



# FEDERAL REGISTER

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## Title 6—AGRICULTURAL CREDIT

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

## SUBCHAPTER C—EXPORT PROGRAMS

[Amdt. 4]

PART 483—WHEAT AND FLOUR

**Subpart—Revision 1 of the Wheat Export Program; Payment in Kind (GR-345); Terms and Conditions**

#### MISCELLANEOUS AMENDMENTS

The terms and conditions of Revision 1 of the Wheat Export Program Payment in Kind (GR-345) (23 F.R. 5365), as amended (24 F.R. 5775) (24 F.R. 7239) and (24 F.R. 7631) are further amended as follows:

§ 483.158 [Amendment]

1. Section 483.158(b) and (c)(2) are amended to read as follows:

(b) Financial arrangements covering the purchase price specified in the Confirmation of Sale of any wheat purchased from CCC hereunder shall be made prior to delivery of the wheat by CCC in one (or a combination) of the following ways:

(1) Surrender to the appropriate CSS Commodity Office of certificate(s) sufficient to pay for the wheat.

(2) If a purchaser desires delivery prior to receipt by CCC of certificates he may make payment in cash, certified check, or cashier's check for the wheat to be delivered, or if delivery is to be made in store, he may request that CCC draw a sight draft on him through a named bank with warehouse receipts attached or request that CCC surrender the warehouse receipts to him in a simultaneous exchange for an acceptable remittance delivered at the CSS Commodity Office. To the extent that acceptable certificates are received by CCC within 90 days after delivery of the wheat to the purchaser, CCC shall promptly make

(3) If a purchaser desires delivery prior to receipt by CCC of certificates he

may establish an irrevocable commercial letter of credit acceptable to CCC for an amount equivalent to the total amount of the purchase price of the wheat plus interest thereon for 60 days, against which CCC will not draw to the extent that the purchaser pays to CCC the purchase price of the wheat and any applicable interest promptly upon presentation of invoices or prior to invoicing by CCC. To the extent that such payment is not made, CCC will draw drafts under the letter of credit for the amount remaining unpaid, supported by a statement specifying the amount due. When financial arrangements are made in this manner, the following shall apply:

(1) The letter of credit shall have an effective period of at least 60 days from the final date for delivery of the wheat to the purchaser as specified in the Confirmation of Sale. If a single letter of credit is used for this purpose as well as for the upward adjustment in price required under paragraph (c) of this section, the effective period shall be 150 days from the final date for delivery.

(ii) Interest on the purchase price of the wheat shall be paid in cash for the period from the date of delivery of the wheat to the date CCC receives acceptable certificates or cash or, in the case of payments against sight drafts drawn by CCC, the date CCC estimates the draft will be paid. The rate of interest will be the rate in effect on the date of sale as announced in the CCC Monthly Sales List for sales made under the CCC credit sales program for periods up to 6 months. The interest shall be included in the amount of sight drafts drawn by CCC.

(iii) Unless otherwise requested by the purchaser, CCC shall, promptly after receiving cash for application on the purchase price and/or interest, or acceptable certificates for application on the purchase price, notify the bank which issued or confirmed the letter of credit that CCC consents to a reduction of such letter of credit in an amount equivalent to the amount of cash or acceptable certificates received.

(iv) To the extent acceptable certificates are received by CCC within 90 days after delivery of the wheat to the purchaser, CCC shall promptly make refund of any funds received representing the

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purchase price of the grain (but not any interest).

(2) (i) Establishment of an irrevocable commercial letter of credit acceptable to CCC which shall have an effective period of at least 150 days from the date for delivery specified in the Confirmation of Sale and upon which CCC will draw drafts for the amount of the upward adjustment in price resulting from such failure to submit certificates within 90 days after delivery, supported by a statement specifying the amount due CCC.

(ii) Promptly after CCC receives acceptable certificates in payment of the wheat purchased as provided in paragraph (b) (2) or (3) of this section, CCC shall notify the bank which issued or confirmed the letter of credit that CCC consents to a reduction of such letter of credit, unless otherwise requested by the purchaser, or shall make refund to the purchaser of funds received. Any such reduction or refund shall be in an amount equivalent to the purchaser's financial coverage under this section related to the quantity for which payment has been received in the form of acceptable certificates by CCC.

2. Section 483.174 is amended to read as follows:

**§ 483.174 Performance guarantee.**

In addition to the performance guarantees required under § 483.158 (b) (3) and (c), CCC reserves the right to require the exporter to furnish a cash deposit, performance bond, or performance type letter of credit, acceptable to CCC to guarantee performance of any of his obligations under this subpart.

(Secs. 483.101 to 483.196 issued under sec. 5, 62 Stat. 1072; 15 U.S.C. 714c. Interpret or apply sec. 2, 63 Stat. 945 as amended; sec. 407, 63 Stat. 1051, as amended; sec. 201(a), 70 Stat. 188; 7 U.S.C. 1641, 1427, 1851)

Issued this 29th day of October 1959.

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

[F.R. Doc. 59-9379; Filed, Nov. 4, 1959;  
8:51 a.m.]

[Amdt. 1]

**PART 484—FEED GRAINS**

**Subpart—Revision 1 of the Feed Grain Export Program; Payment in Kind (GR-368); Terms and Conditions**

The Terms and Conditions of Revision 1 of the Feed Grain Export Program Payment In Kind (GR-368) (24 F.R. 7092) are amended as follows:

**§ 484.123 [Amendment]**

Section 484.123 (b) and (c)(2) are amended to read as follows:

(b) Financial arrangements covering the purchase price specified in the Confirmation of Sale of any feed grain purchased from CCC hereunder shall be made prior to delivery of the feed grain by CCC in one (or a combination) of the following ways:

(1) Surrender to the appropriate CSS Commodity Office of certificate(s) sufficient to pay for the feed grain.

(2) If a purchaser desires delivery prior to receipt by CCC of certificates he may make payment in cash, certified check, or cashier's check for the feed grain to be delivered, or if delivery is to be made in store, he may request that CCC draw a sight draft on him through a named bank with warehouse receipts attached or request that CCC surrender the warehouse receipts to him in a simultaneous exchange for an acceptable remittance delivered at the CSS Commodity Office. To the extent that acceptable certificates are received by CCC within 90 days after delivery of the feed grain to the purchaser, CCC shall promptly make refund of funds received.

(3) If a purchaser desires delivery prior to receipt by CCC of certificates he may establish an irrevocable commercial letter of credit acceptable to CCC for an amount equivalent to the total amount of the purchase price of the feed grain plus interest thereon for 60 days, against which CCC will not draw to the extent that the purchaser pays to CCC the purchase price of the feed grain and any applicable interest promptly upon presentation of invoices or prior to invoicing by CCC. To the extent that such payment is not made, CCC will draw drafts under the letter of credit for the amount remaining unpaid, supported by a statement specifying the amount due. When financial arrangements are made in this manner, the following shall apply:

(i) The letter of credit shall have an effective period of at least 60 days from the final date for delivery of the feed grain to the purchaser as specified in the Confirmation of Sale. If a single letter of credit is used for this purpose as well as for the upward adjustment in price required under paragraph (c) of this section, the effective period shall be 150 days from the final date for delivery.

(ii) Interest on the purchase price of the feed grain shall be paid in cash for the period from the date of delivery of the feed grain to the date CCC receives acceptable certificates or cash or, in the case of payments against sight drafts drawn by CCC, the date CCC estimates the draft will be paid. The rate of interest will be the rate in effect on the date of sale as announced in the CCC Monthly Sales List for sales made under the CCC credit sales program for periods up to 6 months. The interest shall be included in the amount of sight drafts drawn by CCC.

(iii) Unless otherwise requested by the purchaser, CCC shall, promptly after receiving cash for application on the purchase price and/or interest, or acceptable certificates for application on the purchase price, notify the bank which issued or confirmed the letter of credit that CCC consents to a reduction of such letter of credit in an amount equivalent to the amount of cash or acceptable certificates received.

(iv) To the extent acceptable certificates are received by CCC within 90 days after delivery of the feed grain to the purchaser, CCC shall promptly make

refund of any funds received representing the purchase price of the grain (but not any interest).

(2) (i) Establishment of an irrevocable commercial letter of credit acceptable to CCC which shall have an effective period of at least 150 days from the date for delivery specified in the Confirmation of Sale and upon which CCC will draw drafts for the amount of the upward adjustment in price resulting from such failure to submit certificates within 90 days after delivery, supported by a statement specifying the amount due CCC.

