day after the end of each month each handler shall pay to the market administrator the amount by which the obligation pursuant to § 1023.80 of such handler for producer milk received during the month is less than the value of such producer milk pursuant to § 1023.70.

§ 1023.85 *Payments out of the producer-settlement fund.* On or before the 13th day after the end of each month the market administrator shall pay to each handler the amount by which the obligation, pursuant to § 1023.80, of such handler for producer milk received during the month exceeds the value of such producer milk pursuant to § 1023.70: *Provided,* That if the balance in the producer-settlement fund is insufficient to make all payments pursuant to this section, the market administrator shall reduce uniformly such payments and shall complete such payments as soon as the necessary funds are available. A handler who has not received the balance of such payments from the market administrator shall not be considered in violation of § 1023.80 if he reduces his payments to producers by not more than the amount of the reduction in payment from the producer-settlement fund.

§ 1023.86 *Adjustment of accounts.* Whenever verification by the market administrator of reports or payments of any handler discloses errors in payments to or from the producer-settlement fund pursuant to §§ 1023.84 and 1023.85, the market administrator shall promptly bill such handler for any unpaid amounts and such handler shall, within 15 days of such billing, make payments to the market administrator of the amount so billed. Whenever verification discloses that payment is due from the market administrator to any handler, the market administrator shall, within 15 days, make such payment to such handler. Whenever verification by the market administrator of the payment by a handler to any producer or to a cooperative association discloses payment of an amount less than is required by § 1023.80 the handler shall make up such payment to the producer or cooperative association not later than the time of making payment next following such disclosure.

§ 1023.87 *Marketing services.* (a) Except as set forth in paragraph (b) of this section, each handler in making payments to each producer pursuant to § 1023.80 shall deduct 5 cents per hundredweight or such lesser amount as the Secretary may prescribe with respect to producer milk received by such handler (except such handler's own farm production) during the month, and shall pay such deductions to the market administrator not later than the 15th day after the end of the month. Such money shall be used by the market administrator to verify or establish weights, samples, and tests of producer milk and to provide producers with market information. Such services shall be performed in whole or in part by the market administrator or by an agent engaged by and responsible to him.

(b) In the case of producers for whom a cooperative association is performing, as determined by the Secretary, the services set forth in paragraph (a) of this section, each handler shall make, in lieu of the deductions specified in paragraph (a) of this section, such deductions as are authorized by such producers and, on or before the 15th day after the end of each month, pay over such deductions to the association rendering such services.

§ 1023.88 *Expense of administration.* As his pro rata share of the expense of the administration of the order, each handler shall pay to the market administrator on or before the 15th day after the end of each month 4 cents per hundredweight or such lesser amount as the Secretary may prescribe with respect to butterfat and skim milk contained in (a) producer milk, (b) other source milk at a pool plant which is allocated to Class I milk pursuant to § 1023.46, and (c) approved milk received at a nonpool plant: *Provided,* That if payment for such milk is not made pursuant to § 1023.80 (b), the expense of administration payable pursuant to this section shall be applicable only to the Class I milk disposed of in the marketing area (except to a pool plant) from such plant.

§ 1023.89 *Termination of obligations.* The provisions of this section shall apply to any obligation under this part for the payment of money.

(a) The obligation of any handler to pay money required to be paid under the terms of this order shall, except as provided in paragraph (b) and (c) of this section, terminate two years after the last day of the calendar month during which the market administrator received the handler's utilization report on milk involved in such obligation, unless within such two-year period the market administrator notifies the handler in writing that such money is due and payable. Service of such notice shall be complete upon mailing to the handler's last known address, and it shall contain, but need not be limited to, the following information:

(1) The amount of the obligation;

(2) The month(s) during which the milk, with respect to which the obligation exists, was received or handled; and

(3) If the obligation is payable to one or more producers or to an association of producers, the name of such producer(s) or association of producers, or if the obligation is payable to the market administrator, the account for which it is to be paid.

(b) If a handler fails or refuses, with respect to any obligation under this part, to make available to the market administrator or his representative all books and records required by this order to be made available, the market administrator may, within the two-year period provided for in paragraph (a) of this section, notify the handler in writing of such failure or refusal. If the market administrator so notifies a handler, the said two-year period with respect to such obligation shall not begin to run until the first day of the calendar month following the month during which all such books and records pertaining to such obligation are made available to the market administrator or his representatives.

(c) Notwithstanding the provisions of paragraphs (a) and (b) of this section, a handler's obligation under this part to pay money shall not be terminated with respect to any transaction involving fraud or willful concealment of a

fact, material to the obligation, on the part of the handler against whom the obligation is sought to be imposed.

(d) Any obligation on the part of the market administrator to pay a handler any money which such handler claims to be due him under the terms of this part shall terminate two years after the end of the calendar month during which the milk involved in the claim was received if an underpayment is claimed, or two years after the end of the calendar month during which the payment (including deduction or set-off by the market administrator) was made by the handler if a refund on such payment is claimed, unless such handler within the applicable period of time, files pursuant to section 8c (15) (a) of the act, a petition claiming such money.

EFFECTIVE TIME, SUSPENSION OR TERMINATION

§ 1023.90 *Effective time.* The provisions of this part, or any amendments to this part, shall become effective at such time as the Secretary may declare and shall continue in force until suspended or terminated.

§ 1023.91 *Suspension or termination.* The Secretary shall suspend or terminate any or all of the provisions of this part, whenever he finds that it obstructs or does not tend to effectuate the declared policy of the act. The part shall, in any event, terminate whenever the provisions of the act authorizing it cease to be in effect.

§ 1023.92 *Continuing power and duty of the market administrator.* (a) If, upon the suspension or termination of any or all of the provisions of this part, there are any obligations arising under this part, the final accrual or ascertainment of which requires further acts by any handler, by the market administrator, or by any other person, the power and duty to perform such further acts shall continue notwithstanding such suspension or termination: *Provided,* That any such acts required to be performed by the market administrator shall if the Secretary so directs, be performed by such other person, persons, or agency as the Secretary may designate.

(b) The market administrator, or such other person as the Secretary may designate shall (1) continue in such capacity until discharged by the Secretary; (2) from time to time account for all receipts and disbursements and deliver all funds or property on hand together with the books and records of the market administrator or such person, to such person as the Secretary shall direct; and (3) if so directed by the Secretary execute such assignment or other instruments necessary or appropriate to vest in such person full title to all funds, property, and claims vested in the market administrator or such person pursuant thereto.

§ 1023.93 *Liquidation after suspension or termination.* Upon the suspension or termination of any or all provisions of this part the market administrator, or such person as the Secretary may designate, shall if so directed by the Secretary, liquidate the business of the market administrator's office and dispose of all funds and property then in his possession or under this control, together with claims for any funds which are unpaid or owing at the time of such suspension or termination. Any funds collected pursuant to the provisions of this part, over and above the amounts necessary to meet outstanding obligations and the expenses necessarily incurred by the market administrator or such person in liquidating such funds, shall be distributed to the contributing handlers and producers in an equitable manner.

MISCELLANEOUS PROVISIONS

§ 1023.100 *Separability of provisions.* If any provision of this part, or its application to any person or circumstances, is held invalid, the application of such provision, and of the remaining provisions of this part, to other persons or circumstances shall not be affected thereby.

§ 1023.101 *Agents.* The Secretary may, by designation in writing, name any officer or employee of the United States to act as his agent or representative in connection with any of the provisions of this part.

[F. R. Doc. 58-5990; Filed, Aug. 4, 1958; 8:49 a. m.]

CIVIL AERONAUTICS BOARD

[14 CFR Ch. I]

[Economic Regs., Draft Release No. 95-A]

OPERATIONS PERMITTED BY FOREIGN AIR CARRIERS

SUPPLEMENTAL NOTICE OF PROPOSED RULEMAKING; EXTENSION OF TIME TO SUBMIT COMMENTS

JULY 30, 1958.

The Board gave notice in 23 F. R. 4704 and by circulation of Civil Air Regulations Draft Release No. 95, dated June 20, 1958, that it had under consideration an interpretative rule relating to certain aspects of the authority of holders of foreign air carrier permits issued pursuant to section 402 of the act (Docket No. 9240). In its notice the Board requested that interested parties submit such comments as they may desire not later than August 7, 1958.

The Board has been requested to extend the date for return of comments on the questions outlined in its aforesaid Notice to August 28, 1958.

The undersigned, acting under authority duly delegated to him by the Board, finds that good cause has been shown for the aforestated request and that the request is reasonable and not inconsistent with the public interest. Notice, therefore, is hereby given that the time within which comments on Draft Release No. 95 will be received is extended to August 28, 1958.

(Sec. 205 of the Civil Aeronautics Act, as amended, 52 Stat. 984; 49 U. S. C. 425)

[SEAL] FRANKLIN M. STONE,
General Counsel.

[F. R. Doc. 58-6014; Filed, Aug. 4, 1958; 8:55 a. m.]

NOTICES

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

CYPRESS AUCTION YARD ET AL.

PROPOSED POSTING OF STOCKYARDS

The Director of the Livestock Division, Agricultural Marketing Service, United States Department of Agriculture, has information that the livestock markets named below are stockyards as defined in section 302 of the Packers and Stockyards Act, 1921, as amended (7 U. S. C. 202), and should be made subject to the provisions of the act.

Cypress Auction Yard, Cypress, California.
Owen Brothers Livestock Commission Company, Texarkana, Texas.

Notice is hereby given, therefore, that the said Director, pursuant to authority delegated under the Packers and Stockyards Act, 1921, as amended (7 U. S. C. 181 et seq.), proposes to issue a rule designating the stockyards named above as posted stockyards subject to the provisions of the act, as provided in section 302 thereof.

Any person who wishes to submit written data, views, or arguments concerning the proposed rule may do so by filing them with the Director, Livestock Division, Agricultural Marketing Service, United States Department of Agriculture, Washington 25, D. C., within 15 days after publication thereof in the FEDERAL REGISTER.

Done at Washington, D. C., this 30th day of July, 1958.

[SEAL] DAVID M. PETTUS,
Director,
Livestock Division,
Agricultural Marketing Service.

[F. R. Doc. 58-5992; Filed, Aug. 4, 1958; 8:50 a. m.]

JONESBORO STOCKYARDS, INC.

DEPOSTING OF STOCKYARD

It has been ascertained that the Jonesboro Stockyards, Inc., Jonesboro, Arkansas, originally posted on June 20, 1941, as being subject to the Packers

and Stockyards Act, 1921, as amended (7 U. S. C. 181 et seq.), no longer comes within the definition of a stockyard under said act for the reason that it is no longer being conducted or operated as a public market. Accordingly, notice is given to the owner thereof and to the public that such livestock market is no longer subject to the provisions of the act.

Notice or other public procedure has not preceded promulgation of the foregoing rule since it is found that the giving of such notice would prevent the due and timely administration of the Packers and Stockyards Act and would, therefore, be impracticable and contrary to the public interest. There is no legal warrant or justification for not depositing promptly a stockyard which no longer is within the definition of that term contained in said act.

The foregoing is in the nature of a rule granting an exemption or relieving a restriction and, therefore, may be made effective in less than 30 days after publication in the FEDERAL REGISTER. This notice shall become effective upon publication in the FEDERAL REGISTER.

(42 Stat. 159, as amended and supplemented; 7 U. S. C. 181 et seq.)

Done at Washington, D. C., this 30th day of July 1958.

[SEAL] DAVID M. PETTUS,
Director,
Livestock Division,
Agricultural Marketing Service.

[F. R. Doc. 58-5993; Filed, Aug. 4, 1958; 8:50 a. m.]

CERTAIN OFFICIALS

DELEGATION OF AUTHORITY TO EXECUTE CERTAIN DOCUMENTS AND FUNCTIONS

Pursuant to the assignment of functions and the authority delegated (22 F. R. 1452) to the undersigned, the following delegations of authority and assignment of functions are hereby made:

1. Authority is hereby delegated to the various Market Administrators of Federal Milk Orders, to the various marketing specialists of the Market Orders Branch, Dairy Division, and to the various marketing specialists of the Fruit and Vegetable Division, charged with the responsibility of representing said Director in the respective areas, to perform the functions of the Deputy Administrator prescribed by the general regulations in section 900.4 (b) and (c) as follows:

(a) Except in the case of a new program pursuant to the Agricultural Marketing Agreement Act of 1937, as amended, (7 U. S. C. 601 et seq.), the various market administrators of Federal Milk orders in respect to a hearing regarding an order administered by him, shall mail a true copy of the notice of hearing to each of the persons known to him to be interested in the hearing, based upon records available to the market administrator in the respective area, as required by the General Regulations in § 900.4 (b) (1) (ii), (23 F. R. 4027), and execute an affidavit or certificate as therein prescribed.

(b) In the case of new programs and programs in operation pursuant to the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), the various marketing specialists of the Market Orders Branch, Dairy Division, charged with the responsibility of representing the Director in connection with hearings regarding proposed milk orders or amendments to existing milk orders with respect to which a notice of hearing has been issued, shall, except as notification has been given pursuant to paragraph 1 (a) hereof, mail a true copy of the notice of hearing to each of the persons known to such representatives to be interested in such hearing as required by the General Regulations in § 900.4 (b) (1) (ii), (23 F. R. 4027), and execute the affidavit or certificate as therein prescribed.

(c) The marketing specialist of the Fruit and Vegetable Division, charged with the responsibility of representing the Director in the respective areas subject to regulation by the order or the proposed order in question concerning other than milk with respect to which a notice of hearing has been issued, shall mail a true copy of the notice of hearing to each of the persons, disclosed by the information available to such representative in the respective areas subject to regulation or proposed to be regulated, to be interested in such hearing as required by the General Regulations in § 900.4 (b) (1) (ii), (23 F. R. 4027), and execute the affidavit or certificate as therein prescribed.

2. Authority is hereby delegated to the Information Specialists, Marketing Information Division, Agricultural Marketing Service, in Washington, D. C., or in the various area offices, to make available a copy of the press release issued by the Department to such newspapers in the area, subject to regulation, or proposed to be subjected to regulation, as will tend to bring the notice to the attention of interested persons as required by § 900.4 (b) (1) (iii) of the general regulations (23 F. R. 4027) and to execute the affidavit or certificate as therein prescribed.

3. Authority is hereby delegated to the Hearing Clerk, United States Department of Agriculture, to notify the Governors of the several states of the United States and the Executive Heads of the Territories and Possessions of the United States as the Deputy Administrator has determined shall be notified, by forwarding copies of the notice of hearing to them, as required by § 900.4 (b) (1) (iv) of the general regulations (23 F. R. 4027). Hereafter, where a determination has been made with respect to an order, the same officials shall be notified with respect to a later hearing on such order until such determination has been amended, and to execute the affidavit or certificate as therein prescribed.