(ii) Promptly after CCC receives acceptable certificates in payment of the feed grain purchased as provided in paragraph (b) (2) or (3) of this section, CCC shall notify the bank which issued or confirmed the letter of credit that CCC consents to a reduction of such letter of credit, unless otherwise requested by the purchaser, or shall make refund to the purchaser of cash received. Any such reduction or refund shall be in an amount equivalent to the purchaser's financial coverage under this section related to the quantity for which payment has been received in the form of acceptable certificates by CCC.

2. Section 484.135 is amended to read as follows:

**§ 484.135 Performance guarantee.**

In addition to the performance guarantees required under § 484.123 (b) (3) and (c), CCC reserves the right to require the exporter to furnish a cash deposit, performance bond, or performance type letter of credit, acceptable to CCC to guarantee performance of any of his obligations under this subpart.

(Secs. 484.101 to 484.156 issued under sec. 5, 62 Stat. 1072; 15 U.S.C. 714c. Interpret or apply sec. 407, 63 Stat. 1051, as amended; sec. 201(a), 70 Stat. 188; 7 U.S.C. 1427, 1851)

Issued this 29th day of October 1959.

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

[F.R. Doc. 59-9380; Filed, Nov. 4, 1959;  
8:52 a.m.]

**Title 7—AGRICULTURE**

**Chapter VII—Commodity Stabilization Service (Farm Marketing Quotas and Acreage Allotments), Department of Agriculture**

[Amdt. 2]

**PART 725—BURLEY, FLUE-CURED, FIRE-CURED, DARK AIR-CURED, AND VIRGINIA SUN-CURED TOBACCO**

**Marketing Quota Regulations, 1959-60 Marketing Year**

*Correction*

In F.R. Doc. 59-9211, appearing at page 8835 of the issue for Friday, October 30, 1959, the section number in paragraph 2 on page 8836 now reading "Section 725.1032", should read "Section 725.1052".

## Title 14—AERONAUTICS AND SPACE

### Chapter II—Civil Aeronautics Board

#### SUBCHAPTER F—POLICY STATEMENTS

[Regulation Policy Statement 9]

#### PART 399—STATEMENTS OF GENERAL POLICY

##### Confidential Treatment of Preliminary Year-End Reports

Adopted by the Civil Aeronautics Board at its office in Washington, D.C., on the 29th day of October 1959.

The question of confidential treatment of air carriers' preliminary year-end reports has come before the Board from time to time and the Board's applicable regulations have been amended in accordance with the development of its policies in this respect. In light of the experience so gained it appears to the Board that the regulation presently controlling, § 241.22(b) of Part 241 of the Economic Regulations, should be supplemented by a statement of policy governing its application.

The Board is conscious of the fact that preliminary year-end reports are subject to correction and that air carriers therefore are often interested in keeping them confidential. On the other hand, considerations of public interest may sometimes overbalance this interest of the carriers. The Board therefore finds it to be consistent with the public interest to adopt a policy of considering a carrier's application for confidential treatment of a preliminary year-end report as establishing *prima facie* a case for relief which will be granted unless there are other pertinent circumstances militating against such relief. The relief will be granted within the time limitations set forth in § 241.22(b).

Since this rule relates to a statement of policy and does not impose any additional burden on any person, notice and public procedure hereon are unnecessary and the regulation may be made effective upon less than 30 days' notice.

In consideration of the foregoing, the Board hereby amends Part 399 of its Regulations, effective immediately, by adding a new § 399.33 to read:

#### § 399.33 Confidential treatment of preliminary year-end reports.

In consideration of air carrier interest in confidential treatment of preliminary year-end reports because they are un-audited and thus subject to change, and of the general absence of public interest in disclosure of such reports pending completion of audit, it is the policy of the Board to grant requests of air carriers for temporary withholding of preliminary year-end reports from public disclosure within the time limitations of § 241.22(b) of the Economic Regulations in the absence of specific public interest factors to the contrary.

## RULES AND REGULATIONS

(Sec. 204(a), 72 Stat. 743; 49 U.S.C. 1324. Administrative Procedure Act, sec. 3, 60 Stat. 238; 5 U.S.C. 1002)

Effective: October 29, 1959.

Adopted: October 29, 1959.

By the Civil Aeronautics Board.

[SEAL] MABEL McCART,  
Acting Secretary.

[F.R. Doc. 59-9370; Filed, Nov. 4, 1959;  
8:50 a.m.]

Fur Products Labeling Act. Subpart—*Invoicing products falsely*: § 13.1108 *Invoicing products falsely*: Fur Products Labeling Act. Subpart—*Misrepresenting oneself and goods*—Prices: § 13.1805 *Exaggerated as regular and customary*.

(Sec. 6, 38 Stat. 721; 15 U.S.C. 46. Interpret or apply sec. 5, 38 Stat. 719, as amended; sec. 8, 65 Stat. 179; 15 U.S.C. 45, 69f) [Cease and desist order, Cohen Bros. Fur Corp. et al., New York, N.Y., Docket 7510, Sept. 9, 1959]

*In the Matter of Cohen Bros. Fur Corp., a Corporation, and Leslie L. Cohen and Jack Cohen, Individually and as Officers of Said Corporation*

This proceeding was heard by a hearing examiner on the complaint of the Commission charging New York City furriers with violating the Fur Products Labeling Act by designating as "regular", on the invoices of fur products, prices which were in excess of the customary resale prices, and by furnishing a false guaranty that certain of their products were not falsely invoiced.

After acceptance of an agreement containing consent order, the hearing examiner made his initial decision and order to cease and desist which became on September 9 the decision of the Commission.

The order to cease and desist is as follows:

*It is ordered*, That respondents Cohen Bros. Fur Corp., a corporation, and its officers, and Leslie L. Cohen and Jack Cohen, individually and as officers of the corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction or the manufacture for introduction into commerce, or the sale, advertising, or offering for sale, transportation or distribution in commerce, of fur products, or in connection with the manufacture for sale, advertising, offering for sale, transportation, or distribution of fur products which have been made in whole or in part of fur which has been shipped and received in commerce, as "commerce", "fur", and "fur products" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

1. Falsely or deceptively invoicing fur products by representing, directly or by implication, on invoices that the former or regular price of any fur product is any amount which is in excess of the price at which respondents have usually or customarily sold such products in the recent regular course of their business;

2. Furnishing false guarantees that certain furs or fur products are not misbranded, falsely invoiced or falsely advertised, when there is reason to believe that said furs or fur products may be introduced, sold, transported or distributed in commerce.

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

## Chapter III—Federal Aviation Agency

### PART 401—SEAL

Pursuant to section 301(c) of the Federal Aviation Act of 1958 (72 Stat. 744), the Federal Aviation Agency has adopted an official seal the design of which accompanies and is made a part of this document, and which is described as follows:

#### § 401.1 Seal.

Within a gold border, a blue background bearing in gold letters near its outer rim the words "Federal Aviation Agency" and "United States of America", the two phrases separated by two stars. In the center on a white disk a light green globe charged with a gold four-pointed compass rose, having on its horizontal axis a stylized gold wing.



(Secs. 301(c) and 313(a); 72 Stat. 744, 752; 49 U.S.C. 1341(c), 1354(a))

Issued in Washington, D.C. on October 29, 1959.

E. R. QUESADA,  
Administrator.

[F.R. Doc. 59-9295; Filed, Nov. 4, 1959;  
8:45 a.m.]

## Title 16—COMMERCIAL PRACTICES

### Chapter I—Federal Trade Commission

[Docket 7510 c.o.]

#### PART 13—DIGEST OF CEASE AND DESIST ORDERS

##### Cohen Bros. Fur Corp. et al.

Subpart—*Furnishing false guaranties*: § 13.1053 *Furnishing false guaranties*:

manner and form in which they have complied with the order to cease and desist.

Issued: September 9, 1959.

By the Commission.

[SEAL] ROBERT M. PARRISH,  
Secretary.

[F.R. Doc. 59-9344; Filed, Nov. 4, 1959;  
8:46 a.m.]

[Docket 7380 c.o.]

### PART 13—DIGEST OF CEASE AND DESIST ORDERS

#### Franklin Shockey Co. and Franklin Shockey

Subpart—Advertising falsely or misleadingly: § 13.30 Composition of goods. Subpart—Furnishing means and instrumentalities of misrepresentation or deception: § 13.1056 Preticketing merchandise misleadingly. Subpart—Misbranding or mislabeling: § 13.1185 Composition.

(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, Franklin Shockey Company et al., Lexington, N.C., Docket 7380, Sept. 15, 1959]

*In the Matter of Franklin Shockey Company, a Corporation, and Franklin Shockey, Individually and as an Officer of Said Corporation*

This proceeding was heard by a hearing examiner on the complaint of the Commission charging furniture manufacturers in Lexington, N.C., with advertising falsely as "White Mahogany" and "Solid Mahogany"—in trade magazines, and in brochures and photographic albums distributed to dealers, and also on attached tags—furniture made of a Philippine wood of a different genus, unrelated botanically to true mahogany.

After acceptance of an agreement containing a consent order, the hearing examiner made his initial decision and order to cease and desist which became on September 15 the decision of the Commission.

The order to cease and desist is as follows:

*It is ordered*, That respondents Franklin Shockey Company, a corporation, and its officers, and Franklin Shockey, individually and as an officer of said corporation, their agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution of furniture or any other products in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Using the word "Mahogany" as the name or designation for any wood other than the genus *Swietenia*: provided, however, that nothing herein shall be construed as preventing the use of the name "Philippine Mahogany" as a name or designation for the Philippine woods

Tanguile, Red Lauan, White Lauan, Tiaong, Almon, Bagatikan and Mayapis.

2. Furnishing any means or instrumentality to others by and through which they may mislead the public as to the kind or nature of wood or other materials used in the manufacture of their products.

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: September 15, 1959.

By the Commission.

[SEAL] ROBERT M. PARRISH,  
Secretary.

[F.R. Doc. 59-9345; Filed, Nov. 4, 1959;  
8:47 a.m.]

[Docket 6926 c.o.]

### PART 13—DIGEST OF CEASE AND DESIST ORDERS

#### General Mills, Inc.

Subpart—Discriminating in price under section 2, Clayton Act, as amended—Payment for services or facilities for processing or sale under 2(d): § 13.824 Advertising expenses.

(Sec. 6, 38 Stat. 721; 15 U.S.C. 46. Interprets or applies sec. 2, 38 Stat. 730, as amended; 15 U.S.C. 13) [Cease and desist order, General Mills, Inc., Wilmington, Del., Docket 6926, September 10, 1959]

*In the Matter of General Mills, Inc., a Corporation*

This proceeding was heard by a hearing examiner on the complaint of the Commission charging an important producer and distributor of flour and grain products, chemicals, household sponges, and related products, with gross sales in 1956 exceeding 516 million dollars, with violating section 2(d) of the Clayton Act by making payments for promotion and advertising to some purchasers of its "O-Cel-O" plastic sponges but not to their competitors, through such practices as paying a chain of supermarkets for in-store promotional displays and for advertising on the chain's electric "spectacular" sign in Times Square, and making payments to another chain for advertising of its anniversary sale; and charging it also with entering into exclusive-dealing contracts with the supermarket chain.

After acceptance of an agreement containing a consent order as to the price discrimination charge, the hearing examiner made his initial decision and order to cease and desist violating section 2(d) of the Clayton Act which on September 10 became the decision of the Commission. The exclusive-dealing charge was dismissed on September 19.

The order to cease and desist is as follows:

*It is ordered*, That respondent General Mills, Inc., a corporation, its officers, employees, agents and representatives, directly or through any corporate or other device, in connection with the sale or offering for sale in commerce (as "commerce" is defined in the Clayton Act) of household sponges and related products do forthwith cease and desist from: Paying or contracting to pay to or for the benefit of any customer of said respondent anything of value as compensation or in consideration for any advertising or for any promotional displays furnished by or through such customer in connection with the processing, handling, sale or offering for sale of respondent's products unless such payment or consideration is available on proportionally equal terms to all other customers of respondent competing in the distribution of such products or commodities.

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

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

Issued: September 10, 1959.

By the Commission.

[SEAL] ROBERT M. PARRISH,  
Secretary.

[F.R. Doc. 59-9346; Filed, Nov. 4, 1959;  
8:47 a.m.]

[Docket 7478 c.o.]

### PART 13—DIGEST OF CEASE AND DESIST ORDERS

#### Irving S. Cohen, Inc., and Irving S. Cohen

Subpart—Invoicing products falsely: § 13.1108 Invoicing products falsely: Wool Products Labeling Act. Subpart—Misbranding or mislabeling: § 13.1190 Composition: Wool Products Labeling Act; § 13.1212 Formal regulatory and statutory requirements: Wool Products Labeling Act. Subpart—Neglecting, unfairly or deceptively, to make material disclosure: § 13.1852 Formal regulatory and statutory requirements: Wool Products Labeling Act.

(Sec. 6, 38 Stat. 721; 15 U.S.C. 46. Interpret or apply sec. 5, 38 Stat. 719, as amended, secs. 2-5, 54 Stat. 1128-1130; 15 U.S.C. 45, 68-68 (c)) [Cease and desist order, Irving S. Cohen, Inc., et al., New York, N.Y., Docket 7478, Sept. 9, 1959]

*In the Matter of Irving S. Cohen, Inc., a Corporation, and Irving S. Cohen, Individually and as an Officer of said Corporation*

This proceeding was heard by a hearing examiner on the complaint of the Commission charging New York City distributors with violating the Wool Products Labeling Act by tagging as "85% wool, 15% other fibers", bolts of fabric

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which contained a substantial quantity of "reprocessed" wool rather than "wool"; by failing to label other wool products as required by the Act; and by misrepresenting the fiber content of certain of their products on invoices.

Following 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 September 9 the decision of the Commission.

The order to cease and desist is as follows:

*It is ordered*, That respondents Irving S. Cohen, Inc., a corporation, and its officers, and Irving S. Cohen, individually, and as an officer of the corporation and respondents' representatives, agents and employees directly or through any corporate or other device in connection with the introduction, or manufacture for introduction into commerce, or the offering for sale, sale, transportation or distribution in commerce, as "commerce" is defined in the Federal Trade Commission Act and the Wool Products Labeling Act of 1939 of "wool products" as such products are defined in and subject to the Wool Products Labeling Act of 1939 do forthwith cease and desist from misbranding such products by:

1. Falsely or deceptively stamping, tagging, labeling, or otherwise identifying such products as to the character or amount of the constituent fibers contained therein;

2. Failing to securely affix to or place on each such product a stamp, tag, label, or other means of identification showing in a clear and conspicuous manner:

(a) The percentage of the total fiber weight of such wool product, exclusive of ornamentation not exceeding five per centum of said total fiber weight of (1) wool, (2) reprocessed wool, (3) reused wool, (4) each fiber other than wool where said percentage by weight of such fiber is five per centum or more, and (5) the aggregate of all other fibers;

(b) The maximum percentage of the total weight of such wool products, of any non-fibrous loading, filling, or adulterating matter;

(c) The name or the registered identification number of the manufacturer of such wool product or of one or more persons engaged in introducing such wool product into commerce, or in the offering for sale, sale, transportation, distribution or delivery for shipment thereof in commerce, as "commerce" is defined in the Wool Products Labeling Act of 1939.

*It is further ordered*, That respondent Irving S. Cohen, Inc., a corporation, and its officers, and Irving S. Cohen, individually, and as an officer of the corporation and respondents' representatives, agents and employees directly or through any corporate or other device in connection with the offering for sale, sale, or distribution of textile fabrics in commerce, as "commerce" is defined in the Federal Trade Commission Act do forthwith cease and desist from misrepresenting the constituent fibers of which their products are composed or the percentages thereof in invoicing, shipping, memoranda, or in any other manner.

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.

form in which it has complied with the order to cease and desist.

Issued: September 9, 1959.

By the Commission.

[SEAL] ROBERT M. PARRISH,  
Secretary.

[F.R. Doc. 59-9348; Filed, Nov. 4, 1959;  
8:47 a.m.]

[Docket 7349 c.o.]

### PART 13—DIGEST OF CEASE AND DESIST ORDERS

Photostat Corp.

Subpart—*Coercing and intimidating*: § 13.350 *Customers or prospective customers*: To eliminate competitive purchasing. Subpart—*Cutting off competitors' or others' supplies or service*: § 13.635 *Refusing sales to, or same terms and conditions*. Subpart—*Dealing on exclusive and tying basis*: § 13.670 *Dealing on exclusive and tying basis*: Federal Trade Commission Act.<sup>1</sup> Subpart—*Discriminating between customers*: § 13.683 *Discriminating between customers*. Subpart—*Interfering with competitors or their goods—Goods*: § 13.1098 *Demanding trade secrets*.<sup>1</sup>

(Sec. 6, 38 Stat. 721; 15 U.S.C. 46. Interprets or applies sec. 5, 38 Stat. 719, as amended; 15 U.S.C. 45) [Cease and desist order, Pep Boys—Manny, Moe & Jack, Philadelphia, Pa., Docket 7521, Sept. 9, 1959]

*In the Matter of Pep Boys—Manny, Moe & Jack, a Corporation*

This proceeding was heard by a hearing examiner on the complaint of the Commission charging distributors of automobile accessories with branches in many States with representing falsely that they guaranteed automobile batteries unconditionally by advertising "30 month guarantee" and "fully guaranteed" when the actual guarantee was subject to conditions and limitations not disclosed.