4. If for any reason, any officer or employee of the Department, assigned functions hereunder, finds it impractical or impossible to give the notice involved with respect to any hearing, he shall immediately notify the Director concerned of such facts with the reasons for his so finding in order that a decision may be made as to the need for a determination being filed in the proceeding as prescribed in § 900.4 (c) of said regulations.

Done at Washington, D. C., this 31st day of July 1958, to become effective upon publication in the FEDERAL REGISTER.

[SEAL] H. L. FOREST,
Director, Dairy Division, Agricultural Marketing Service.

FRANKLIN THACKREY,
Director, Marketing Information Division, Agricultural Marketing Service.

G. R. GRANGE,
Acting Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[F. R. Doc. 58-6009; Filed, Aug. 4, 1958; 8:54 a. m.]

Office of the Secretary

ADMINISTRATOR, COMMODITY STABILIZATION SERVICE

DELEGATION OF AUTHORITY TO AUTHORIZE SETOFF

The Administrator, Commodity Stabilization Service, is hereby delegated the authority to specifically authorize setoff pursuant to § 13.3 (e) of the setoff regulations published in the FEDERAL REGISTER, dated May 30, 1958 (23 F. R. 3757). The authority delegated hereunder may be redelegated by the said Administrator.

Issued this 31st day of July 1958.

[SEAL] MARVIN L. MCLAIN,
Acting Secretary.

[F. R. Doc. 58-6013; Filed, Aug. 4, 1958; 8:55 a. m.]

ATOMIC ENERGY COMMISSION

[Docket No. 50-109]

AMERICAN MACHINE & FOUNDRY CO.

NOTICE OF FILING OF APPLICATION FOR FACILITY EXPORT LICENSE

Please take notice that American Machine & Foundry Company, 261 Madison Avenue, New York 16, New York, has submitted an application dated June 11, 1958, for a license to export a 5,000 kilowatt tank-type research reactor to Osterreichische Studiengesellschaft Fur Atomenergie Gesellschaft m. b. h., Austria.

Pursuant to section 104 of the Atomic Energy Act of 1954 and Title 10, CFR, Chapter I, Part 50, "Licensing of Production and Utilization Facilities", and upon finding that (a) the reactor proposed to be exported is a utilization facility as defined in said Act and regulations and (b) the issuance of a license for the export thereof is within the scope of and is consistent with the terms of an agreement for cooperation with the Government of Austria, the Commission may issue a facility export license au-

thorizing the export of the reactor to Austria.

In its review of applications for licenses sought solely to authorize the export of production or utilization facilities, the Commission does not evaluate the health and safety characteristics of the subject reactors.

In accordance with the procedures set forth in the Commission's rules of practice (10 CFR Part 2) a petition for leave to intervene in these proceedings must be served upon the parties and filed with the Atomic Energy Commission within 30 days after the filing of this notice with the Federal Register Division.

Dated at Germantown, Md., this 30th day of June 1958.

For the Atomic Energy Commission.

E. R. PRICE,
Acting Director, Division of Licensing and Regulation.

[F. R. Doc. 58-6091; Filed, Aug. 1, 1958; 4:01 p. m.]

CIVIL AERONAUTICS BOARD

[Docket No. 9746]

AEROVIAS "Q" S. A.

NOTICE OF HEARING

In the matter of the application of Aerovias "Q" S. A. for an amendment of its foreign air carrier permit authorizing foreign air transportation of persons, property and mail between Havana, Cuba, and Palm Beach, Florida, by including Fort Lauderdale, Florida, as a co-terminal point with Palm Beach on said route.

Notice is hereby given that the hearing in the above-entitled proceeding is assigned to be held on August 11, 1958, at 10:00 a. m., e. d. s. t., in Room 1510, Temporary Building No. 4, 17th Street and Constitution Avenue NW., Washington, D. C., before Examiner Richard A. Walsh.

Dated at Washington, D. C., July 29, 1958.

[SEAL] FRANCIS W. BROWN,
Chief Examiner.

[F. R. Doc. 58-6015; Filed, Aug. 4, 1958; 8:55 a. m.]

FEDERAL POWER COMMISSION

[Docket No. G-15546]

TEXAS CO.

ORDER FOR HEARING, SUSPENDING PROPOSED CHANGE IN RATE AND ALLOWING INCREASED RATE TO BECOME EFFECTIVE

JULY 30, 1958.

The Texas Company (Operator) (Respondent), on June 27, 1958, tendered for filing a proposed change in its presently effective rate schedule for the sale of natural gas subject to the jurisdiction of the Commission. The proposed change, which constitutes an increased rate and charge, is contained in the following designated filing:

Description: Notice of change, undated.
Purchaser: United Fuel Gas Company.
Rate schedule designation: Supplement No. 4 to Respondent's FPC Gas Rate Schedule No. 2.
Effective date: August 1, 1958 (effective date is the date proposed by Respondent).

The increased rate and charge so proposed is intended to reflect (in whole or in part) the additional "excise, license, or privilege tax" of one cent per Mcf levied by the State of Louisiana pursuant to Act No. 8 of 1958 (House Bill No. 303), as approved on June 16, 1958, amending Title 47 of the Louisiana Revised Statutes of 1950. The Commission is advised that litigation is being instituted to challenge the constitutionality of the said Act No. 8 of 1958. In consideration of this fact, and in order to assure appropriate refund in the event said Act No. 8 of 1958 should be declared unconstitutional or otherwise held invalid by final judicial decision, it is deemed advisable to suspend the said proposed increased rate and charge until August 2, 1958, and thereafter to permit it to become effective as of that date: *Provided*, That within 20 days from the date of this order Respondent shall file with the Secretary of the Commission an appropriate undertaking to assure such refund as may be ordered.

The Commission finds:

(1) It is necessary and proper in the public interest and to aid in the enforcement of the provisions of the Natural Gas Act that the Commission enter upon a hearing concerning the lawfulness of the said proposed change, and that the above-designated supplement be suspended and the use thereof deferred as hereinafter ordered.

(2) It is necessary and proper in the public interest in carrying out the provisions of the Natural Gas Act that Respondent's proposed increased rate be made effective as hereinafter provided and that Respondent be required to file an undertaking as hereinafter ordered and conditioned.

The Commission orders:

(A) Pursuant to the authority of the Natural Gas Act, particularly sections 4 and 15 thereof, the Commission's rules of practice and procedure, and the regulations under the Natural Gas Act (18 CFR Ch. I), a public hearing be held upon a date to be fixed by notice from the Secretary concerning the lawfulness of the proposed increased rate and charge contained in the above-designated supplement to Respondent's FPC Gas Rate Schedule.

(B) Pending such hearing and decision thereon, said supplement be and it hereby is suspended and the use thereof deferred until August 2, 1958, and until such further time as it is made effective in the manner hereinafter prescribed.

(C) The rate, charge, and classification set forth in the above-designated supplement to Respondent's FPC Gas Rate Schedule shall be effective as of August 2, 1958: *Provided, however*, That within 20 days from the date of this order, Respondent shall execute and file with the Secretary of the Commission the agreement and undertaking described in paragraph (E) below.

(D) Respondent shall refund at such times and in such amounts to the persons entitled thereto, and in such manner as may be required by final order of the Commission, the difference between the presently effective rate and charge and the proposed increased rate and charge hereby allowed to become effective in the event the additional tax of one cent per Mcf levied by the State of Louisiana is for any reason held to be invalid. Should such additional tax eventually be held invalid and the State of Louisiana makes refund, with interest, of the tax monies collected pursuant to the said Act No. 8 of 1958, then, and in that event, a proportionate part of the interest so received by the Respondent herein shall be passed on and paid to the persons entitled thereto at such times and in such amounts, and in such manner as may be required by final order of the Commission. Respondent shall bear all costs of any such refunding; shall keep accurate accounts in detail of all amounts received by reason of the increased rate or charge allowed by this order to become effective, for each billing period, specifying by whom and in whose behalf such amounts were paid; and shall report (original and four copies), in writing and under oath, to the Commission quarterly, or monthly if Respondent so elects, for each billing period, and for each purchaser, the billing determinants of natural gas sales to such purchasers and the revenues resulting therefrom, as computed under the rate in effect immediately prior to the date upon which the increased rate allowed by this order becomes effective, and under the rate allowed by this order to become effective, together with the differences in the revenues so computed.

(E) As a condition of this order, within 20 days from the date of issuance thereof, Respondent shall execute and file in triplicate with the Secretary of this Commission its written agreement and undertaking to comply with the terms of paragraph (D) hereof, signed by a responsible officer of the corporation, evidenced by proper authority from the board of directors, and accompanied by a certificate showing service of copies thereof upon all purchasers under the rate schedule involved, as follows:

Agreement and Undertaking of _____ to Comply with the Terms and Conditions of Paragraph (D) of Federal Power Commission's Order Making Effective Proposed Rate Changes.

In conformity with the requirements of the order issued _____, in Docket No. G-____, _____ hereby agrees and undertakes to comply with the terms and conditions of paragraph (D) of said order, and has caused this agreement and undertaking to be executed and sealed in its name by its officers, thereupon duly authorized in accordance with the terms of the resolution of its board of directors, a certified copy of which is appended hereto this _____ day of _____.

_____
By _____

Attest:

_____
(Secretary)

Unless Respondent is advised to the contrary within 15 days after the date of filing such agreement and undertaking, the agreement and undertaking shall be deemed to have been accepted.

(F) If Respondent shall, in conformity with the terms and conditions of

paragraph (D) of this order, make the refunds as may be required by order of the Commission, the undertaking shall be discharged; otherwise, it shall remain in full force and effect.

(G) Neither the supplements hereby suspended nor the rate schedules sought to be altered thereby shall be changed until the period of suspension has expired, unless otherwise ordered by the Commission.

(H) Interested State commissions may participate as provided by §§ 1.8 and 1.37 (f) of the Commission's rules of practice and procedure (18 CFR 1.8 and 1.37 (f)).

By the Commission.

[SEAL] JOSEPH H. GUTRIDE, *Secretary.*

[F. R. Doc. 58-5973; Filed, Aug. 4, 1958; 8:45 a. m.]

[Docket No. G-15550]

UNION PRODUCING CO. ET AL.

ORDER FOR HEARING, SUSPENDING PROPOSED CHANGES IN RATES, AND ALLOWING INCREASED RATES TO BECOME EFFECTIVE

JULY 30, 1958.

Union Producing Company (Operator) et al. (Respondent) on June 30, 1958, tendered for filing proposed changes in its presently effective rate schedules for sales of natural gas subject to the jurisdiction of the Commission. The proposed changes, which constitute increased rates and charges, are contained in the following designated filings:

Description: Notices of Change, dated June 30, 1958.

Purchaser: United Gas Pipe Line Company.

Rate schedule designation: Supplement No. 4 to Respondent's FPC Gas Rate Schedule No. 89. Supplement No. 4 to Respondent's FPC Gas Rate Schedule No. 76. Supplement No. 5 to Respondent's FPC Gas Rate Schedule No. 86. Supplement No. 4 to Respondent's FPC Gas Rate Schedule No. 88. Supplement No. 12 to Respondent's FPC Gas Rate Schedule No. 207. Supplement No. 6 to Respondent's FPC Gas Rate Schedule No. 208.

Effective date: August 1, 1958 (effective date is the date proposed by Respondent).

The increased rates and charges so proposed are intended to reflect (in whole or in part) the additional "excise, license, or privilege tax" of one cent per Mcf levied by the State of Louisiana pursuant to Act No. 8 of 1958 (House Bill No. 303), as approved on June 16, 1958, amending Title 47 of the Louisiana Revised Statutes of 1950. The Commission is advised that litigation is being instituted to challenge the constitutionality of the said Act No. 8 of 1958. In consideration of this fact, and in order to assure appropriate refund in the event said Act No. 8 of 1958 should be declared unconstitutional or otherwise held invalid by final judicial decision, it is deemed advisable to suspend the said proposed increased rates and charges until August 2, 1958, and thereafter to permit them to become effective as of that date; provided, that within 20 days from the date of this order Respondent shall file with the Secretary of the Commission an appropriate undertaking to assure such refund as may be ordered.

The Commission finds:

(1) It is necessary and proper in the public interest and to aid in the enforcement of the provisions of the Natural Gas Act that the Commission enter upon a hearing concerning the lawfulness of the said proposed changes, and that the above-designated supplements be suspended and the use thereof deferred as hereinafter ordered.

(2) It is necessary and proper in the public interest in carrying out the provisions of the Natural Gas Act that Respondent's proposed increased rates be made effective as hereinafter provided and that Respondent be required to file an undertaking as hereinafter ordered and conditioned.

The Commission orders:

(A) Pursuant to the authority of the Natural Gas Act, particularly sections 4 and 15 thereof, the Commission's rules of practice and procedure, and the regulations under the Natural Gas Act (18 CFR Ch. I), a public hearing be held upon a date to be fixed by notice from the Secretary concerning the lawfulness of the proposed increased rates and charges contained in the above-designated supplements to Respondent's FPC Gas Rate Schedules.

(B) Pending such hearing and decision thereon, said supplements are each hereby suspended and the use thereof deferred until August 2, 1958, and until such further time as each is made effective in the manner hereinafter prescribed.

(C) The rates, charges, and classifications set forth in the above-designated supplements to Respondent's FPC Gas Rate Schedules shall be effective as of August 2, 1958: *Provided, however,* That within 20 days from the date of this order, Respondent shall execute and file with the Secretary of the Commission the agreement and undertaking described in paragraph (E) below.

(D) Respondent shall refund at such times and in such amounts to the persons entitled thereto, and in such manner as may be required by final order of the Commission, the difference between the presently effective rates and charges and the proposed increased rates and charges hereby allowed to become effective in the event the additional tax of one cent per Mcf levied by the State of Louisiana is for any reason held to be invalid. Should such additional tax eventually be held invalid and the State of Louisiana makes refund, with interest, of the tax monies collected pursuant to the said Act No. 8 of 1958, then, and in that event, a proportionate part of the interest so received by the Respondent herein shall be passed on and paid to the persons entitled thereto at such times and in such amounts, and in such manner as may be required by final order of the Commission. Respondent shall bear all costs of any such refunding; shall keep accurate accounts in detail of all amounts received by reason of the increased rates or charges allowed by this order to become effective, for each billing period, specifying by whom and in whose behalf such amounts were paid; and shall report (original and four copies), in writing and under oath, to the Commission quarterly, or monthly if Respondent so elects, for each billing period, and for each purchaser, the billing determinants of natural gas sales to such purchasers and the revenues resulting therefrom, as computed under the rates in effect immediately prior to the date upon which the increased rates allowed by this order become effective, and under the rates allowed by this order to become effective, together with the differences in the revenues so computed.

(E) As a condition of this order, within 20 days from the date of issuance thereof, Respondent shall execute and file in triplicate with the Secretary of this Commission its written agreement and undertaking to comply with the terms of paragraph (D) hereof, signed by a responsible officer of the corporation, evidenced by proper authority from the board of directors, and accompanied by a certificate showing service of copies thereof upon all purchasers under the rate schedule involved, as follows:

Agreement and Undertaking of _____ to Comply with the Terms and Conditions of Paragraph (D) of Federal Power Commission's Order Making Effective Proposed Rate Changes.

In conformity with the requirements of the order issued _____, in Docket No. G-_____, _____ hereby agrees and undertakes to comply with the terms and conditions of paragraph (D) of said order, and has caused this agreement and undertaking to be executed and sealed in its name by its officers, thereupon duly authorized in accordance with the terms of the resolution of its board of directors, a certified copy of which is appended hereto this _____ day of _____.

_____

By _____

Attest:

_____

(Secretary)

Unless Respondent is advised to the contrary within 15 days after the date of filing such agreement and undertaking, the agreement and undertaking shall be deemed to have been accepted.

(F) If Respondent shall, in conformity with the terms and conditions of paragraph (D) of this order, make the refunds as may be required by order of the Commission, the undertaking shall be discharged; otherwise, it shall remain in full force and effect.

(G) Neither the supplements hereby suspended nor the rate schedules sought to be altered thereby shall be changed until the period of suspension has expired, unless otherwise ordered by the Commission.

(H) Interested State commissions may participate as provided by §§ 1.8 and 1.37 (f) of the Commission's rules of practice and procedure (18 CFR 1.8 and 1.37 (f)).

By the Commission.

[SEAL] JOSEPH H. GUTRIDE, *Secretary.*

[F. R. Doc 58-5974; Filed, Aug. 4, 1958; 8:45 a. m.]

[Docket No. G-15551]

SHELL OIL CO.

ORDER FOR HEARING, SUSPENDING PROPOSED CHANGES IN RATES, AND ALLOWING INCREASED RATES TO BECOME EFFECTIVE

JULY 30, 1958.

Shell Oil Company (Respondent) on July 1, 1958, tendered for filing proposed changes in its presently effective rate schedules for sales of natural gas subject to the jurisdiction of the Commission. The proposed changes, which constitute increased rates and charges, are contained in the following designated filings:

Description: Notice of Change.

Purchasers: (1) Transcontinental Gas Pipe Line Corporation. (2 and 3) Arkansas Louisiana Gas Company. (4) Tennessee Gas Transmission Company. (5 and 6) United Gas Pipe Line Company.

Rate schedule designation: 1. Supplement No. 2 to Respondent's FPC Gas Rate Schedule No. 25. 2. Supplement No. 5 to Respondent's FPC Gas Rate Schedule No. 30. 3. Supplement No. 5 to Respondent's FPC Gas Rate Schedule No. 31. 4. Supplement No. 5 to Respondent's FPC Gas Rate Schedule No. 49. 5. Supplement No. 2 to Respondent's FPC Gas Rate Schedule No. 53. 6. Supplement No. 2 to Respondent's FPC Gas Rate Schedule No. 54.

Effective date: August 1, 1958 (effective date is the date proposed by Respondent).

The increased rates and charges so proposed are intended to reflect (in whole or in part) the additional "excise, license, or privilege tax" of one cent per Mcf levied by the State of Louisiana pursuant to Act No. 8 of 1958 (House Bill No. 303), as approved on June 16, 1958, amending Title 47 of the Louisiana Revised Statutes of 1950. The Commission is advised that litigation is being instituted to challenge the constitutionality of the said Act No. 8 of 1958. In consideration of this fact, and in order to assure appropriate refund in the event said Act No. 8 of 1958 should be declared unconstitutional or otherwise held invalid by final judicial decision, it is deemed advisable to suspend the said proposed increased rates and charges until August 2, 1958, and thereafter to permit them to become effective as of that date; provided, that within 20 days from the date of this order Respondent shall file with the Secretary of the Commission an appropriate undertaking to assure such refund as may be ordered.

The Commission finds:

(1) It is necessary and proper in the public interest and to aid in the enforcement of the provisions of the Natural Gas Act that the Commission enter upon a hearing concerning the lawfulness of the said proposed changes, and that the above-designated supplements be suspended and the use thereof deferred as hereinafter ordered.

(2) It is necessary and proper in the public interest in carrying out the provisions of the Natural Gas Act that Respondent's proposed increased rates be made effective as hereinafter provided and that Respondent be required to file an undertaking as hereinafter ordered and conditioned.

The Commission orders:

(A) Pursuant to the authority of the Natural Gas Act, particularly sections 4 and 15 thereof, the Commission's rules of practice and procedure, and the regulations under the Natural Gas Act (18 CFR Ch. I), a public hearing be held upon a date to be fixed by notice from the Secretary concerning the lawfulness of the proposed increased rates and charges contained in the above-designated supplements to Respondent's FPC Gas Rate Schedules.

(B) Pending such hearing and decision thereon, said supplements are each hereby suspended and the use thereof deferred until August 2, 1958, and until such further time as each is made effective in the manner hereinafter prescribed.

(C) The rates, charges, and classifications set forth in the above-designated supplements to Respondent's FPC Gas Rate Schedules shall be effective as of August 2, 1958: *Provided, however,* That within 20 days from the date of this order, Respondent shall execute a file with the Secretary of the Commission the agreement and undertaking described in paragraph (E) below.

(D) Respondent shall refund at such times and in such amounts to the persons entitled thereto, and in such manner as may be required by final order of the Commission, the difference between the presently effective rates and charges and the proposed increased rates and charges hereby allowed to become effective in the event the additional tax of one cent per Mcf levied by the State of Louisiana is for any reason held to be invalid. Should such additional tax eventually be held invalid and the State of Louisiana makes refund, with interest, of the tax monies collected pursuant to the said Act No. 8 of 1958, then, and in that event, a proportionate part of the interest so received by the Respondent herein shall be passed on and paid to the persons entitled thereto at such times and in such amounts, and in such manner as may be required by final order of the Commission. Respondent shall bear all costs of any such refunding; shall keep accurate accounts in detail of all amounts received by reason of the increased rates or charges allowed by this order to become effective, for each billing period, specifying by whom and in whose behalf such amounts were paid; and shall report (original and four copies), in writing and under oath, to the Commission quarterly, or monthly if Respondent so elects, for each billing period, and for each purchaser, the billing determinants of natural gas sales to such purchasers and the revenues resulting therefrom, as computed under the rates in effect immediately prior to the date upon which the increased rates allowed by this order become effective, and under the rates allowed by this order to become effective, together with the differences in the revenues so computed.

(E) As a condition of this order, within 20 days from the date of issuance thereof, Respondent shall execute and file in triplicate with the Secretary of this Commission its written agreement and undertaking to comply with the terms of paragraph (D) hereof, signed by a responsible officer of the corporation, evidenced by proper authority from the board of directors, and accompanied by a certificate showing service of copies thereof upon all purchasers under the rate schedule involved, as follows:

Agreement and Undertaking of _____ To Comply with the Terms and Conditions of Paragraph (D) of Federal Power Commission's Order Making Effective Proposed Rate Changes.

In conformity with the requirements of the order issued _____, in Docket No. G-__, _____ hereby agrees and undertakes to comply with the terms and conditions of paragraph (D) of said order, and has caused this agreement and undertaking to be executed and sealed in its name by its officers, thereupon duly authorized in accordance with the terms of the resolution of its board of directors, a certified copy of which is appended hereto this _____ day of _____.

_____

By _____

Attest:

_____

(Secretary)

Unless Respondent is advised to the contrary within 15 days after the date of filing such agreement and undertaking, the agreement and undertaking shall be deemed to have been accepted.

(F) If Respondent shall, in conformity with the terms and conditions of paragraph (D) of this order, make the refunds as may be required by order of the Commission, the undertaking shall be discharged; otherwise, it shall remain in full force and effect.

(G) Neither the supplements hereby suspended nor the rate schedules sought to be altered thereby shall be changed until the period of suspension has expired, unless otherwise ordered by the Commission.

(H) Interested State commissions may participate as provided by §§ 1.8 and 1.37 (f) of the Commission's rules of practice and procedure (18 CFR 1.8 and 1.37 (f)).

By the Commission.

[SEAL] JOSEPH H. GUTRIDE, *Secretary.*

[F. R. Doc. 58-5975; Filed, Aug. 4, 1958; 8:45 a. m.]

[Docket No. G-15575]

DAVID CROW

ORDER FOR HEARING, SUSPENDING PROPOSED CHANGE IN RATE AND ALLOWING INCREASED RATE TO BECOME EFFECTIVE

JULY 30, 1958.

David Crow, Trustee (Respondent), on July 1, 1958, tendered for filing a proposed change in his presently effective rate schedule for sales of natural gas subject to the jurisdiction of the Commission. The proposed change, which constitutes an increased rate and charge, is contained in the following designated filing:

Description: Notice of Change, June 27, 1958.

Purchaser: Transcontinental Gas Pipe Line Corporation.

Rate schedule designation: Supplement No. 2 to Respondent's FPC Gas Rate Schedule No. 3.

Effective date: August 1, 1958 (effective date is the date proposed by Respondent).

The increased rate and charge so proposed is intended to reflect (in whole or in part) the additional "excise, license, or privilege tax" of one cent per Mcf levied by the State of Louisiana pursuant to Act No. 8 of 1958 (House Bill No. 303), as approved on June 16, 1958, amending Title 47 of the Louisiana Revised Statutes of 1950. The Commission is advised that litigation is being instituted to challenge the constitutionality of the said Act No. 8 of 1958. In consideration of this fact, and in order to assure appropriate refund in the event said Act No. 8 of 1958 should be declared unconstitutional or otherwise held invalid by final judicial decision, it is deemed advisable to suspend the said proposed increased rate and charge until August 2, 1958, and thereafter to permit it to become effective as of that date; provided, that within 20 days from the date of this order Respondent shall file with the Secretary of the Commission an appropriate undertaking to assure such refund as may be ordered.

The Commission finds:

(1) It is necessary and proper in the public interest and to aid in the enforcement of the provisions of the Natural Gas Act that the Commission enter upon a hearing concerning the lawfulness of the said proposed change, and that the above-designated supplement be suspended and the use thereof deferred as hereinafter ordered.

(2) It is necessary and proper in the public interest in carrying out the provisions of the Natural Gas Act that Respondent's proposed increased rate be made effective as hereinafter provided and that Respondent be required to file an undertaking as hereinafter ordered and conditioned.

The Commission orders:

(A) Pursuant to the authority of the Natural Gas Act, particularly sections 4 and 15 thereof, the Commission's rules of practice and procedure, and the regulations under the Natural Gas Act (18 CFR Ch. I), a public hearing be held upon a date to be fixed by notice from the Secretary concerning the lawfulness of the proposed increased rate and charge contained in the above-designated supplement to Respondent's FPC Gas Rate Schedule.

(B) Pending such hearing and decision thereon, said supplement be and it hereby is suspended and the use thereof deferred until August 2, 1958, and until such further time as it is made effective in the manner hereinafter prescribed.

(C) The rate, charge, and classification set forth in the above-designated supplement to Respondent's FPC Gas Rate Schedule shall be effective as of August 2, 1958: *Provided, however,* That within 20 days from the date of this order, Respondent shall execute and file with the Secretary of the Commission the agreement and undertaking described in paragraph (E) below.

(D) Respondent shall refund at such times and in such amounts to the persons entitled thereto, and in such manner as may be required by final order of the Commission, the difference between the presently effective rate and charge and the proposed increased rate and charge hereby allowed to become effective in the event the additional tax of one cent per Mcf levied by the State of Louisiana is for any reason held to be invalid. Should such additional tax eventually be held invalid and the State of Louisiana makes refund, with interest, of the tax monies collected pursuant to the said Act No. 8 of 1958, then, and in that event, a proportionate part of the interest so received by the Respondent herein shall be passed on and paid to the persons entitled thereto at such times and in such amounts, and in such manner as may be required by final order of the Commission. Respondent shall bear all costs of any such refunding; shall keep accurate accounts in detail of all amounts received by reason of the increased rate or charge allowed by this order to become effective, for each billing period, specifying by whom and in whose behalf such amounts were paid; and shall report (original and four copies), in writing and under oath, to the Commission quarterly, or monthly if Respondent so elects, for each billing period, and for each purchaser, the billing determinants of natural gas sales to such purchasers and the revenues resulting therefrom, as computed under the rate in effect immediately prior to the date upon which the increased rate allowed by this order becomes effective, and under the rate allowed by this order to become effective, together with the differences in the revenues so computed.

(E) As a condition of this order, within 20 days from the date of issuance thereof, Respondent shall execute and file in triplicate with the Secretary of this Commission its written agreement and undertaking to comply with the terms of paragraph (D) hereof, signed by a responsible officer of the corporation, evidenced by proper authority from the board of directors, and accompanied by a certificate showing service of copies thereof upon all purchasers under the rate schedule involved, as follows:

Agreement and Undertaking of ---------- to Comply with the Terms and Conditions of Paragraph (D) of Federal Power Commission's Order Making Effective Proposed Rate Changes.

In conformity with the requirements of the order issued ----------, in Docket No. G-..., ---------- hereby agrees and undertakes to comply with the terms and conditions of paragraph (D) of said order, and has caused this agreement and undertaking to be executed and sealed in its name by its officers, thereupon duly authorized in accordance with the terms of the resolution of its board of directors, a certified copy of which is appended hereto this ------ day of ----------.

---------- By ----------

Attest: ----------

(Secretary)

Unless Respondent is advised to the contrary within 15 days after the date of filing such agreement and undertaking, the agreement and undertaking shall be deemed to have been accepted.

(F) If the Respondent shall, in conformity with the terms and conditions of paragraph (D) of this order, make the refunds as may be required by order of the Commission, the undertaking shall be discharged; otherwise, it shall remain in full force and effect.

(G) Neither the supplements hereby suspended nor the rate schedules sought to be altered thereby shall be changed until the period of suspension has expired, unless otherwise ordered by the Commission.

(H) Interested State commissions may participate as provided by §§ 1.8 and 1.37 (f) of the Commission's rules of practice and procedure (18 CFR 1.8 and 1.37 (f)).

By the Commission.

[SEAL] JOSEPH H. GUTRIDE, *Secretary.*

[F. R. Doc. 58-5976; Filed, Aug. 4, 1958; 8:46 a. m.]

[Docket No. G-15584]

E. J. HUDSON ET AL.

ORDER FOR HEARING, SUSPENDING PROPOSED CHANGE IN RATE, AND ALLOWING INCREASED RATE TO BECOME EFFECTIVE

JULY 30, 1958.