Based on an agreement containing consent order, the hearing examiner made his initial decision and order to cease and desist which became on September 9 the decision of the Commission.

The order to cease and desist is as follows:

*It is ordered*, That Pep Boys—Manny, Moe & Jack, a corporation, and its officers, agents, representatives, and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of electric storage batteries, and any other product in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from: Representing, directly or by implication, that any product is guaranteed unless the nature and extent of the guarantee and the manner in which the guarantor will perform thereunder are clearly and conspicuously disclosed.

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

*It is ordered*, That the above-named respondent shall, within sixty (60) days after service upon it of this order, file with the Commission a report in writing, setting forth in detail the manner and

(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, Photostat Corporation, Rochester, N.Y., Docket 7349, Sept. 10, 1959]

*In the Matter of Photostat Corporation, a Corporation*

This proceeding was heard by a hearing examiner on the complaint of the Commission charging the nation's largest seller of photographic copying machines and supplies therefor, with total sales between 1953 and 1956 greater than those of all its competitors combined, with using illegal inducements and unreasonable tying arrangements to sell its supplies, including practices of (1) rendering prompt and efficient repairs and servicing without charge for service labor to owners of its machines who purchased all or a substantial part of their supplies from it, while rendering less efficient service to those who did not do so and charging the latter for service labor; (2) utilizing its dominant position to induce owners and operators of its machines to purchase supplies from it and to refuse to purchase them from its competitors; (3) restricting the sale of its repair parts, accessories, and equipment to competitors and thereby causing costly delays in repairing and servicing machines of owners purchasing competitors' supplies; and (4) selling repair parts, etc., to its competitors only on the condition that they furnish the design number, model number, and serial number of machines on which the repair parts were to be used and thereafter contacting owners of such machines and attempting to cause them to discontinue purchasing supplies from its competitors.

Based on an agreement between counsel containing consent order, the hearing

<sup>1</sup> New.

examiner made his initial decision and order to cease and desist which became on September 10 the decision of the Commission.

The order to cease and desist is as follows:

*It is ordered*, That respondent Photostat Corporation, a corporation, and its officers, directors, agents, representatives, and employees, directly or through any corporate or other device, in, or in connection with, the offering for sale, sale and distribution of photocopy supplies, including specifically photocopy paper and chemicals, for use in photographic copying machines, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

(1) Rendering or making available, or offering to render, or make available, service on its photographic copying machines without charge for service labor on the, express or implied, condition, agreement or understanding that the recipient thereof will purchase photocopy supplies for said machines from respondent.

(2) Differentiating between owners or operators of its photographic copying machines of any particular type or kind by rendering service on said machines without charge, or by charging at lower rates, for service labor to those owners or operators of said machines who purchase all or a substantial part of their photocopy supplies from respondent, and by making a charge at higher rates to other owners and operators of said machines for service labor where such other owners and operators do not purchase all or a substantial part of their photocopy supplies from respondent.

(3) Inducing the sale of, or selling, photocopy supplies for its photographic copying machines on the, express or implied, condition, agreement or understanding that the purchaser thereof will receive service on his photographic copying machine without charge for service labor, except that nothing in this paragraph shall prohibit respondent from granting service without charge for service labor to owners and operators of its photographic copying machines.

(4) Refusing to sell, or restricting and limiting the sale of repair parts, accessories or equipment for its photographic copying machines to competitors, as a means of inducing owners and operators of its machines to purchase photocopy supplies for said machines from respondent.

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

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

Issued: September 10, 1959.

By the Commission.

[SEAL] ROBERT M. PARRISH,  
Secretary.

[F.R. Doc. 59-9349; Filed, Nov. 4, 1959;  
8:48 a.m.]

## Title 15—COMMERCE AND FOREIGN TRADE

### Chapter III—Bureau of Foreign Commerce, Department of Commerce

#### SUBCHAPTER B—EXPORT REGULATIONS

[9th Gen. Revision of Export Regs.;  
Amtd. 25<sup>1</sup>]

#### PART 371—GENERAL LICENSES

#### PART 372—PROVISIONS FOR INDIVIDUAL AND OTHER VALIDATED LICENSES

#### PART 373—LICENSING POLICIES AND RELATED SPECIAL PROVISIONS

#### PART 374—PROJECT LICENSES

#### PART 379—EXPORT CLEARANCE AND DESTINATION CONTROL

#### PART 380—AMENDMENTS, EXTENSIONS, TRANSFERS

##### Miscellaneous Amendments

###### § 371.52 [Amendment]

1. Section 371.52 *Supplement 2; Commodities destined to Poland (including Danzig) which are excepted from General License GRO* is amended in the following particulars:

a. The following commodity is deleted from the list:

Schedule B No.	Commodity
83900	Titanium tetrachloride.

b. The following commodities are added to the list:

Schedule B No.	Commodity
61944	Nickel and nickel alloy welding rods, wires, and electrodes (including brazing rods).
61987	Nickel and nickel alloy powder and flakes.
61995	Nickel and nickel alloy foil.
65462	Nickel and nickel alloy metal scrap.
65467	Nickel and nickel alloy metals in crude forms, and bars, rods, sheets, plates, and strip.
65470	Nickel-chrome electric resistance wire, except insulated.
65480	Nickel and nickel alloys in semifabricated forms, n.e.c.
70275	Motor generator sets and synchronous condensers, 5,000 kilowatts and over.
70630	Sealed beam headlamps, automotive.
70922	Starting, lighting and ignition equipment, automotive.
70970	Submarine cable.
70985	Insulated nickel wire and nickel alloy wire.
70999	Specially fabricated parts, n.e.c., for motor-generator sets and synchronous condensers, 5,000 kilowatts and over.
79277	Parts and accessories, n.e.c., for military autos, trucks and busses.
83159	Pentaerythritol.
83900	Nickel Oxide.

This item of the amendment shall become effective as of November 5, 1959, except that shipments of any commodities removed from general license to Poland as a result of changes set forth in this item which were on dock for lading, on lighter, laden aboard an exporting carrier, or in transit to a port of exit pursuant to actual orders for export

<sup>1</sup> This amendment was published in Current Export Bulletin 823, dated October 29, 1959.

prior to 12:01 a.m., November 5, 1959 may be exported under the previous general license provisions up to and including November 30, 1959. Any such shipment not laden aboard the exporting carrier on or before November 30, 1959 requires a validated license for export.

###### § 372.5 [Amendment]

2. In § 372.5 *How to file an application for a validated license*, paragraph (j) *Emergency clearance* is amended to read as follows:

(j) *Emergency clearance*. In case of emergency, the Bureau of Foreign Commerce will, upon approving an application for export license, authorize clearance by telephone or telegraph to the appropriate Collector of Customs, the cost of the telephonic or telegraphic message being charged to the applicant for the export license. In such cases, the license is not sent to the licensee, but to the Collector with whom the clearance has been authorized by the Bureau of Foreign Commerce. The validity period of a license issued under the emergency procedure will end no later than the last day of the first month following the month during which the license is validated. No extension of the validity period will be granted.

###### § 372.7 [Amendment]

3. In § 372.7 *License applications for ship stores, plane stores, supplies and equipment*, paragraph (b) *Preparation of license applications* is amended by redesignating subparagraphs (2), (3), and (4) as (3), (4) and (5), and adding a new subparagraph (2) to read as follows:

(2) *Aircraft under construction*. An application for a license to export any commodity, including plane stores, supplies and equipment, to an aircraft under construction, shall be prepared on Form FC-419 in accordance with the instructions contained in § 372.5 with the following modifications:

(i) *Country of ultimate destination*. Show country in which the aircraft is being constructed.

(ii) *Ultimate consignee in foreign country*. Show name and address of the aircraft plant where the aircraft is being constructed.

(iii) *Commodity description*. Show the following information in this item or on an attachment to the application:

(a) Type of aircraft and model number;

(b) Name and business address of prospective owner and nationality;

(c) Country of registry, or intended country of registry.

(iv) *Identification of parties to transaction*. In each case, all parties to the transaction, including the United States or foreign purchaser, must be identified with a clear statement of the capacity or function of each, as provided in § 372.4(c).

This item of the amendment shall become effective November 30, 1959.

4. Section 373.40 *Iron and steel* is amended to read as follows:

###### § 373.40 Iron and steel.

(a) *Export price*. Except as modified by paragraph (b) of this section, the ex-

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port price on applications for any iron and steel products on the Positive List with the processing code STEE (including commodities in Commodity Group 7) may be shown on the application form in terms of either the total price, including price per unit, or the supplier's price plus a specified mark up. This latter method may be used only where the supplier files or has filed with the Bureau of Foreign Commerce his price schedule maintained for the sale of iron and steel items for which export licenses are or may be requested and a statement that the supplier will inform the Bureau of Foreign Commerce promptly (within 10 days) of any changes which may occur in his price schedule. In case the unit price varies according to size or specifications, the applicant must show unit price for each separate size or specification.

(b) *Iron and steel scrap.* (1) An application for export license covering any types of iron and steel scrap, except scrap of magnetic material, need not include the quantity and value for each grade of scrap proposed for export. In completing such an application, the applicant shall enter in the "Schedule B Number" space of the FC-419, the Schedule B numbers "60030 through 60085," and in the "Commodity Description" space "Iron and steel scrap, except scrap of magnetic materials." In addition, one total quantity and one total value (see paragraph (a) of this section) for all the iron and steel scrap shall also be entered. No unit price need be shown on the application.

(2) The export license will be issued in the same terms as shown on the application and shipments may be made interchangeably under such license in any grades of scrap except scrap of magnetic material. However, when exportation is made, the shipper's export declaration shall show separately the quantity and value of exports under each Schedule B number represented in the shipment, in accordance with the regulations of the Bureau of the Census.

5. Section 374.11 *Application for other validated licenses* is amended to read as follows:

**§ 374.11 Application for other validated licenses.**

(a) *Exporter holding a project license.* An exporter holding a project license shall not apply for, nor will the Bureau of Foreign Commerce issue to him, an individual or any other type of validated license for any transaction involving the licensed project.

(b) *Other exporters.* Where a valid project license is in force, the Bureau of Foreign Commerce will not issue another project license to cover shipments to the licensed project or program. Where an exporter intends to make shipment to a project or program for which another exporter already holds a project license, he may apply to the Bureau of Foreign Commerce for an individual license or

any other appropriate type of validated license except a project license.

**§ 379.3 [Amendment]**

6. In § 379.3 *Presentation of shipper's export declaration*, paragraph (c) *Number of copies to be presented*, subparagraph (3) *Additional copies of declaration* is amended to read as follows:

(3) *Additional copies of declaration.* The Bureau of Foreign Commerce, the Collector, or the Postmaster may require, for the purpose of export control, the presentation of additional copies of the declaration. In all cases where a declaration is required by the Export Regulations or the Regulations for the Collection of Statistics of Foreign Commerce and Navigation of the United States, an additional copy of the declaration shall be presented for exportations described in subdivisions (i) or (ii) of this subparagraph.

(i) *Exportations of any commodity or technical data to Poland (including Danzig).* The additional copy shall bear in the upper right corner the notation, "FC-2651".

(ii) *Exportations made under a project license.* (See § 374.9(c)(2) of this chapter.)

NOTE: For exports from the United States to foreign countries made in transit via Canada, the exporter shall present for authentication an additional copy of the declaration in such cases.

**§ 380.4 [Amendment]**

7. Section 380.4 *Extension of licenses* is amended by redesignating paragraph (c) as paragraph (d) and adding a new paragraph (c) to read as follows:

(c) *Length of extension.* (1) Generally, the length of time for which an individual or blanket type license will be extended will be limited as follows:

(i) No single extension shall be granted for a length of time greater than the validity period set forth on the license.

(ii) The total length of all extensions granted for any one license will not be more than one year beyond the expiration date of the validity period shown on the license. For example, if a license is originally valid for six months, extensions may be granted which total up to twelve months beyond the original expiration date, but no one of these extensions will be for more than six months. A license originally valid for one year may be extended for one year in total, and the one-year extension may be granted in a single extension action or in two or more extension actions.

(2) Where an application is submitted for a new license to replace an expiring or expired license, new documentation will be required in the following circumstances: (i) If current regulations require the application to be supported by a consignee/purchaser statement, a new consignee/purchaser statement must be furnished unless a current Multiple Transactions Statement by Consignee and Purchaser is on file in the Bureau of

Foreign Commerce; (ii) If current regulations require the application to be supported by any document which was not submitted with the application upon which the expiring or expired license was based, this document must be furnished; and (iii) If the Bureau of Foreign Commerce requests the applicant to furnish a specific document.

This amendment shall become effective as of October 29, 1959, except as provided in items 1 and 3.

(Sec. 3, 63 Stat. 7; 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.)

LORING K. MACY,  
Director,

Bureau of Foreign Commerce.

[F.R. Doc. 59-9362; Filed, Nov. 4, 1959;  
8:49 a.m.]

[9th Gen. Revision of Export Regs.; Amdt. P.L. 18<sup>1</sup>]

**PART 399—POSITIVE LIST OF COMMODITIES AND RELATED MATTERS**

**Additions and Deletions to List**

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

1. The following commodities are deleted from the Positive List:

Dept. of Commerce Schedule B No.	Commodity description
61044	Nickel, and nickel alloy welding rods, wires, and electrodes (including brazing rods), containing less than 32 percent nickel.
61087	Metal powders, n.e.c.: Nickel flakes; and nickel alloy powder and flakes (including nickel-chromium-boron powder) containing less than 32 percent nickel.
61995	Metal manufactures, n.e.c., and parts except iron and steel and except precious metals:
65467	Nickel foil; and nickel alloy foil containing less than 32 percent nickel.
65467	Nickel metal, and nickel alloy metal containing less than 32 percent nickel, in rods and bars.
65467	Nickel metal, and nickel alloy metal containing less than 32 percent nickel, in ingots, cathodes, and other crude forms.
65470	Nickel metal, and nickel alloy metal containing less than 32 percent nickel, in sheets, plates, and strip. (Report nickel-silver in 6400-6449.)
65480	Nickel-chrome electric resistance wire, except insulated. (Report insulated wire in 70972-70995.)
70995	Nickel metal, and nickel alloy metal containing less than 32 percent nickel in semifabricated forms, n.e.c. (Specify by name.) (Report cupro-nickel wire in 64571.)
83990	Insulated wire, cord, and cable: Insulated nickel wire, and insulated nickel alloy containing less than 32 percent nickel. (Specify kind of wire or cable and type of insulation.)
	Industrial chemicals, n.e.c.: Nickel oxide.

This item of the amendment shall become effective as of October 29, 1959.

<sup>1</sup> This amendment was published in Current Export Bulletin 823, dated October 29, 1959.

## 2. The following commodities are added to the Positive List:

Dept. of Commerce Schedule B No.	Commodity description	Unit	Processing code and related commodity group	GLV dollar value limits	Validated license required	Commodity lists
70867	Electronic equipment, n.e.c., and parts: Electronic detection and navigational apparatus, n.e.c. [Report spare and replacement tubes in 70824-70840]; Telemetering and telecontrol equipment suitable for use with aircraft; and specially fabricated parts and accessories, n.e.c.	-----	RARA 1	100	RO	A

<sup>1</sup> On or after December 14, 1959 an Import Certificate (or a Hong Kong Import License) will be required in support of a license application covering exports of this commodity to the countries specified in §373.2 of this chapter.

This item of the amendment shall become effective November 5, 1959, except as otherwise indicated in the footnote.