E. J. Hudson et al. (Respondent), on July 7, 1958, tendered for filing a proposed change in its presently effective rate schedule for the sale of natural gas subject to the jurisdiction of the Commission. The proposed change, which constitutes an increased rate and charge, is contained in the following designated filing:

Description: Notice of change, undated.

Purchaser: Tennessee Gas Transmission Company.

Rate schedule designation: Supplement No. 1 to Respondent's FPC Gas Rate Schedule No. 8.

Effective date: August 1, 1958 (effective date is the date proposed by Respondent).

The increased rate and charge so proposed is intended to reflect (in whole or in part) the additional "excise, license, or privilege tax" of one cent per Mcf levied by the State of Louisiana pursuant to Act No. 8 of 1958 (House Bill No. 303), as approved on June 16, 1958, amending Title 47 of the Louisiana Revised Statutes of 1950. The Commission is advised that litigation is being instituted to challenge the constitutionality of the said Act of No. 8 of 1958. In consideration of this fact, and in order to assure appropriate refund in the event said Act No. 8 of 1958 should be declared unconstitutional or otherwise held invalid by final judicial decision, it is deemed advisable to suspend the said proposed increased rate and charge until August 2, 1958, and thereafter to permit it to become effective as of that date: *Provided,* That within 20 days from the date of this order Respondent shall file with the Secretary of the Commission an appropriate undertaking to assure such refund as may be ordered.

The Commission finds:

(1) It is necessary and proper in the public interest and to aid in the enforce-

ment of the provisions of the Natural Gas Act that the Commission enter upon a hearing concerning the lawfulness of the said proposed change, and that the above-designated supplement be suspended and the use thereof deferred as hereinafter ordered.

(2) It is necessary and proper in the public interest in carrying out the provisions of the Natural Gas Act that Respondent's proposed increased rate be made effective as hereinafter provided and that Respondent be required to file an undertaking as hereinafter ordered and conditioned.

The Commission orders:

(A) Pursuant to the authority of the Natural Gas Act, particularly sections 4 and 15 thereof, the Commission's rules of practice and procedure, and the regulations under the Natural Gas Act (18 CFR Ch. I), a public hearing be held upon a date to be fixed by notice from the Secretary concerning the lawfulness of the proposed increased rate and charge contained in the above-designated supplement to Respondent's FPC Gas Rate Schedule.

(B) Pending such hearing and decision thereon, said supplement be and it hereby is suspended and the use thereof deferred until August 2, 1958, and until such further time as it is made effective in the manner hereinafter prescribed.

(C) The rate, charge, and classification set forth in the above-designated supplement to Respondent's FPC Gas Rate Schedule shall be effective as of August 2, 1958: *Provided, however,* That within 20 days from the date of this order, Respondent shall execute and file with the Secretary of the Commission the agreement and undertaking described in paragraph (E) below.

(D) Respondent shall refund at such times and in such amounts to the persons entitled thereto, and in such manner as may be required by final order of the Commission, the difference between the presently effective rate and charge and the proposed increased rate and charge hereby allowed to become effective in the event the additional tax of one cent per Mcf levied by the State of Louisiana is for any reason held to be invalid. Should such additional tax eventually be held invalid and the State of Louisiana makes refund, with interest, of the tax monies collected pursuant to the said Act No. 8 of 1958, then, and in that event, a proportionate part of the interest so received by the Respondent herein shall be passed on and paid to the persons entitled thereto at such times and in such amounts, and in such manner as may be required by final order of the Commission. Respondent shall bear all costs of any such refunding; shall keep accurate accounts in detail of all amounts received by reason of the increased rate or charge allowed by this order to become effective, for each billing period, specifying by whom and in whose behalf such amounts were paid; and shall report (original and four copies), in writing and under oath, to the Commission quarterly, or monthly if Respondent so elects, for each billing period, and for each purchaser, the billing determinants of natural gas sales to such purchasers and the revenues resulting therefrom, as computed under the rate in effect immediately prior to the date upon which the increased rate allowed by this order becomes effective, and under the rate allowed by this order to become effective, together with the differences in the revenues so computed.

(E) As a condition of this order, within 20 days from the date of issuance thereof, Respondent shall execute and file in triplicate with the Secretary of this Commission its written agreement and undertaking to comply with the terms of paragraph (D) hereof, signed by a responsible officer of the corporation, evidenced by proper authority from the board of directors, and accompanied by a certificate showing service of copies thereof upon all purchasers under the rate schedule involved, as follows:

Agreement and Undertaking of _____ to Comply with the Terms and Conditions of Paragraph (D) of Federal Power Commission's Order Making Effective Proposed Rate Changes.

In conformity with the requirements of the order issued _____, in Docket No. G-_____, _____ hereby agrees and undertakes to comply with the terms and conditions of paragraph (D) of said order, and has caused this agreement and undertaking to be executed and sealed in its name by its officers, thereupon duly authorized in accordance with the terms of the resolution of its board of directors, a certified copy of which is appended hereto this _____ day of _____.

_____

By _____

Attest:

_____

(Secretary)

Unless Respondent is advised to the contrary within 15 days after the date of filing such agreement and undertaking, the agreement and undertaking shall be deemed to have been accepted.

(F) If Respondent shall, in conformity with the terms and conditions of paragraph (D) of this order, make the refunds as may be required by order of the Commission, the undertaking shall be discharged; otherwise, it shall remain in full force and effect.

(G) Neither the supplements hereby suspended nor the rate schedules sought to be altered thereby shall be changed until the period of suspension has expired, unless otherwise ordered by the Commission.

(H) Interested State commissions may participate as provided by §§ 1.8 and 1.37 (f) of the Commission's rules of practice and procedure (18 CFR 1.8 and 1.37 (f)).

By the Commission.

[SEAL] JOSEPH H. GUTRIDE, *Secretary.*

[F. R. Doc. 58-5977; Filed, Aug. 4, 1958; 8:46 a. m.]

[Docket No. G-15585]

MOUND CO. ET AL.

ORDER FOR HEARING, SUSPENDING PROPOSED CHANGE IN RATE, AND ALLOWING INCREASED RATE TO BECOME EFFECTIVE

JULY 30, 1958.

Mound Company et al. (Respondent), on July 10, 1958, tendered for filing a proposed change in its presently effective rate schedule for the sale of natural gas subject to the jurisdiction of the Commission. The proposed change, which constitutes an increased rate and charge, is contained in the following designated filing:

Description: Notice of change, undated.

Purchaser: American Louisiana Pipeline Company.

Rate schedule designation: Supplement No. 2 to Respondent's FPC Gas Rate Schedule No. 14.

Effective date: August 1, 1958 (effective date is the date proposed by Respondent).

The increased rate and charge so proposed is intended to reflect (in whole or in part) the additional "excise, license, or privilege tax" of one cent per Mcf levied by the State of Louisiana pursuant to Act No. 8 of 1958 (House Bill No. 303), as approved on June 16, 1958, amending Title 47 of the Louisiana Revised Statutes of 1950. The Commission is advised that litigation is being instituted to challenge the constitutionality of the said Act No. 8 of 1958. In consideration of this fact, and in order to assure appropriate refund in the event said Act No. 8 of 1958 should be declared unconstitutional or otherwise held invalid by final judicial decision, it is deemed advisable to suspend the said proposed increased rate and charge until August 2, 1958, and thereafter to permit it to become effective as of that date; provided, that within 20 days from the date of this order Respondent shall file with the Secretary of the Commission an appropriate undertaking to assure such refund as may be ordered.

The Commission finds:

(1) It is necessary and proper in the public interest and to aid in the enforcement of the provisions of the Natural Gas Act that the Commission enter upon a hearing concerning the lawfulness of the said proposed change, and that the above-designated supplement be suspended and the use thereof deferred as hereinafter ordered.

(2) It is necessary and proper in the public interest in carrying out the provisions of the Natural Gas Act that Respondent's proposed increased rate be made effective as hereinafter provided and that Respondent be required to file an undertaking as hereinafter ordered and conditioned.

The Commission orders:

(A) Pursuant to the authority of the Natural Gas Act, particularly sections 4 and 15 thereof, the Commission's rules of practice and procedure, and the regulations under the Natural Gas Act (18 CFR Ch. I), a public hearing be held upon a date to be fixed by notice from the Secretary concerning the lawfulness of the proposed increased rate and charge contained in the above-designated supplement to Respondent's FPC Gas Rate Schedule.

(B) Pending such hearing and decision thereon, said supplement be and it hereby is suspended and the use thereof deferred until August 2, 1958, and until such further time as it is made effective in the manner hereinafter prescribed.

(C) The rate, charge, and classification set forth in the above-designated supplement to Respondent's FPC Gas

Rate Schedule shall be effective as of August 2, 1958: *Provided, however,* That within 20 days from the date of this order, Respondent shall execute and file with the Secretary of the Commission the agreement and undertaking described in paragraph (E) below.

(D) Respondent shall refund at such times and in such amounts to the persons entitled thereto, and in such manner as may be required by final order of the Commission, the difference between the presently effective rate and charge and the proposed increased rate and charge hereby allowed to become effective in the event the additional tax of one cent per Mcf levied by the State of Louisiana is for any reason held to be invalid. Should such additional tax eventually be held invalid and the State of Louisiana makes refund, with interest, of the tax monies collected pursuant to the said Act No. 8 of 1958, then, and in that event, a proportionate part of the interest so received by the Respondent herein shall be passed on and paid to the persons entitled thereto at such times and in such amounts, and in such manner as may be required by final order of the Commission. Respondent shall bear all costs of any such refunding; shall keep accurate accounts in detail of all amounts received by reason of the increased rate or charge allowed by this order to become effective, for each billing period, specifying by whom and in whose behalf such amounts were paid; and shall report (original and four copies), in writing and under oath, to the Commission quarterly, or monthly if Respondent so elects, for each billing period, and for each purchaser, the billing determinants of natural gas sales to such purchasers and the revenues resulting therefrom, as computed under the rate in effect immediately prior to the date upon which the increased rate allowed by this order becomes effective, and under the rate allowed by this order to become effective, together with the differences in the revenues so computed.

(E) As a condition of this order, within 20 days from the date of issuance thereof, Respondent shall execute and file in triplicate with the Secretary of this Commission its written agreement and undertaking to comply with the terms of paragraph (D) hereof, signed by a responsible officer of the corporation, evidenced by proper authority from the board of directors, and accompanied by a certificate showing service of copies thereof upon all purchasers under the rate schedule involved, as follows:

Agreement and Undertaking of _____ to Comply with the Terms and Conditions of Paragraph (D) of Federal Power Commission's Order Making Effective Proposed Rate Changes.

In conformity with the requirements of the order issued _____, in Docket No. G-__, _____ hereby agrees and undertakes to comply with the terms and conditions of paragraph (D) of said order, and has caused this agreement and undertaking to be executed and sealed in its name by its officers, thereupon duly authorized in accordance with the terms of the resolution of its board of directors, a certified copy of which is appended hereto this _____ day of _____

By _____

Attest:

_____
(Secretary)

Unless Respondent is advised to the contrary within 15 days after the date of filing such agreement and undertaking, the agreement and undertaking shall be deemed to have been accepted.

(F) If Respondent shall, in conformity with the terms and conditions of paragraph (D) of this order, make the refunds as may be required by order of the Commission, the undertaking shall be discharged; otherwise, it shall remain in full force and effect.

(G) Neither the supplements hereby suspended nor the rate schedules sought to be altered thereby shall be changed until the period of suspension has expired, unless otherwise ordered by the Commission.

(H) Interested State commissions may participate as provided by §§ 1.8 and 1.37 (f) of the Commission's rules of practice and procedure (18 CFR 1.8 and 1.37 (f)).

By the Commission.

[SEAL] JOSEPH H. GUTRIDE,
Secretary.

[F. R. Doc. 58-5978; Filed, Aug. 4, 1958; 8:46 a. m.]

[Docket No. G-15120]

COLORADO INTERSTATE GAS CO.

NOTICE OF APPLICATION AND DATE OF HEARING

JULY 29, 1958.

Take notice that Colorado Interstate Gas Company (Applicant), a Delaware corporation with a principal place of business in Colorado Springs, Colorado, filed on May 16, 1958, an application pursuant to section 7 of the Natural Gas Act for a certificate of public convenience and necessity authorizing the construction and operation of a measuring station in the Hugoton Field in Kansas for the sale and delivery of approximately 800,000 Mcf annually to Kansas-Colorado Utilities, Inc., for the period ending December 31, 1959, subject to the jurisdiction of the Commission, all as more fully represented in the application on file with the Commission and open for public inspection.

The application recites Applicant's gas supply is temporarily in excess of its system requirements, due in part to Applicant's acquisition of additional reserves to support the expansion program proposed in Docket No. G-10176, not yet authorized by the Commission.

The estimated capital cost of the proposed facilities is $4,411, which will be defrayed from funds on hand.

This matter is one that should be disposed of as promptly as possible under the applicable rules and regulations and to that end:

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, and the Commission's rules of practice and procedure, a hearing will be held on September 4, 1958, at 9:30 a. m., e. d. s. t., in a Hearing Room of the Federal Power Commission, 441 G Street NW., Washington, D. C., concerning the matters involved in and the issues presented by such application: *Provided, however,* That the Commission may, after a noncontested hearing, dispose of the proceedings pursuant to the provisions of § 1.30 (c) (1) or (2) of the Commission's rules of practice and procedure. Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicant to appear or be represented at the hearing.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D. C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before August 18, 1958. Failure of any party to appear at and participate in the hearing shall be construed as waiver of and concurrence in omission herein of the intermediate decision procedure in cases where a request therefor is made.

[SEAL] JOSEPH H. GUTRIDE,
Secretary.

[F. R. Doc. 58-5979; Filed, Aug. 4, 1958; 8:47 a. m.]

[Docket No. G-4904]

PAN AMERICAN PETROLEUM CORP.

NOTICE OF APPLICATION AND DATE OF HEARING

JULY 30, 1958.

Take notice that Pan American Petroleum Corporation (Applicant), an independent producer, filed an application on November 16, 1954, for a certificate of public convenience and necessity pursuant to section 7 of the Natural Gas Act, authorizing the sale of natural gas in interstate commerce, as hereinafter described, subject to the jurisdiction of the Commission, all as more fully represented in the application which is on file with the Commission and open to public inspection.

In its application filed on November 16, 1954, Applicant seeks authority to sell natural gas in interstate commerce to Cities Service Gas Company (Cities), for resale from production in the Hugoton Field, under a basic contract dated June 23, 1950.

On September 26, 1957, and January 9, 1958, Applicant supplemented its original application herein, deleting certain acreages assigned to Graham-Michaelis Drilling Company and Edwin G. Bradley, respectively. In the supplement filed September 26, 1957, Applicant shows that by five assignments, one dated October 30, 1956; two dated November 9, 1956 and two dated January 2, 1957, it assigned approximately 1,760 acres to Graham-Michaelis Drilling Company. In the supplement filed Janu-

ary 9, 1958, Applicant deleted 480 acres assigned to Edwin G. Bradley, by an assignment dated June 26, 1956.

This matter is one that should be disposed of as promptly as possible under the applicable rules and regulations and to that end:

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, and the Commission's rules of practice and procedure, a hearing will be held on September 9, 1958, at 9:30 a. m., e. d. s. t., in a Hearing Room of the Federal Power Commission, 441 G Street NW., Washington, D. C., concerning the matters involved in and the issues presented by such application: *Provided, however,* That the Commission may, after a non-contested hearing, dispose of the proceedings pursuant to the provisions of § 1.30 (c) (1) or (2) of the Commission's rules of practice and procedure. Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicant to appear or be represented at the hearing.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D. C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before August 20, 1958. Failure of any party to appear at and participate in the hearing shall be construed as waiver of and concurrence in omission herein of the intermediate decision procedure in cases where a request therefor is made.

[SEAL] JOSEPH H. GUTRIDE, *Secretary.*

[F. R. Doc. 58-5980; Filed, Aug. 4, 1958; 8:47 a. m.]

[Docket No. G-6067]

SUPERIOR OIL CO.

NOTICE OF MOTION TO MODIFY CERTIFICATE

JULY 30, 1958.

Take notice that on June 2, 1958, The Superior Oil Company (Applicant) filed a motion for modification of the certificate of public convenience and necessity issued to it on May 9, 1955, in Docket No. G-6067 to sell gas to American Louisiana Pipe Line Company, so as to substitute one heretofore undedicated tract of about 22,500 acres, known as Block 71 Field, West Cameron Area, Louisiana, for two presently dedicated tracts aggregating about 9,500 acres, known as offshore Blocks 71 and 76, Vermilion Area, Louisiana, all as more fully set forth in the motion which is on file with the Commission and open to public inspection.

The subject tracts are located offshore of southern Louisiana in the Gulf of Mexico. The original certificate authorization included other onshore and offshore producing areas from which natural gas was to be sold to American Louisiana Pipe Line Company (American Louisiana) pursuant to a gas sales contract dated July 17, 1953.

By filing on June 6, 1958, American Louisiana concurred in Applicant's motion for modification, and submitted estimates to the effect that the recoverable dry gas reserve in the acreage proposed to be dedicated is 86,621 MMcf as compared to combined proven recoverable dry gas reserve of 74,230 MMcf in the two tracts proposed to be deleted.

The proposed substitution will eliminate the necessity for Superior to construct about 49.5 miles of pipeline, largely offshore, to the deleted acreage. The tract proposed to be added will be crossed by a proposed 52 mile line, also largely offshore, to another dedicated tract.

Protests or petitions to intervene in this proceeding may be filed with the Federal Power Commission, Washington 25, D. C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before August 18, 1958.

[SEAL] JOSEPH H. GUTRIDE, *Secretary.*

[F. R. Doc. 58-5981; Filed, Aug. 4, 1958; 8:47 a. m.]

[Docket No. G-12372]

EL PASO NATURAL GAS CO.

NOTICE OF APPLICATION AND DATE OF HEARING

JULY 30, 1958.

Take notice that El Paso Natural Gas Company (Applicant) a Delaware corporation with its principal place of business at El Paso, Texas, filed an application on April 10, 1957 (supplemented on October 18, 1957) for a certificate of public convenience and necessity pursuant to section 7 of the Natural Gas Act, authorizing the construction and operation of 1½ miles of 3½-inch pipeline and appurtenant facilities thereto for the sale and delivery of an additional 1551 Mcf per day of natural gas to the Apache Powder Company (Apache) an existing direct sale customer, upon an interruptible basis, for consumption by Apache in its industrial plant near Curtis, Cochise County, Arizona. The proposed lateral line will extend from a point on Applicant's existing 10¾-inch line at approximately 55 miles north of Station 5 and will loop the present 2-inch line to Apache and will become an integral part of Applicant's natural gas pipeline system.

The estimated cost of the proposed facilities is $22,700 which will be financed from the Applicant's working capital funds.

This matter is one that should be disposed of as promptly as possible under the applicable rules and regulations and to that end:

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission, by sections 7 and 15 of the Natural Gas Act, and the Commission's rules of practice and procedure, a hearing will be held on September 4, 1958, at 9:30 a. m., e. d. s. t., in a Hearing Room of the Federal Power Commission, 441 G Street NW., Washington, D. C., concerning the matters involved in and the issues presented by such application: *Provided, however,* That the Commission may, after a non-contested hearing, dispose of the proceedings pursuant to the provisions of § 1.30 (c) (1) or (2) of the Commission's rules of practice and procedure. Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicant to appear or be represented at the hearing.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D. C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before August 18, 1958. Failure of any party to appear at and participate in the hearing shall be construed as waiver of and concurrence in omission herein of the intermediate decision procedure in cases where a request therefor is made.

[SEAL] JOSEPH H. GUTRIDE, *Secretary.*

[F. R. Doc. 58-5982; Filed, Aug. 4, 1958; 8:47 a. m.]

[Docket No. G-15039]

MISSISSIPPI RIVER FUEL CORP.

NOTICE OF APPLICATION AND DATE OF HEARING

JULY 30, 1958.

Take notice that Mississippi River Fuel Corporation (Applicant) a Delaware corporation, with its principal place of business in St. Louis, Missouri, filed an application on May 5, 1958, for a certificate of public convenience and necessity, pursuant to section 7 of the Natural Gas Act, authorizing the sale of natural gas in interstate commerce as hereinafter described, subject to the jurisdiction of the Commission, all as more fully represented in the application which is on file with the Commission and open to public inspection.

Applicant seeks authority to make a field sale of natural gas from its interest in State Lease 2792 in the Coquille Bay Field, Plaquemines Parish, Louisiana, to Southern Natural Gas Company (Southern), under a gas sales contract dated February 1, 1958, executed by and between Southern, Applicant, Callery Properties, Inc. and Francis A. Callery.

This matter is one that should be disposed of as promptly as possible under the applicable rules and regulations and to that end:

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, and the Commission's rules of practice and procedure, a hearing will be held on September 9, 1958, at 9:30 a. m., e. d. s. t., in a Hearing Room of the Federal Power Commission, 441 G Street NW., Washington, D. C., concerning the matters involved in and the issues presented by such application: *Provided, however,* That the Commission may, after a non-contested hearing, dispose of the proceedings pursuant to the provisions of § 1.30 (c) (1) or (2) of the Commission's rules of practice and procedure. Under the procedure herein provided for, unless

otherwise advised, it will be unnecessary for Applicant to appear or be represented at the hearing.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D. C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before August 20, 1958. Failure of any party to appear at and participate in the hearing shall be construed as waiver of and concurrence in omission herein of the intermediate decision procedure in cases where a request thereof is made.

[SEAL] JOSEPH H. GUTRIDE, *Secretary.*

[F. R. Doc. 58-5983; Filed, Aug. 4, 1958; 8:47 a. m.]

[Docket No. G-15261]

NORTHERN NATURAL GAS CO.

NOTICE OF APPLICATION AND DATE OF HEARING

JULY 29, 1958.

Take notice that on June 11, 1958, Northern Natural Gas Company (Applicant) filed in Docket No. G-15261 an application, pursuant to section 7 (c) of the Natural Gas Act, for a certificate of public convenience and necessity authorizing the construction and operation of a measuring and regulating station on its 8-inch Austin, Minnesota, lateral pipeline for the purpose of rendering firm natural gas service to Interstate Power Company (Interstate) for resale in a housing addition northeast of Albert Lea, Freeborn County, Minnesota, all as more fully set forth in the application which is on file with the Commission and open to public inspection.

The estimated cost of the proposed facilities will be $3,750. The estimated annual requirement of gas is 3,144 Mcf, with a peak day demand of 35 Mcf, for the estimated 18 homes and one State Highway Department involved. Sales will be made under the existing contract demand obligation of Northern to Interstate.

This matter is one that should be disposed of as promptly as possible under the applicable rules and regulations and to that end:

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, and the Commission's rules of practice and procedure, a hearing will be held on September 2, 1958, at 9:30 a. m., e. d. s. t., in a Hearing Room of the Federal Power Commission, 441 G Street NW., Washington, D. C., concerning the matters involved in and the issues presented by such application: *Provided, however,* That the Commission may, after a noncontested hearing, dispose of the proceedings pursuant to the provisions of § 1.30 (c) (1) or (2) of the Commission's rules of practice and procedure. Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicant to appear or be represented at the hearing.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D. C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before August 18, 1958. Failure of any party to appear at and participate in the hearing shall be construed as waiver of and concurrence in omission herein of the intermediate decision procedure in cases where a request therefor is made.

[SEAL] JOSEPH H. GUTRIDE, *Secretary.*

[F. R. Doc. 58-5984; Filed, Aug. 4, 1958; 8:48 a. m.]

[Docket No. G-15573]

DAVID CROW ET AL.

ORDER FOR HEARING, SUSPENDING PROPOSED CHANGE IN RATE, AND ALLOWING INCREASED RATE TO BECOME EFFECTIVE

JULY 30, 1958.

David Crow, Trustee, et al. (Respondent), on July 2, 1958, tendered for filing a proposed change in his presently effective rate schedule for sales of natural gas subject to the jurisdiction of the Commission. The proposed change, which constitutes an increased rate and charge, is contained in the following designated filing:

Description: Notice of Change, June 30, 1958.

Purchaser: Southern Natural Gas Company.

Rate schedule designation: Supplement No. 3 to Respondent's FPC Gas Rate Schedule No. 2.

Effective date: August 1, 1958 (effective date is the date proposed by Respondent).

The increased rate and charge so proposed is intended to reflect (in whole or in part) the additional "excise, license, or privilege tax" of one cent per Mcf levied by the State of Louisiana pursuant to Act No. 8 of 1958 (House Bill No. 303), as approved on June 16, 1958, amending Title 47 of the Louisiana Revised Statutes of 1950. The Commission is advised that litigation is being instituted to challenge the constitutionality of the said Act No. 8 of 1958. In consideration of this fact, and in order to assure appropriate refund in the event said Act No. 8 of 1958 should be declared unconstitutional or otherwise held invalid by final judicial decision, it is deemed advisable to suspend the said proposed increased rate and charge until August 2, 1958, and thereafter to permit it to become effective as of that date; provided, that within 20 days from the date of this order Respondent shall file with the Secretary of the Commission an appropriate undertaking to assure such refund as may be ordered.

The Commission finds:

(1) It is necessary and proper in the public interest and to aid in the enforcement of the provisions of the Natural Gas Act that the Commission enter upon a hearing concerning the lawfulness of the said proposed change, and that the above-designated supplement be suspended and the use thereof deferred as hereinafter ordered.

(2) It is necessary and proper in the public interest in carrying out the provisions of the Natural Gas Act that Respondent's proposed increased rate be made effective as hereinafter provided and that Respondent be required to file an undertaking as hereinafter ordered and conditioned.

The Commission orders:

(A) Pursuant to the authority of the Natural Gas Act, particularly sections 4 and 15 thereof, the Commission's rules of practice and procedure, and the regulations under the Natural Gas Act (18 CFR Ch. I), a public hearing be held upon a date to be fixed by notice from the Secretary concerning the lawfulness of the proposed increased rate and charge contained in the above-designated supplement to Respondent's FPC Gas Rate Schedule.

(B) Pending such hearing and decision thereon, said supplement be and it hereby is suspended and the use thereof deferred until August 2, 1958, and until such further time as it is made effective in the manner hereinafter prescribed.

(C) The rate, charge, and classification set forth in the above-designated supplement to Respondent's FPC Gas Rate Schedule shall be effective as of August 2, 1958: *Provided, however,* That within 20 days from the date of this order, Respondent shall execute and file with the Secretary of the Commission the agreement and undertaking described in paragraph (E) below.

(D) Respondent shall refund at such times and in such amounts to the persons entitled thereto, and in such manner as may be required by final order of the Commission, the difference between the presently effective rate and charge and the proposed increased rate and charge hereby allowed to become effective in the event the additional tax of one cent per Mcf levied by the State of Louisiana is for any reason held to be invalid. Should such additional tax eventually be held invalid and the State of Louisiana makes refund, with interest, of the tax monies collected pursuant to the said Act No. 8 of 1958, then, and in that event, a proportionate part of the interest so received by the Respondent herein shall be passed on and paid to the persons entitled thereto at such times and in such amounts, and in such manner as may be required by final order of the Commission. Respondent shall bear all costs of any such refunding; shall keep accurate accounts in detail of all amounts received by reason of the increased rate or charge allowed by this order to become effective, for each billing period, specifying by whom and in whose behalf such amounts were paid; and shall report (original and four copies), in writing and under oath, to the Commission quarterly, or monthly if Respondent so elects, for each billing period, and for each purchaser, the billing determinants of natural gas sales to such purchasers and the revenues resulting therefrom, as computed under the rate in effect immediately prior to the date upon which the increased rate allowed by this order becomes effective, and under the rate allowed by this order to become effective, together with the differences in the revenues so computed.

(E) As a condition of this order, within 20 days from the date of issuance thereof, Respondent shall execute and file in triplicate with the Secretary of this Commission its written agreement and undertaking to comply with the terms of paragraph (D) hereof, signed by a responsible officer of the corporation, evidenced by proper authority from the board of directors, and accompanied by a certificate showing service of copies thereof upon all purchasers under the rate schedule involved, as follows:

Agreement and Undertaking of _____ to Comply with the Terms and Conditions of Paragraph (D) of Federal Power Commission's Order Making Effective Proposed Rate Changes.

In conformity with the requirements of the order issued _____, in Docket No. G-___, _____ hereby agrees and undertakes to comply with the terms and conditions of paragraph (D) of said order, and has caused this agreement and undertaking to be executed and sealed in its name by its officers, thereupon duly authorized in accordance with the terms of the resolution of its board of directors, a certified copy of which is appended hereto this _____ day of _____.

_____

By _____

Attest:

_____

(Secretary)

Unless Respondent is advised to the contrary within 15 days after the date of filing such agreement and undertaking, the agreement and undertaking shall be deemed to have been accepted.

(F) If Respondent shall, in conformity with the terms and conditions of paragraph (D) of this order, make the refunds as may be required by order of the Commission, the undertaking shall be discharged; otherwise, it shall remain in full force and effect.

(G) Neither the supplements hereby suspended nor the rate schedules sought to be altered thereby shall be changed until the period of suspension has expired, unless otherwise ordered by the Commission.

(H) Interested State commissions may participate as provided by §§ 1.8 and 1.37 (f) of the Commission's rules of practice and procedure (18 CFR 1.8 and 1.37 (f)).

By the Commission.