3. The following entries set forth below are substituted for entries presently on the Positive List. Where the Positive List contains more than one entry under a Schedule B number, the entry to be superseded is identified by a numerical reference in parentheses following the commodity description in the revised entry:

Dept. of Commerce Schedule B No.	Commodity description	Unit	Processing code and related commodity group	GLV dollar value limit	Validated license required	Commodity lists
61944	Welding rods and wires, including brazing rods: Nickel alloy welding rods, wires, and electrodes (including brazing rods) containing 32 percent or more nickel, except those of nickel-copper alloys (of the Monel type) containing not more than 6 percent of other alloys. (Specify by name and nickel content.) (4) <sup>14</sup>	Lb.	NONF 7	100	RO	A
61987	Metal powders, n.e.c.: Nickel powder; and nickel alloy powder and flakes (including nickel-chrome-boron powder) containing 32 percent or more nickel, except nickel-copper alloy powder and flakes (of the Monel type) containing not more than 6 percent of other alloying elements. (5) <sup>14</sup>	Lb.	NONF 7	100	RO	A
61995	Metal manufactures, n.e.c., and parts, n.e.c.: Metal manufactures, n.e.c., and parts, n.e.c., except iron and steel and except precious metals: Nickel alloy foil containing 32 percent or more nickel, except nickel-copper alloy foil containing not more than 6 percent of other alloying elements. (7) <sup>14</sup>	Lb.	NONF 7	100	RO	A
65462	Nickel residues and dross; and nickel alloy metal scrap containing 32 percent or more nickel, except nickel-copper alloy scrap (of the Monel type) containing not more than 6 percent of other alloying elements. (1 and 2) <sup>14</sup>	Lb.	NONF 7	100	RO	A
65467	Nickel alloy metal in crude forms and bars, rods, sheets, plates, and strip containing 32 percent or more nickel, except nickel-copper alloys (of the Monel type) containing not more than 6 percent of other alloying elements. (1, 3, and 5) <sup>14</sup>	Lb.	NONF 7	100	RO	A
65480	Nickel alloy metal in semifabricated forms, n.e.c., containing 32 percent or more nickel, except nickel-copper alloys (of the Monel type) containing not more than 6 percent of other alloying elements. (Specify by name.) [Report cupronickel wire in 64571.] (2) <sup>14</sup>	Lb.	NONF 7	100	RO	A
70995	Insulated wire, cord, and cable: Insulated nickel and nickel alloy wire containing 32 percent or more nickel, except nickel-copper alloy wire containing not more than 6 percent of other alloying elements. (Specify kind of wire or cable and type of insulation.) (2) <sup>14</sup>	Lb.	NONF 7	100	RO	A

<sup>14</sup> The commodity coverage is decreased.

This item of the amendment shall become effective as of October 29, 1959.

Shipments of any commodities removed from general license to Country Group R or Country Group O destinations as a result of changes set forth in Item 2 of this amendment which were on dock for lading, on lighter, laden aboard an exporting carrier, or in transit to a port of exit pursuant to actual orders for export prior to 12:01 a.m., November 5, 1959, may be exported under the previous general license provi-

sions up to and including November 30, 1959. Any such shipment not laden abroad the exporting carrier on or before November 30, 1959, requires a validated license for export.

(Sec. 3, 63 Stat. 7; 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.)

LORING K. MACY,

Director,

Bureau of Foreign Commerce.

I.F.R. Doc. 59-9363; Filed, Nov. 4, 1959;  
8:49 a.m.]

## Title 20—EMPLOYEES' BENEFITS

## Chapter II—Railroad Retirement Board

## PART 209—MILITARY SERVICE

## Miscellaneous Amendments

Pursuant to the general authority contained in section 10 of the act of June 24, 1937 (50 Stat. 314, 45 U.S.C. 228j), §§ 209.1, 209.3, 209.4 and 209.14 of the regulations under such act (20 CFR 209.1; 20 CFR 209.3; 20 CFR 209.4; and 20 CFR 209.14) are amended by Board Order 59-189, dated October 21, 1959, to read as follows:

## § 209.1 Statutory provisions.

(n) In addition to the amount authorized to be appropriated in subsection (a) of section 15 of this Act, there is hereby authorized to be appropriated to the Railroad Retirement Account for each fiscal year, beginning with the fiscal year ending June 30, 1941, (1) an amount sufficient to meet the additional cost of crediting military service rendered prior to January 1, 1937, and (2) an amount found by the Board to be equal to the amount of the total additional excise and income taxes which would have been payable during the preceding fiscal year under Subchapter B of Chapter 9 of the Internal Revenue Code, as amended, with respect to the compensation, as defined in such Subchapter B, of all individuals entitled to credit under the Railroad Retirement Acts, as amended, for military service after December 31, 1936, and prior to January 1, 1957, if each of such individuals, in addition to compensation actually earned, had earned such compensation in the amount of \$160 in each calendar month in which he was in such military service during such preceding fiscal year and such taxes were measured by all such compensation without limitation as to amount earned by any individual in any one calendar month, and (3) an amount found by the Board to be equal to (A) the amount of the total additional excise and income taxes which would have been payable during the preceding fiscal year under chapter 22 of the Internal Revenue Code of 1954 with respect to the compensation, as defined in such chapter, of all individuals entitled (without regard to subsection (p)(1) of this section) to credit under this Act for military service after December 1958 if each of such individuals, in addition to compensation actually paid, had been paid such compensation in the amount of \$160 in each calendar month in which he was in such military service during such preceding fiscal year and such taxes were measured by all such compensation without limitation as to amount paid to any individual in any one calendar month, less (B) the amount of the taxes which were paid with respect to such military service under sections 3101 and 3111 of the Internal Revenue Code of 1954. The additional cost of crediting military service rendered prior to January 1, 1937, shall be deemed to be the difference between the actuarial value of each annuity based in part on military service and the actuarial value of the annuity which would be payable to the same individual without regard to military service. In calculating these actuarial values, (1) whenever the annuity based in part on military service begins to accrue before age 60,

the annuity without regard to military service shall be valued on the assumption of deferment to age 60, and whenever the annuity based in part on military service is awarded under subsection 2(a) of section 2(a), the annuity without regard to military service shall be valued on the assumption of deferment to age 65; and (2) all such actuarial values shall be calculated as of the date on which the annuity based on military service begins to accrue and shall not thereafter be subject to change. All such actuarial calculations shall be based on the Combined Annuity Table of Mortality and all calculations in this subsection shall take into account interest at the rate of 3 per centum per annum compounded annually. The Railroad Retirement Board, as promptly as practicable after the enactment of this amendment, and thereafter annually, shall submit to the Bureau of the Budget estimates of such military service appropriations to be made to the account, in addition to the annual estimate by the Board, in accordance with subsection (a) of section 15 of this Act, of the appropriation to be made to the account to provide for the payment of annuities, pensions and death benefits not based on military service. The estimate made in any year with respect to military service rendered prior to January 1, 1937, shall be based on the cost, as determined in accordance with the above provisions, of annuities awarded or increased on the basis of such military service up to the close of the preceding fiscal year and not previously appropriated for, and shall take into account interest from the date the annuity began to accrue or was increased to the date or dates on which the amount appropriated is to be credited to the Railroad Retirement Account. In making the estimate for the appropriation for military service rendered after December 31, 1936, the Board shall take into account any excess or deficiency in the appropriation or appropriations for such service in any preceding fiscal year or years, with interest thereon, resulting from an overestimate or underestimate of the number of individuals in creditable military service or the months of military service. In determining pursuant to section 5(k)(2) for any fiscal year the total amount to be credited from the Railroad Retirement Account to the Old-Age and Survivors Insurance Trust Fund, credit shall be given such Account for the amount of the taxes described in clause (3)(B) of the first sentence of this subsection.

(p)(1) Military service rendered by an individual after December 1956 shall be creditable under this section only if the number of such individual's years of service is ten or more (including, in such years of service, military service which, but for this subsection, would be creditable under this section).

(2) In any case where an individual has completed ten or more years of service and such years of service include any military service rendered after December 1956, the Board shall as promptly as is practicable (A) notify the Secretary of Health, Education, and Welfare that such military service is creditable under this section and (B) specify the period or periods of the military service rendered after December 1956 which is so creditable.

(q) Notwithstanding the provisions of this section and section 2(c)(2), military service rendered by an individual after December 1956 shall not be used in determining eligibility for, or computing the amount of, any annuity accruing under section 2 for any month if (1) any benefits are payable for that month under title II of the Social Security Act on the basis of such individual's wages and self-employment income, (2) such military service was included in the com-

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putation of such benefits, and (3) the inclusion of such service in the computation of such benefits resulted (for that month) in benefits not otherwise payable or in an increase in the benefits otherwise payable.

(r) The Secretary concerned (as defined in section 102(9) of the Servicemen's and Veterans' Survivor Benefits Act) shall maintain such records, and furnish the Board upon its request with such information, regarding the months of any individual's military service and the remuneration paid therefor, as may be necessary to enable the Board to carry out its duties under this section and sections 2 and 5. (Section 4 of the act)

### § 209.3 Application for annuities based on military service.

No individual shall be entitled to an annuity, or to an increase in an annuity, based on military service unless he has, in the manner provided in Part 210 of this chapter, filed an application claiming credit for military service on such form as the Board may prescribe. The application shall be filed within six months from the date on which such annuity or increase in an annuity is to begin to accrue, and may be filed by any individual, including individuals whose claims for annuities not based on military service have theretofore been granted or denied. In no event shall an annuity or increase in an annuity based on military service begin to accrue before October 8, 1940.