[SEAL] JOSEPH H. GUTRIDE, *Secretary.*

[F. R. Doc. 58-5904; Filed, Aug. 4, 1958; 8:50 a. m.]

[Docket No. G-15574]

DAVID CROW

ORDER FOR HEARING, SUSPENDING PROPOSED CHANGE IN RATE, AND ALLOWING INCREASED RATE TO BECOME EFFECTIVE

JULY 30, 1958.

David Crow (Respondent) on July 1, 1958, tendered for filing a proposed change in his presently effective rate schedue for sales of natural gas subject to the jurisdiction of the Commission. The proposed change, which constitutes an increased rate and charge, is contained in the following designated filing:

Description: Notice of Change, June 28, 1958.

Purchaser: Texas Eastern Transmission Corporation.

Rate schedule designation: Supplement No. 3 to Respondent's FPC Gas Rate Schedule No. 6.

Effective date: August 1, 1958 (effective date is the date proposed by Respondent).

The increased rate and charge so proposed is intended to reflect (in whole or in part) the additional "excise, license, or privilege tax" of one cent per Mcf levied by the State of Louisiana pursuant to Act No. 8 of 1958 (House Bill No. 303), as approved on June 16, 1958, amending Title 47 of the Louisiana Revised Statutes of 1950. The Commission is advised that litigation is being instituted to challenge the constitutionality of the said Act No. 8 of 1958. In consideration of this fact, and in order to assure appropriate refund in the event said Act No. 8 of 1958 should be declared unconstitutional or otherwise held invalid by final judicial decision, it is deemed advisable to suspend the said proposed increased rate and charge until August 2, 1958, and thereafter to permit it to become effective as of that date; provided, that within 20 days from the date of this order Respondent shall file with the Secretary of the Commission an appropriate undertaking to assure such refund as may be ordered.

The Commission finds:

(1) It is necessary and proper in the public interest and to aid in the enforcement of the provisions of the Natural Gas Act that the Commission enter upon a hearing concerning the lawfulness of the said proposed change, and that the above-designated supplement be suspended and the use thereof deferred as hereinafter ordered.

(2) It is necessary and proper in the public interest in carrying out the provisions of the Natural Gas Act that Respondent's proposed increased rate be made effective as hereinafter provided and that Respondent be required to file an undertaking as hereinafter ordered and conditioned.

The Commission orders:

(A) Pursuant to the authority of the Natural Gas Act, particularly sections 4 and 15 thereof, the Commission's rules of practice and procedure, and the regulations under the Natural Gas Act (18 CFR Ch. I), a public hearing be held upon a date to be fixed by notice from the Secretary concerning the lawfulness of the proposed increased rate and charge contained in the above-designated supplement to Respondent's FPC Gas Rate Schedule.

(B) Pending such hearing and decision thereon, said supplement be and it hereby is suspended and the use thereof deferred until August 2, 1958, and until such further time as it is made effective in the manner hereinafter prescribed.

(C) The rate, charge, and classification set forth in the above-designated supplement to Respondent's FPC Gas Rate Schedule shall be effective as of August 2, 1958: *Provided, however,* That within 20 days from the date of this order, Respondent shall execute and file with the Secretary of the Commission the agreement and undertaking described in paragraph (E) below.

(D) Respondent shall refund at such times and in such amounts to the persons entitled thereto, and in such manner as may be required by final order of the Commission, the difference between the presently effective rate and charge and the proposed increased rate and charge hereby allowed to become effective in the event the additional tax of one cent per Mcf levied by the State of Louisiana is for any reason held to be invalid. Should such additional tax eventually be held invalid and the State of Louisiana makes refund, with interest, of the tax monies collected pursuant to the said Act No. 8 of 1958, then, and in that event, a proportionate part of the interest so received by the Respondent herein shall be passed on and paid to the persons entitled thereto at such times and in such amounts, and in such manner as may be required by final order of the Commission. Respondent shall bear all costs of any such refunding; shall keep accurate accounts in detail of all amounts received by reason of the increased rate or charge allowed by this order to become effective, for each billing period, specifying by whom and in whose behalf such amounts were paid; and shall report (original and four copies), in writing and under oath, to the Commission quarterly, or monthly if Respondent so elects, for each billing period, and for each purchaser, the billing determinants of natural gas sales to such purchasers and the revenues resulting therefrom, as computed under the rate in effect immediately prior to the date upon which the increased rate allowed by this order becomes effective, and under the rate allowed by this order to become effective, together with the differences in the revenues so computed.

(E) As a condition of this order, within 20 days from the date of issuance thereof, Respondent shall execute and file in triplicate with the Secretary of this Commission its written agreement and undertaking to comply with the terms of paragraph (D) hereof, signed by a responsible officer of the corporation, evidenced by proper authority from the board of directors, and accompanied by a certificate showing service of copies thereof upon all purchasers under the rate schedule involved, as follows:

Agreement and Undertaking of _____ to Comply with the Terms and Conditions of Paragraph (D) of Federal Power Commission's Order Making Effective Proposed Rate Changes.

In conformity with the requirements of the order issued _____, in Docket No. G-___, _____ hereby agrees and undertakes to comply with the terms and conditions of paragraph (D) of said order, and has caused this agreement and undertaking to be executed and sealed in its name by its officers, thereupon duly authorized in accordance with the terms of the resolution of its board of directors, a certified copy of which is appended hereto this _____ day of _____.

_____

By _____

Attest:

_____

(Secretary)

Unless Respondent is advised to the contrary within 15 days after the date of filing such agreement and undertaking, the agreement and undertaking shall be deemed to have been accepted.

(F) If Respondent shall, in conformity with the terms and conditions of paragraph (D) of this order, make the refunds as may be required by order of the Commission, the undertaking shall be discharged; otherwise, it shall remain in full force and effect.

(G) Neither the supplements hereby suspended nor the rate schedules sought to be altered thereby shall be changed until the period of suspension has expired, unless otherwise ordered by the Commission.

(H) Interested State commissions may participate as provided by §§ 1.8 and 1.37 (f) of the Commission's rules of practice and procedure (18 CFR 1.8 and 1.37 (f)).

By the Commission.

[SEAL] JOSEPH H. GUTRIDE, *Secretary.*

[F. R. Doc. 58-5995; Filed, Aug. 4, 1958; 8:51 a. m.]

[Docket No. G-15587]

CONTINENTAL OIL CO.

ORDER FOR HEARING, SUSPENDING PROPOSED CHANGE IN RATE, AND ALLOWING INCREASED RATE TO BECOME EFFECTIVE

JULY 30, 1958.

Continental Oil Company (Respondent), on July 7, 1958, tendered for filing a proposed change in its presently effective rate schedule for the sale of natural gas subject to the jurisdiction of the Commission. The proposed change, which constitutes an increased rate and charge, is contained in the following designated filing:

Description: Notice of change, undated.
Purchaser: Arkansas Louisiana Gas Company.
Rate schedule designation: Supplement No. 5 to Respondent's FPC Gas Rate Schedule No. 131.
Effective date: August 1, 1958 (effective date is the date proposed by Respondent).

The increased rate and charge so proposed is intended to reflect (in whole or in part) the additional "excise, license, or privilege tax" of one cent per Mcf levied by the State of Louisiana pursuant to Act No. 8 of 1958 (House Bill No. 303), as approved on June 16, 1958, amending Title 47 of the Louisiana Revised Statutes of 1950. The Commission is advised that litigation is being instituted to challenge the constitutionality of the said Act No. 8 of 1958. In consideration of this fact, and in order to assure appropriate refund in the event said Act No. 8 of 1958 should be declared unconstitutional or otherwise held invalid by final judicial decision, it is deemed advisable to suspend the said proposed increased rate and charge until August 2, 1958, and thereafter to permit it to become effective as of that date: *Provided,* That within 20 days from the date of this order Respondent shall file with the Secretary of the Commission an appropriate undertaking to assure such refund as may be ordered.

The Commission finds:

(1) It is necessary and proper in the public interest and to aid in the enforcement of the provisions of the Natural Gas Act that the Commission enter upon a hearing concerning the lawfulness of the said proposed change, and that the above-designated supplement be suspended and the use thereof deferred as hereinafter ordered.

(2) It is necessary and proper in the public interest in carrying out the provisions of the Natural Gas Act that Respondent's proposed increased rate be made effective as hereinafter provided and that Respondent be required to file an undertaking as hereinafter ordered and conditioned.

The Commission orders:

(A) Pursuant to the authority of the Natural Gas Act, particularly sections 4 and 15 thereof, the Commission's rules of practice and procedure, and the regulations under the Natural Gas Act (18 CFR Ch. I), a public hearing be held upon a date to be fixed by notice from the Secretary concerning the lawfulness of the proposed increased rate and charge contained in the above-designated supplement to Respondent's FPC Gas Rate Schedule.

(B) Pending such hearing and decision thereon, said supplement be and it hereby is suspended and the use thereof deferred until August 2, 1958, and until such further time as it is made effective in the manner hereinafter prescribed.

(C) The rate, charge, and classification set forth in the above-designated supplement to Respondent's FPC Gas Rate Schedule shall be effective as of August 2, 1958: *Provided, however,* That within 20 days from the date of this order, Respondent shall execute and file with the Secretary of the Commission the agreement and undertaking described in paragraph (E) below.

(D) Respondent shall refund at such times and in such amounts to the persons entitled thereto, and in such manner as may be required by final order of the Commission, the difference between the presently effective rate and charge and the proposed increased rate and charge hereby allowed to become effective in the event the additional tax of one cent per Mcf levied by the State of Louisiana is for any reason held to be invalid. Should such additional tax eventually be held invalid and the State of Louisiana makes refund, with interest, of the tax monies collected pursuant to the said Act No. 8 of 1958, then, and in that event, a proportionate part of the interest so received by the Respondent herein shall be passed on and paid to the persons entitled thereto at such times and in such amounts, and in such manner as may be required by final order of the Commission. Respondent shall bear all costs of any such refunding; shall keep accurate accounts in detail of all amounts received by reason of the increased rate or charged allowed by this order to become effective, for each billing period, specifying by whom and in whose behalf such amounts were paid; and shall report (original and four copies), in writing and under oath, to the Commission quarterly, or monthly if Respondent so elects, for each billing period, and for each purchaser, the billing determinants of natural gas sales to such purchasers and the revenues resulting therefrom, as computed under the rate in effect immediately prior to the date upon which the increased rate allowed by this order becomes effective, and under the rate allowed by this order to become effective, together with the differences in the revenues so computed.

(E) As a condition of this order, within 20 days from the date of issuance thereof, Respondent shall execute and file in triplicate with the Secretary of this Commission its written agreement and undertaking to comply with the terms of paragraph (D) hereof, signed by a responsible officer of the corporation, evidenced by proper authority from the board of directors, and accompanied by a certificate showing service of copies thereof upon all purchasers under the rate schedule involved, as follows:

Agreement and Undertaking of _____ to Comply with the Terms and Conditions of Paragraph (D) of Federal Power Commission's Order Making Effective Proposed Rate Changes.

In conformity with the requirements of the order issued _____, in Docket No. G-___, _____ hereby agrees and undertakes to comply with the terms and conditions of paragraph (D) of said order, and has caused this agreement and undertaking to be executed and sealed in its name by its officers, thereupon duly authorized in accordance with the terms of the resolution of its board of directors, a certified copy of which is appended hereto this _____ day of _____.

_____
By _____

Attest:

_____
(Secretary)

Unless Respondent is advised to the contrary within 15 days after the date of filing such agreement and undertaking, the agreement and undertaking shall be deemed to have been accepted.

(F) If Respondent shall, in conformity with the terms and conditions of paragraph (D) of this order, make the refunds as may be required by order of the Commission, the undertaking shall be discharged; otherwise, it shall remain in full force and effect.

(G) Neither the supplements hereby suspended nor the rate schedules sought to be altered thereby shall be changed until the period of suspension has expired, unless otherwise ordered by the Commission.

(H) Interested State commissions may participate as provided by § § 1.8 and 1.37 (f) of the Commission's rules of practice and procedure (18 CFR 1.8 and 1.37 (f).

By the Commission.

[SEAL] JOSEPH GUTRIDE, *Secretary.*

[F. R. Doc. 58-5996; Filed, Aug 4, 1958; 8:51 a. m.]

[Docket No. G-15547]

TEXAS CO. ET AL.

ORDER FOR HEARING, SUSPENDING PROPOSED CHANGES IN RATES, AND ALLOWING INCREASED RATES TO BECOME EFFECTIVE

JULY 30, 1958.

The Texas Company (Operator) et al. (Respondent), on June 27, 1958, tendered

for filing proposed changes in its presently effective rate schedules for sales of natural gas subject to the jurisdiction of the Commission. The proposed changes, which constitute increased rates and charges, are contained in the following designated filings:

Description: Notices of changes, undated.
Purchaser: United Fuel Gas Company.
Rate schedule designation: (1) Supplement No. 10 to Respondent's FPC Gas Rate Schedule No. 3. (2) Supplement No. 6 to Respondent's FPC Gas Rate Schedule No. 6.
Effective date: August 1, 1958 (effective date is the date proposed by Respondent).

The increased rates and charges so proposed are intended to reflect (in whole or in part) the additional "excise, license, or privilege tax" of one cent per Mcf levied by the State of Louisiana pursuant to Act No. 8 of 1958 (House Bill No. 303), as approved on June 16, 1958, amending Title 47 of the Louisiana Revised Statutes of 1950. The Commission is advised that litigation is being instituted to challenge the constitutionality of the said Act No. 8 of 1958. In consideration of this fact, and in order to assure appropriate refund in the event said Act No. 8 of 1958 should be declared unconstitutional or otherwise held invalid by final judicial decision, it is deemed advisable to suspend the said proposed increased rates and charges until August 2, 1958, and thereafter to permit them to become effective as of that date; provided, that within 20 days from the date of this order Respondent shall file with the Secretary of the Commission an appropriate undertaking to assure such refund as may be ordered.

The Commission finds:

(1) It is necessary and proper in the public interest and to aid in the enforcement of the provisions of the Natural Gas Act that the Commission enter upon a hearing concerning the lawfulness of the said proposed changes, and that the above-designated supplements be suspended and the use thereof deferred as hereinafter ordered.

(2) It is necessary and proper in the public interest in carrying out the provisions of the Natural Gas Act that Respondent's proposed increased rates be made effective as hereinafter provided and that Respondent be required to file an undertaking as hereinafter ordered and conditioned.

The Commission orders:

(A) Pursuant to the authority of the Natural Gas Act, particularly sections 4 and 15 thereof, the Commission's rules of practice and procedure, and the regulations under the Natural Gas Act (18 CFR Ch. I), a public hearing be held upon a date to be fixed by notice from the Secretary concerning the lawfulness of the proposed increased rates and charges contained in the above-designated supplements to Respondent's FPC Gas Rate Schedules.