The following sections are added:

### § 209.4 Crediting of military service.

(a) For the purposes of determining eligibility for and computing an annuity, a calendar month or part of a calendar month during which an individual was in the active military service of the United States in a war service period may be included in such individual's years of service as though service rendered to an employer, as defined in Part 202 of this chapter: *Provided, however,* That the individual, before his active military service in a war service period began and in the same calendar year in which such military service began or in the next preceding calendar year, rendered service as an employee, as defined in Part 203 of this chapter, to an employer or to a person service to which is creditable under the act; or lost time as an employee for which he received remuneration, which remuneration is creditable as compensation within the meaning of Part 222 of this chapter; or was serving as an employee representative, as defined in § 205.2 of this chapter: *Provided further,* That military service after 1936 shall be included before military service prior to 1937 unless the inclusion of such service after 1936 would result in an annuity in a lesser amount than an annuity exclusive of such service (see § 225.9 of this chapter): *And provided further,* That no calendar month shall be counted as more than one month of service.

(b) Notwithstanding the provisions of this section, creditable military service rendered by an individual after December 1956 shall not be used in determining eligibility for and computing an annuity for any month if: (1) Any benefits are payable for that month under title II of the Social Security Act on the basis of such individual's wages and self-employment income, (2) such military service was included in the com-

such individual's earnings, (2) such military service was included in the computation of such benefits, and (3) the inclusion of such military service in the computation of such benefits resulted for such month in benefits not otherwise payable or in an increase in the benefits otherwise payable.

### § 209.14 Verification of military service claimed.

Military service claimed, to be credited, shall be verified to the satisfaction of the Board by the following proof:

(a) An original certificate of discharge or release to inactive duty from a branch of the armed forces that shows the beginning and ending dates of an individual's active military service; or a certified copy of such a certificate made by the State, county or municipal agency or department in which the original certificate is recorded; or

(b) A certification from a branch of the armed forces that shows the beginning and ending dates of an individual's active military service; or

(c) A photocopy of the document described in paragraph (a) or (b) of this section.

By Authority of the Board.

Dated: October 30, 1959.

[SEAL] MARY B. LINKINS,  
Secretary of the Board.

[F.R. Doc. 59-9357; Filed, Nov. 4, 1959;  
8:49 a.m.]

## Title 39—POSTAL SERVICE

### Chapter I—Post Office Department

#### PART 168— DIRECTORY OF INTERNATIONAL MAIL

##### Argentine Consular Documents Required for Parcel Post

Part 168—Directory of International Mail, as published in the FEDERAL REGISTER of March 20, 1959, at pages 2117-2195, as Federal Register Document 59-2388, is amended by making the following change in § 168.5 *Individual country regulations*.

In country "Argentina", as amended by Federal Register Document 59-4137, 24 F.R. 3991, Federal Register Document 59-4568, 24 F.R. 4453, and by Federal Register Document 59-7459, 24 F.R. 7250, under Parcel Post, the item *Observations* is amended as a result of the Argentine Government giving notice of change in consular document requirements. As so amended, the item *Observations* reads as follows:

*Observations.* Parcels may be addressed to banks or other organizations for ultimate delivery to second addressees. The latter however may not take delivery without written authority from the first addressee, unless the sender arranges for change of address as provided in Part 127 of this chapter.

The following regulations apply to gift parcels addressed to individuals for personal use:

No person may receive more than one such parcel per year, and its value may

not exceed \$5. If that limit is exceeded, or if a parcel sent as a gift appears to be intended for commercial purposes, duty may be charged at penalty rates or the parcel may be detained by the customs authorities in Argentina.

Used clothing addressed to individuals is limited to 22 pounds per parcel. Each parcel containing used clothing must have enclosed a notarized and legalized statement from a dry-cleaning or disinfecting establishment that the clothing has been thoroughly cleaned or disinfected. After the statement has been notarized the notarization must be certified by the county clerk or other competent official. The statement must then be sent to an Argentine consulate accompanied by a fee of \$4.29 for legalization. After the consulate returns the legalized statement, it must be enclosed in the parcel with the clothing. The wrapper of the parcel must be marked "Legalized disinfection certificate enclosed."

All parcels other than gifts valued under \$5 must be accompanied by legalized consular documents. A combined consular invoice and certificate of origin (original and 3 copies) and a commercial invoice (original and 2 copies), executed on prescribed forms in Spanish, must be submitted for legalization to the Argentine consular authorities, who charge service fees based on the value of the parcels.

Mailers who have not complied with the requirements should be advised to communicate with an Argentine Consulate prior to mailing.

The Argentine Consulate General is located at 12 West 56th Street, New York, and there are Argentine consulates in the following cities:

Baltimore, Md.  
Boston, Mass.  
Chicago, Ill.  
Houston, Tex.  
New Orleans, La.  
San Francisco, Calif.  
Washington, D.C.

(R.S. 161, as amended, 396, as amended, 398, as amended; 5 U.S.C. 22, 369, 372)

[SEAL] HERBERT B. WARBURTON,  
General Counsel.

[F.R. Doc. 59-9361; Filed, Nov. 4, 1959;  
8:49 a.m.]

## Title 47—TELECOMMUNICATION

### Chapter I—Federal Communications Commission

[Docket No. 12746; FCC 59-1119]

#### PART 3—RADIO BROADCAST SERVICES

##### Television Stations

In the matter of amendment of § 3.658 of the Commission's rules and regulations to prohibit television stations, other than those licensed to an organization which operates a television network, from being represented in national spot sales by an organization which also operates a television network; Docket No. 12746.

#### INTRODUCTION

1. The Commission has under consideration its Notice of Proposed Rule Making (FCC 59-63) issued in this proceeding on January 29, 1959, proposing to amend § 3.658 of the Commission's rules and regulations to prohibit television stations, other than those licensed to an organization which operates a television network, from being represented in national spot sales by an organization which also operates a television network. While the Notice of Proposed Rule Making applied primarily to television, parties filing comments were requested to direct their attention to the need for and desirability of a similar rule with respect to the participation of organizations which operate radio networks in the representation of stations in the national spot radio field. Persons filing comments were also requested to direct their attention to the period of time that should be allowed for stations to transfer their representation to a non-network organization in the event that the proposed amendment is adopted, and to suggest the specific language which might be used if the proposed rule is adopted.

2. The Commission first considered the question of network representation of stations in national spot sales, in the radio field, in 1948. In September 1947, the National Association of Radio Station Representatives (NARSR) and 20 of its members filed with the Commission a complaint against the Columbia Broadcasting System (CBS) and other networks in connection with national spot representation. Hearings were held before the Commission en banc in 1948 and 1949, in Docket No. 9080, to determine: (a) Whether any national spot representation contract or understanding between a network and a station licensee violated the Commission's Chain Broadcasting Rules; and (b) if no such violation were found, whether the Commission should adopt rules with respect to national spot representation contracts. In July 1950 the Commission found<sup>1</sup> that the evidence in the national spot proceeding was insufficient to support a finding that the practice of networks representing affiliates for the sale of national spot radio advertising violated any of the provisions of the Commission's Chain Broadcasting Regulations. With respect to the issue whether, in the event that no violations existed, the alleged practices were contrary to the public interest and should be made subject to changes, amendments, or additions to the rules, the Commission stated that it had made no determination and still had the questions under consideration.

3. By Public Law 112, 84th Congress, 1st Session, the Commission was authorized and directed to conduct a study of radio and television network broadcasting. The study was formally instituted by the Commission's Delegation Order No. 10 of July 22, 1955 (FCC 55-810) which delegated to a Network Study

Committee of four Commissioners the Commission's powers and jurisdiction to carry out the study. The purposes and objectives of the study were announced by the Network Study Committee in Public Notice (FCC 55M-977) and separate Order of November 21, 1955 (FCC 55M-978). Included in the Order among the matters to be studied was "the representation of stations in the national spot field by various persons", including the networks. A special Network Study Staff was organized to conduct the study.

4. On October 3, 1957, the Director of the Commission's Network Study Staff submitted to the Network Study Committee a Report on Network Broadcasting.<sup>1a</sup> The Report contained, among other matters, a study of the representation of television stations in national spot sales by companies which also operate television networks. In Chapter 10 the Report noted that national spot and network television compete with each other for advertising business; that there is a potential if not actual conflict of interest when the same party engages in both activities; that there is evidence that competition has been restrained in certain respects; and that the networks, by virtue of their spot representation activities, have the power to restrain competition in other ways. The Report concluded that the public interest would be better served if organizations which operate television networks did not also participate in the representation of television stations in the national spot field. The Report also recommended that the Commission adopt a rule prohibiting organizations which operate television networks from representing in national spot sales television stations other than those which they own and operate. It also recommended that a reasonable period of time, such as two years, be allowed for the stations now represented by organizations which also operate networks to transfer their representation to nonnetwork organizations.