(B) Pending such hearing and decision thereon, said supplements are each hereby suspended and the use thereof deferred until August 2, 1958, and until such further time as each is made effective in the manner hereinafter prescribed.

(C) The rates, charges, and classifications set forth in the above-designated supplements to Respondent's FPC Gas Rate Schedules shall be effective as of August 2, 1958: *Provided, however,* That within 20 days from the date of this order, Respondent shall execute and file with the Secretary of the Commission the agreement and undertaking described in paragraph (E) below.

(D) Respondent shall refund at such times and in such amounts to the persons entitled thereto, and in such manner as may be required by final order of the Commission, the difference between the presently effective rates and charges and the proposed increased rates and charges hereby allowed to become effective in the event the additional tax of one cent per Mcf levied by the State of Louisiana is for any reason held to be invalid. Should such additional tax eventually be held invalid and the State of Louisiana makes refund, with interest, of the tax monies collected pursuant to the said Act No. 8 of 1958, then, and in that event, a proportionate part of the interest so received by the Respondent herein shall be passed on and paid to the persons entitled thereto at such times and in such amounts, and in such manner as may be required by final order of the Commission. Respondent shall bear all costs of any such refunding; shall keep accurate accounts in detail of all amounts received by reason of the increased rates or charges allowed by this order to become effective, for each billing period, specifying by whom and in whose behalf such amounts were paid; and shall report (original and four copies), in writing and under oath, to the Commission quarterly, or monthly if Respondent so elects, for each billing period, and for each purchaser, the billing determinants of natural gas sales to such purchasers and the revenues resulting therefrom, as computed under the rates in effect immediately prior to the date upon which the increased rates allowed by this order become effective, and under the rates allowed by this order to become effective, together with the differences in the revenues so computed.

(E) As a condition of this order, within 20 days from the date of issuance thereof, Respondent shall execute and file in triplicate with the Secretary of this Commission its written agreement and undertaking to comply with the terms of paragraph (D) hereof, signed by a responsible officer of the corporation, evidenced by proper authority from the board of directors, and accompanied by a certificate showing service of copies thereof upon all purchasers under the rate schedule involved, as follows:

Agreement and Undertaking of _____ to Comply with the Terms and Conditions of Paragraph (D) of Federal Power Commission's Order Making Effective Proposed Rate Changes.

In conformity with the requirements of the order issued _____, in Docket No. G-_____, _____ hereby agrees and undertakes to comply with the terms and conditions of paragraph (D) of said order, and has caused this agreement and undertaking to be executed and sealed in its name by its officers, thereupon duly authorized in accordance with the terms of the resolution of its board of directors, a certified copy of which is appended hereto this _____ day of _____

_____

By _____

Attest:

_____

(Secretary)

Unless Respondent is advised to the contrary within 15 days after the date of filing such agreement and undertaking, the agreement and undertaking shall be deemed to have been accepted.

(F) If Respondent shall, in conformity with the terms and conditions of paragraph (D) of this order, make the refunds as may be required by order of the Commission, the undertaking shall be discharged; otherwise, it shall remain in full force and effect.

(G) Neither the supplements hereby suspended nor the rate schedules sought to be altered thereby shall be changed until the period of suspension has expired, unless otherwise ordered by the Commission.

(H) Interested State commissions may participate as provided by §§ 1.8 and 1.37 (f) of the Commission's rules of practice and procedure (18 CFR 1.8 and 1.37 (f)).

By the Commission.

[SEAL] JOSEPH H. GUTRIDE, *Secretary.*

[F. R. Doc. 58-5997; Filed, Aug. 4, 1958; 8:51 a. m.]

[Docket No. G-15556]

ARKANSAS FUEL OIL CORP.

ORDER FOR HEARING, SUSPENDING PROPOSED CHANGE IN RATE, AND ALLOWING INCREASED RATE TO BECOME EFFECTIVE

JULY 30, 1958.

Arkansas Fuel Oil Corporation (Respondent), on June 27, 1958, tendered for filing a proposed change in its presently effective rate schedule for the sale of natural gas subject to the jurisdiction of the Commission. The proposed change, which constitutes an increased rate and charge, is contained in the following designated filing:

Description: Notice of change, dated June 23, 1958.
Purchaser: United Gas Pipe Line Company.
Rate schedule designation: Supplement No. 1 to Respondent's FPC Gas Rate Schedule No. 51.
Effective date: August 1, 1958 (effective date is the date proposed by Respondent).

The increased rate and charge so proposed is intended to reflect (in whole or in part) the additional "excise, license, or privilege tax" of one cent per Mcf levied by the State of Louisiana pursuant to Act No. 8 of 1958 (House Bill No. 303), as approved on June 16, 1958, amending Title 47 of the Louisiana Revised Statutes of 1950. The Commission is advised that litigation is being instituted to challenge the constitutionality of the said Act No. 8 of 1958. In consideration of this fact, and in order to assure appropriate refund in the event said Act No. 8 of 1958 should be declared unconstitutional or otherwise held invalid by final judicial decision, it is deemed advisable

to suspend the said proposed increased rate and charge until August 2, 1958, and thereafter to permit it to become effective as of that date; provided, that within 20 days from the date of this order Respondent shall file with the Secretary of the Commission an appropriate undertaking to assure such refund as may be ordered.

The Commission finds:

(1) It is necessary and proper in the public interest and to aid in the enforcement of the provisions of the Natural Gas Act that the Commission enter upon a hearing concerning the lawfulness of the said proposed change, and that the above-designated supplement be suspended and the use thereof deferred as hereinafter ordered.

(2) It is necessary and proper in the public interest in carrying out the provisions of the Natural Gas Act that Respondent's proposed increased rate be made effective as hereinafter provided and that Respondent be required to file an undertaking as hereinafter ordered and conditioned.

The Commission orders:

(A) Pursuant to the authority of the Natural Gas Act, particularly sections 4 and 15 thereof, the Commission's rules of practice and procedure, and the regulations under the Natural Gas Act (18 CFR Ch. I), a public hearing be held upon a date to be fixed by notice from the Secretary concerning the lawfulness of the proposed increased rate and charge contained in the above-designated supplement to Respondent's FPC Gas Rate Schedule.

(B) Pending such hearing and decision thereon, said supplement be and it hereby is suspended and the use thereof deferred until August 2, 1958, and until such further time as it is made effective in the manner hereinafter prescribed.

(C) The rate, charge, and classification set forth in the above-designated supplement to Respondent's FPC Gas Rate Schedule shall be effective as of August 2, 1958: *Provided, however,* That within 20 days from the date of this order, Respondent shall execute and file with the Secretary of the Commission the agreement and undertaking described in paragraph (E) below.

(D) Respondent shall refund at such times and in such amounts to the persons entitled thereto, and in such manner as may be required by final order of the Commission, the difference between the presently effective rate and charge and the proposed increased rate and charge hereby allowed to become effective in the event the additional tax of one cent per Mcf levied by the State of Louisiana is for any reason held to be invalid. Should such additional tax eventually be held invalid and the State of Louisiana makes refund, with interest, of the tax monies collected pursuant to the said Act No. 8 of 1958, then, and in that event, a proportionate part of the interest so received by the Respondent herein shall be passed on and paid to the persons entitled thereto at such times and in such amounts, and in such manner as may be required by final order of the Commission. Respondent shall bear all costs of any such refunding; shall keep accurate accounts in detail of all amounts received by reason of the increased rate or charge allowed by this order to become effective, for each billing period, specifying by whom and in whose behalf such amounts were paid; and shall report (original and four copies), in writing and under oath, to the Commission quarterly, or monthly if Respondent so elects, for each billing period, and for each purchaser, the billing determinants of natural gas sales to such purchasers and the revenues resulting therefrom, as computed under the rate in effect immediately prior to the date upon which the increased rate allowed by this order becomes effective, and under the rate allowed by this order to become effective, together with the differences in the revenues so computed.

(E) As a condition of this order, within 20 days from the date of issuance thereof, Respondent shall execute and file in triplicate with the Secretary of this Commission its written agreement and undertaking to comply with the terms of paragraph (D) hereof, signed by a responsible officer of the corporation, evidenced by proper authority from the board of directors, and accompanied by a certificate showing service of copies thereof upon all purchasers under the rate schedule involved, as follows:

Agreement and Undertaking of _____ to Comply with the Terms and Conditions of Paragraph (D) of Federal Power Commission's Order Making Effective Proposed Rate Changes.

In conformity with the requirements of the order issued _____, in Docket No. G-__, _____ hereby agrees and undertakes to comply with the terms and conditions of paragraph (D) of said order, and has caused this agreement and undertaking to be executed and sealed in its name by its officers, thereupon duly authorized in accordance with the terms of the resolution of its board of directors, a certified copy of which is appended hereto this _____ day of _____.

_____

By _____

Attest:

_____

(Secretary)

Unless Respondent is advised to the contrary within 15 days after the date of filing such agreement and undertaking, the agreement and undertaking shall be deemed to have been accepted.

(F) If Respondent shall, in conformity with the terms and conditions of paragraph (D) of this order, make the refunds as may be required by order of the Commission, the undertaking shall be discharged; otherwise, it shall remain in full force and effect.

(G) Neither the supplements hereby suspended nor the rate schedules sought to be altered thereby shall be changed until the period of suspension has expired, unless otherwise ordered by the Commission.

(H) Interested State commissions may participate as provided by §§ 1.8 and 1.37 (f) of the Commission's rules of practice and procedure (18 CFR 1.8 and 1.37 (f)).

By the Commission.

[SEAL] JOSEPH H. GUTRIDE, *Secretary.*

[F. R. Doc. 58-5998; Filed, Aug. 4, 1958; 8:52 a. m.]

[Docket No. G-15572]

HUNT OIL CO.

ORDER FOR HEARING, SUSPENDING PROPOSED CHANGES IN RATES, AND ALLOWING INCREASED RATES TO BECOME EFFECTIVE

JULY 30, 1958.

Hunt Oil Company (Respondent), on July 2 and 3, 1958, tendered for filing proposed changes in certain of its rate schedules presently in effect for sales of natural gas subject to the jurisdiction of the Commission. The proposed changes, which constitute increased rates and charges, are contained in the following designated filings:

Description: Notices of Change, all undated.

Purchaser: (1) through (5) Arkansas Louisiana Gas Company. (6) United Gas Pipe Line Company.

Rate schedule designations: (1) Supplement No. 11 to Respondent's FPC Gas Rate Schedule No. 2. (2) Supplement No. 6 to Respondent's FPC Gas Rate Schedule No. 3. (3) Supplement No. 5 to Respondent's FPC Gas Rate Schedule No. 25. (4) Supplement No. 3 to Respondent's FPC Gas Rate Schedule No. 29. (5) Supplement No. 4 to Respondent's FPC Gas Rate Schedule No. 14. (6) Supplement No. 8 to Respondent's FPC Gas Rate Schedule No. 5.

Effective date: August 1, 1958 (effective date is the date proposed by Respondent).

The increased rates and charges so proposed are intended to reflect (in whole or in part) the additional "excise, license, or privilege tax" of one cent per Mcf levied by the State of Louisiana pursuant to Act No. 8 of 1958 (House Bill No. 303), as approved on June 16, 1958, amending Title 47 of the Louisiana Revised Statutes of 1950. The Commission is advised that litigation is being instituted to challenge the constitutionality of the said Act No. 8 of 1958. In consideration of this fact, and in order to assure appropriate refund in the event said Act No. 8 of 1958 should be declared unconstitutional or otherwise held invalid by final judicial decision, it is deemed advisable to suspend the said proposed increased rates and charges until August 2, 1958, and thereafter to permit them to become effective as of that date: *Provided,* That within 20 days from the date of this order Respondent shall file with the Secretary of the Commission an appropriate undertaking to assure such refund as may be ordered.

The Commission finds:

(1) It is necessary and proper in the public interest and to aid in the enforcement of the provisions of the Natural Gas Act that the Commission enter upon a hearing concerning the lawfulness of the said proposed changes, and that the above-designated supplements be suspended and the use thereof deferred as hereinafter ordered.

(2) It is necessary and proper in the public interest in carrying out the provisions of the Natural Gas Act that Respondent's proposed increased rates be made effective as hereinafter provided and that Respondent be required to file an undertaking as hereinafter ordered and conditioned.

The Commission orders:

(A) Pursuant to the authority of the Natural Gas Act, particularly sections

4 and 15 thereof, the Commission's rules of practice and procedure, and the regulations under the Natural Gas Act (18 CFR Ch. I), a public hearing be held upon a date to be fixed by notice from the Secretary concerning the lawfulness of the proposed increased rates and charges contained in the above-designated supplements to Respondent's FPC Gas Rate Schedules.

(B) Pending such hearing and decision thereon, said supplements are each hereby suspended and the use thereof deferred until August 2, 1958, and until such further time as each is made effective in the manner hereinafter prescribed.

(C) The rates, charges, and classifications set forth in the above-designated supplements to Respondent's FPC Gas Rate Schedules shall be effective as of August 2, 1958: *Provided however*, That within 20 days from the date of this order, Respondent shall execute and file with the Secretary of the Commission the agreement and undertaking described in paragraph (E) below.

(D) Respondent shall refund at such times and in such amounts to the persons entitled thereto, and in such manner as may be required by final order of the Commission, the difference between the presently effective rates and charges and the proposed increased rates and charges hereby allowed to become effective in the event the additional tax of one cent per Mcf levied by the State of Louisiana is for any reason held to be invalid. Should such additional tax eventually be held invalid and the State of Louisiana makes refund, with interest, of the tax monies collected pursuant to the said Act No. 8 of 1958, then, and in that event, a proportionate part of the interest so received by the Respondent herein shall be passed on and paid to the persons entitled thereto at such times and in such amounts, and in such manner as may be required by final order of the Commission. Respondent shall bear all costs of any such refunding; shall keep accurate accounts in detail of all amounts received by reason of the increased rates or charges allowed by this order to become effective, for each billing period, specifying by whom and in whose behalf such amounts were paid; and shall report (original and four copies), in writing and under oath, to the Commission quarterly, or monthly if Respondent so elects, for each billing period, and for each purchaser, the billing determinants of natural gas sales to such purchasers and the revenues resulting therefrom, as computed under the rates in effect immediately prior to the date upon which the increased rates allowed by this order become effective, and under the rates allowed by this order to become effective, together with the differences in the revenues so computed.

(E) As a condition of this order, within 20 days from the date of issuance thereof, Respondent shall execute and file in triplicate with the Secretary of this Commission its written agreement and undertaking to comply with the terms of paragraph (D) hereof, signed by a responsible officer of the corporation, evidenced by proper authority from the board of directors, and accompanied by a certificate showing service of copies thereof upon all purchasers under the rate schedule involved, as follows:

Agreement and Undertaking of _____ to Comply with the Terms and Conditions of Paragraph (D) of Federal Power Commission's Order Making Effective Proposed Rate Changes.

In conformity with the requirements of the order issued _____, in Docket No. G-___, _____ hereby agrees and undertakes to comply with the terms and conditions of paragraph (D) of said order, and has caused this agreement and undertaking to be executed and sealed in its name by its officers, thereupon duly authorized in accordance with the terms of the resolution of its board of directors, a certified copy of which is appended hereto this _____ day of _____.

_____

By _____

Attest:

_____

(Secretary)

Unless Respondent is advised to the contrary within 15 days after the date of filing such agreement and undertaking, the agreement and undertaking shall be deemed to have been accepted.

(F) If Respondent shall, in conformity with the terms and conditions of paragraph (D) of this order, make the refunds as may be required by order of the Commission, the undertaking shall be discharged; otherwise, it shall remain in full force and effect.

(G) Neither the supplements hereby suspended nor the rate schedules sought to be altered thereby shall be changed until the period of suspension has expired, unless otherwise ordered by the Commission.

(H) Interested State commissions may participate as provided by §§ 1.8 and 1.37 (f) of the Commission's rules of practice and procedure (18 CFR 1.8 and 1.37 (f)).

By the Commission.

[SEAL] JOSEPH H. GUTRIDE, *Secretary.*

[F. R. Doc. 58-5999; Filed, Aug. 4, 1958; 8:52 a. m.]

[Project No. 704]

CALIFORNIA OREGON POWER CO.

NOTICE OF MODIFICATION OF LAND WITHDRAWAL—OREGON

JULY 30, 1958.

Conformable to the provision of section 24 of the act of June 10, 1920 (41 Stat. 1063) as amended, this Commission, on July 19, 1926, gave notice of the reservation of approximately 160 acres of United States land pursuant to the filing by the California Oregon Power Company, on June 7, 1926, of an application for License for a transmission line right-of-way from its Copco plant in the State of California to Klamath Falls in the State of Oregon.

On February 4, 1958, the Licensee filed an application for amendment of License, supported by map "Exhibit K-1" (F. P. C. No. 704-13) filed February 5, 1958, which reflects changes in the alignment of the transmission line upon lands of the United States within Sec. 26 T. 40 S., R. 6 E., W. M., Oregon.

Therefore, in accordance with section 24 of the Federal Power Act (June 10, 1920) notice is hereby given that the lands hereinafter described, insofar as title thereto remains in the United States, are included in project No. 704 and are, from the date of filing of completed application, February 5, 1958, reserved from all forms of disposal under the laws of the United States until otherwise directed by the Commission or by Congress.

WILLAMETTE MERIDIAN

All portions of the following described subdivisions lying within a strip 100 feet wide (50 feet on each side of center line survey) as delimited upon a map designated "Exhibit K-1 sheet 1" (F. P. C. No. 704-13) entitled "Application for Amendment to License, The California Oregon Power Company, Transmission Line from Fall Creek, California, to Klamath Falls, Oregon, Detail Map" and filed in the Office of the Commission February 5, 1958.

T. 40 S., R. 6 E.,
Sec. 26: Lots 6, 7 and 8.

The general determination made by the Commission at its meeting of April 17, 1922, with respect to lands reserved for transmission line purposes only, is applicable to these lands.

This notice modifies that given July 19, 1926, insofar as it refers to the location of the transmission line in parts of the above-noted subdivisions. The area reserved under this notice embraces approximately 7.29 acres all of which have been heretofore reserved for power purposes under prior withdrawal for this project (No. 704), project No. 215, or Power Site Reserve No. 258.

A copy of map Exhibit "K-1" (F. P. C. No. 704-13) has been transmitted to the Bureau of Land Management and Geological Survey.

[SEAL] JOSEPH H. GUTRIDE, *Secretary.*

[F. R. Doc. 58-6000; Filed, Aug. 4, 1958; 8:52 a. m.]

GENERAL SERVICES ADMINISTRATION

GEM QUALITY DIAMONDS HELD IN NATIONAL STOCKPILE

PROPOSED DISPOSITION

Pursuant to the provisions of section 3 (e) of the Strategic and Critical Materials Stock Piling Act, 53 Stat. 811, as amended, 50 U. S. C. 98b (e), notice is hereby given of a proposed disposition of approximately 47,049 carats of rough cuttable gem quality diamonds and approximately 8,412 carats of cut and polished gem quality diamonds now held in the national stockpile.

Such gem quality diamonds were obtained principally through transfer to the stockpile pursuant to section 6 (a) of the Strategic and Critical Materials Stock Piling Act at times when the stockpile objectives for industrial diamond stones had not been reached. Based upon the fact that the stockpile inventory of

industrial diamond stones now meets the stockpile objectives, the Office of Defense Mobilization, prior to July 1, 1958, made a revised determination, pursuant to section 2 (a) of the Strategic and Critical Materials Stock Piling Act, that there is no longer any need for stockpiling gem quality diamonds.

General Services Administration proposes to sell said gem quality diamonds by competitive bidding, either through public auction or by formal advertising for sealed bids. In order to encourage bidding by all prospective purchasers, the diamonds will be available for sale in lots of varying sizes.

It is believed that this plan of disposition will protect the United States against avoidable loss on the sale of such diamonds and also protect producers, processors and consumers against avoidable disruption of their usual markets.

It is proposed to make the gem quality diamonds covered by this notice available for sale six months after the date of publication of this notice in the FEDERAL REGISTER. Since the revised determination is not by reason of obsolescence of gem quality diamonds for use in time of war, this proposed disposition is being referred to the Congress for its express approval, as required by section 3 (e) of the Strategic and Critical Materials Stock Piling Act.

Dated: July 29, 1958.

FRANKLIN FLOETE,
Administrator of General Services.

[F. R. Doc. 58-5987; Filed, Aug. 4, 1958; 8:48 a. m.]

DEPARTMENT OF JUSTICE

Office of Alien Property

INDUSTRIA MECCANICA AFFINI

NOTICE OF INTENTION TO RETURN VESTED PROPERTY

Pursuant to section 32 (f) of the Trading With the Enemy Act, as amended, notice is hereby given of intention to return, on or after 30 days from the date of publication hereof, the following property located in Washington, D. C., including all royalties accrued thereunder and all damages and profits recoverable for past infringement thereof, after adequate provision for taxes and conservatory expenses:

Claimant, Claim No., and Property

Secondo Campini d/b/a Industria Meccanica Affini, Via Aprica 16, Milan, Italy; Claim No. 44105; Property described in Vesting Order No. 201 (8 F. R. 625, January 16, 1943) relating to United States Letters Patent No. 2,024,274. Vesting Order No. 201.

Executed at Washington, D. C., on July 28, 1958.

For the Attorney General.

[SEAL] PAUL V. MYRON,
Deputy Director,
Office of Alien Property.

[F. R. Doc. 58-6004; Filed, Aug. 4, 1958; 8:53 a. m.]

R. BOUILLERE

NOTICE OF INTENTION TO RETURN VESTED PROPERTY

Pursuant to section 32 (f) of the Trading With the Enemy Act, as amended, notice is hereby given of intention to return, on or after 30 days from the date of publication hereof, the following property, subject to any increase or decrease resulting from the administration thereof prior to return, and after adequate provision for taxes and conservatory expenses:

Claimant, Claim No., Property, and Location

R. Bouillere, a/k/a Antoine Gaston Bouillere, 8, rue de Presles, Chagny, Saone et Loire, France; Claim No. 64330; $151.00 in the Treasury of the United States. Vesting Order No. 18005.

Executed at Washington, D. C., on July 25, 1958.

For the Attorney General.

[SEAL] PAUL V. MYRON,
Deputy Director,
Office of Alien Property.

[F. R. Doc. 58-6003; Filed, Aug. 4, 1958; 8:53 a. m.]

MARCELLE VIDRIN

NOTICE OF INTENTION TO RETURN VESTED PROPERTY

Pursuant to section 32 (f) of the Trading With the Enemy Act, as amended, notice is hereby given of intention to return, on or after 30 days from the date of publication hereof, the following property, subject to any increase or decrease resulting from the administration thereof prior to return, and after adequate provision for taxes and conservatory expenses:

Claimant, Claim No., Property, and Location

Marcelle Vidrin, Russ No. 10, Bas Rhin, France; Claim No. 66517; $1,587.46 in the Treasury of the United States. Vesting Order No. 9068.

Executed at Washington, D. C., on July 25, 1958.

For the Attorney General.

[SEAL] PAUL V. MYRON,
Deputy Director,
Office of Alien Property.

[F. R. Doc. 58-6005; Filed, Aug. 4, 1958; 8:53 a. m.]

DRZAVNI ZAVOD ZA OSIGURANJE

NOTICE OF INTENTION TO RETURN VESTED PROPERTY

Pursuant to section 32 (f) of the Trading With the Enemy Act, as amended, notice is hereby given of intention to return, on or after 30 days from the date of publication hereof, the following property, subject to any increase or decrease resulting from the administration thereof prior to return, and after adequate provision for taxes and conservatory expenses:

Claimant, Claim No., Property, and Location

Drzavni Zavod za Osiguranje, Belgrade, Yugoslavia; Claim No. 61928; $62,723.00 in the Treasury of the United States. Vesting Order 18007.

Executed at Washington, D. C., on July 28, 1958.

For the Attorney General.

[SEAL] DALLAS S. TOWNSEND,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 58-6006; Filed, Aug. 4, 1958; 8:54 a. m.]

INTERSTATE COMMERCE COMMISSION

[Notice 9]

MOTOR CARRIER TRANSFER PROCEEDINGS

JULY 31, 1958.

Synopses of orders entered pursuant to section 212 (b) of the Interstate Commerce Act, and rules and regulations prescribed thereunder (49 CFR Part 179), appear below:

As provided in the Commission's special rules of practice any interested person may file a petition seeking reconsideration of the following numbered proceedings within 20 days from the date of publication of this notice. Pursuant to section 17 (8) of the Interstate Commerce Act, the filing of such a petition will postpone the effective date of the order in that proceeding pending its disposition. The matters relied upon by petitioners must be specified in their petitions with particularity.

No. MC-FC 61110. By order of July 29, 1958, the Transfer Board approved the transfer to Harold Peterson, Ellsworth, Wis., of Certificate No. MC 22643, issued January 23, 1956, to Roland W. Thom, Ellsworth, Wis., authorizing the transportation of *General commodities*, with exceptions, between points in Hartland, Salem, and Ellsworth Townships, Pierce County, Wis., on the one hand, and, on the other, St. Paul, South St. Paul, Minneapolis, and Red Wing, Minn. A. R. Fowler, 2288 University Avenue, St. Paul 14, Minn., for applicants.

No. MC-FC 61189. By order of July 28, 1958, the Transfer Board approved the transfer to Clyde O. Dyer, Jr., and Evelyn A. Dyer, a partnership, doing business as Imperial Valley Van & Storage Co., 137 West Main Street, Imperial, California, of Certificate No. MC 111635, issued February 10, 1958 to Irene Taylor, doing business as Imperial Valley Van & Storage Company, 137 West Main Street, Imperial, California, authorizing the transportation of: Household goods, as defined by the Commission, between points in California within 80 miles of El Centro, Calif., including El Centro.

No. MC-FC 61251. By order of July 28, 1958, the Transfer Board approved the transfer to Remo Ciavarella, doing business as Remo Cartage Company, Chicago, Ill., of Corrected Permit in No. MC 116272, issued November 5, 1957, to William F. Ranson, doing business as Remo Cartage Co., Chicago, Ill., authorizing

the transportation of: *Used baking pans,* between Chicago, Ill., on the one hand, and, on the other, all points in Illinois and Indiana and specified points in Iowa, Michigan, Missouri, and Wisconsin. Lewis B. Baron, First National Bank Building, Chicago 3, Illinois, for applicants.

No. MC–FC 61392. By order of July 28, 1958, the Transfer Board approved the transfer to Harry Russell & Sons, Inc., Mount Vernon, Ind., of Certificate No. MC 116311, issued November 14, 1957, to W. Harry Russell and Winifred D. Russell, a partnership, doing business as Russell & Son, Mount Vernon, Ind., authorizing the transportation of *Water* and *crude oil,* in bulk, in tank vehicles, between points in that part of Indiana on and west of U. S. Highway 31 and on and south of U. S. Highway 40 and points in Wabash, Edwards, White, and Gallatin Counties, Ill. Robert W. Loser, Attorney at law, 317 Chamber of Commerce Building, Indianapolis, Ind., for applicants.

No. MC–FC 61396. By order of July 28, 1958, the Transfer Board approved the transfer to Elton E. Babbitt, doing business as New Home Transit, New Brighton, Minn., of a portion of Certificate No. MC 113975, issued March 29, 1956, and Certificate No. MC 113975, issued December 31, 1957, to Move-Way Vans, Inc., Minneapolis, Minn., authorizing the transportation of Prefabricated buildings, complete, knocked down, or in sections, including all component parts, equipment and materials incidental to the erection and completion of such buildings when shipped therewith, from Bloomington, Litchfield, and Golden Valley, Minn., to points in North Dakota and South Dakota, and from Bloomington and Litchfield, Minn., to points in Illinois, Kansas, Michigan, Iowa, Nebraska, Colorado, Wisconsin, Wyoming, Montana, and Missouri. Donald A. Morken, 1100 First National-Soo Line Building, Minneapolis, 2, Minn., for transferee. F. J. Van Osdel, 506 First National Bank Building, Fargo, North Dakota, for transferor.

No. MC–FC 61410. By order of July 28, 1958, the Transfer Board approved the transfer to Arthur Queen and John Queen, a partnership, doing business as Queen Brothers, Glen Burnie, Md., of Certificate No. MC 102129, issued May 18, 1956, to Arthur Queen, Glen Burnie, Md., authorizing the transportation of *Passengers and their baggage,* restricted to traffic originating at the points indicated, in round-trip charter operations, from Camp Parole, Freetown, Robinson, Broadneck, St. Margaret, and Queenstown, Md., to Gettysburg, Pa., and points in that part of Delaware, Virginia and the District of Columbia, within 100 miles of Annapolis, Md., and return; and *Passengers and their baggage,* in round-trip charter operations, beginning and ending at Camp Parole, Freetown, Robinson, Broadneck, St. Margaret, and Queenstown, in Anne Arundel County, Md., and extending to points in Pennsylvania (except Gettysburg), New York, Ohio, New Jersey, North Carolina, West Virginia, and points in Virginia more than 100 miles from Annapolis, Md. Albert E. May, attorney at law, Commonwealth Building, 1625 K Street NW., Washington 6, D. C., for applicants.

[SEAL] HAROLD D. McCOY,
Secretary.

[F. R. Doc. 58-6001; Filed, Aug. 4, 1958; 8:53 a. m.]