5. On January 9, 1958 the Commission issued a Notice of Public Hearing (FCC 58-37) in Docket No. 12285, in the matter of the Study of Radio and Television Network Broadcasting. A public hearing was held before the Commission en banc, commencing on March 3, 1958, for the purpose of affording interested parties an opportunity to comment on the findings, recommendations and conclusions contained in the Report on Network Broadcasting. Representatives of the Columbia Broadcasting System, Inc. and the National Broadcasting Company, Inc., of nonnetwork stations represented by the Columbia Broadcasting System or the National Broadcasting Company, and of nonnetwork organizations engaged in the national station representative business appeared to testify concerning the aforementioned matter at the Hearing.

6. On the basis of the Report on Network Broadcasting and the testimony presented in the Hearing in Docket No. 12285, the Commission issued on January

<sup>1</sup> See Public Notice, Report No. 1701 of Broadcast Actions of the FCC, July 21, 1950.

<sup>1a</sup> Hereinafter sometimes referred to as the Report.

## RULES AND REGULATIONS

29, 1959 its Notice of Proposed Rule Making in this proceeding. In the Notice, the Commission stated that it was of the view that a rule making proceeding should be instituted to consider the adoption of a rule prohibiting television station licensees from being represented in national spot sales by an organization which also operates a television network. The Notice indicated that the proposed prohibition would not apply to the representation in spot sales of television stations licensed to the organization which operates a television network.

7. Comments supporting the proposed amendment were filed by Station Representatives Association (SRA) (with a membership of 22 firms representing television and radio stations) and the Edward Petry Company (Petry) an independent organization representing radio and television stations in spot sales. Comments opposing the proposed amendment were filed by National Broadcasting Company, Inc. (NBC), Columbia Broadcasting System, Inc. (CBS),<sup>2</sup> a group of independently owned television stations represented by CBS television spot sales, a group of independently owned radio stations represented by CBS radio spot sales, and by Metropolitan Television Company (KOAT-TV, Denver), the Pulitzer Publishing Company (KSD-TV, St. Louis), and WAVE, Inc. (WAVE-TV, Louisville), all licensees of independently owned television stations represented by NBC spot sales. A Memorandum of Law was submitted on behalf of the independently owned radio and television stations represented by CBS radio spot sales and CBS television spot sales. The Intermountain Network, Inc. filed a statement requesting that any rule adopted herein be carefully limited to apply only to national television networks actually engaged in network programming activities and in national spot sales. Reply comments were filed by NBC, CBS,<sup>3</sup> independently owned television stations represented by CBS television spot sales, and independently owned radio stations represented by CBS radio spot sales. A reply Memorandum of Law was filed by Petry.

## SUMMARY OF COMMENTS: TELEVISION

8. The parties favoring the proposed amendment argue that it is fully supported by the Report on Network Broadcasting and by the Hearings held thereon in Docket No. 12285. It is stated that the Report and the Hearings have shown that network television and spot television are the two principal competitors for the advertising budgets of national advertisers desiring to use television. Two of the three national television networks are also in the station representation business in national spot sales. The parties supporting the proposed amendment contend that, as a general matter, the networks are in a strong bargaining

position with respect to network affiliation, which is one of a station's most valuable assets, and that this makes it difficult for a station to reject a request from the organization which operates the network to represent the station in national spot sales. The network's strong bargaining position, it is said, places independent station representatives at a disadvantage in competing with the network organization for the representation of stations and also exercises a restraining influence on the freedom of the station to choose its spot sales representative. It is argued that, because of their favored position, the network organizations can expand or contract their sphere of influence in the spot sales field. These parties state that, whether or not the network organizations have consciously brought their position to bear, their influence must be felt by the stations.

9. These parties also urge that "No man can serve two masters." When an organization which operates a network also acts as national sales representative of the affiliated stations of the network, a conflict of interest is said to arise. It is maintained that, since the bulk of the network organization's revenues come from network time sales, the overall objective of the organization must be to preserve and advance network sales; and that to the extent that network representation of stations in spot sales conflicts with this objective, the interests of the spot sales organization must inevitably suffer. It is contended that a network organization, when acting as a sales representative for an individual station, has an incentive to use its best efforts to see to it that its represented station maintains as close a relationship as possible between network rates and national spot rates so as not to encourage the diversion of advertising revenues from network business to spot business. The networks, it is stated, also have every incentive to induce their represented stations to carry as much network programming as possible, including programs offered to them in nonnetwork time. The parties state that the record contains evidence of the networks actually placing these practices into effect. It is further contended that, although the networks deny that these campaigns are now in effect, and although the stations indicate that they do exercise independent judgment, a conflict of interest remains inevitable and pressures on the station must be felt whether applied directly or indirectly.

10. The parties favoring the amendment also maintain that, although the employees of the network who work in spot sales may be administratively divorced from those who work in the network division, the fact remains that they are both subject to the same control since they work for an organization whose officers must produce a maximum profit for the stockholders. In keeping with their trust to the stockholders, it is contended, these officers must see to it that no activity of a particular division is pushed to a point where it hurts the overall revenues of the organization. Consequently, national spot sales can-

not be pushed so vigorously as to cause a dip in network revenues—the principal business interest of the company.

11. These parties conclude that the public interest would be served by prohibiting the organizations which operate networks from representing independently owned stations in the national spot field, thus removing the conflict of interest. It is urged that representation of independently owned stations is neither a basic nor a normal function of a network organization. The practice of the American Broadcasting Co. (ABC) as a major network, it is said, is ample testimony to this proposition. The parties state that ABC does not even operate a national spot sales representation organization for its five owned and operated stations in the top markets, and that witnesses for ABC, in the hearings on the Report, testified to the effect that a spot representation organization was not necessary to the successful operation of that company. It is pointed out that when a network organization acts as the spot representative of an affiliated station, it is responsible for upwards of 75 percent of the station's revenue. Exercising this degree of control over a station's revenue, it is urged, cannot help but create a tremendous sphere of influence over the operations of a station, placing its independence in jeopardy. SRA and Petry each submitted the text of a proposed rule designed to implement the proposal being considered by the Commission.

12. The parties opposing the proposed amendment state that the participation of network organizations in the business of representing stations in national spot sales has not resulted in any restraint of competition for this business. It is noted that the Report recognized that CBS and NBC, either singly or together, do not dominate the representation business from the point of view of either the relative number of stations represented or the volume of national spot business for which they are responsible; that some of the non-network organizations in this field represent a larger number of independently owned stations, including more stations in the top markets of the country, than does CBS or NBC; and that CBS Spot Sales has not added any new represented stations in almost 5 years and NBC Spot Sales in 3 years. These parties urge that the stations which have selected the CBS and NBC spot sales organization as their representatives have not done so because of any association with the television network, and that the selection has been made voluntarily and of the station's own free will because of practical business reasons relating to the small, select, and specialized list of stations represented by CBS and NBC Spot Sales and to the allegedly superior performance of these organizations in terms of service, leadership, research, sales promotions, and other factors. Evidence is presented by these parties purporting to show that the business judgment of the represented stations to select and retain CBS or NBC Spot Sales is a sound one on the basis of the results obtained. Both CBS and NBC state that there is no relation-

<sup>2</sup> Separate comments were filed by CBS Television Stations Division and CBS Radio Stations Division.

<sup>3</sup> Separate reply comments were filed by the CBS Television Stations Division and by the CBS Radio Stations Division.

ship between spot sales representation and network affiliation matters, and that a network affiliation is not used as an inducement, or refusal of a network affiliation as a threat, to persuade a station to select or retain CBS or NBC as its spot representative.

13. It is further contended by these parties that there is no potential of restraint of competition for the representation of stations in spot sales, for several reasons. NBC argues that, with three competitive networks, there is no potential of restraint in markets with three TV stations or less, which comprise the large majority of all television markets, inasmuch as the network has no bargaining advantage by threatening to switch its affiliation when a station is able to transfer its affiliation to another network. CBS, the independent TV stations represented by CBS Spot Sales, and some of the independent TV stations represented by NBC Spot Sales also maintain that CBS and NBC lack the power to dominate the spot sales field, stating that there is a genuine, built-in limitation on the power of the network organizations to expand successfully, in view of the specialized quality service that they provide; that if CBS Spot Sales or NBC Spot Sales were to add substantially more stations, they would impair their service and inevitably lose some of the stations that they now represent. It is also noted that CBS and NBC have turned down numerous requests from stations to act as their Spot Sales Representatives and that both CBS and NBC are committed in testimony before this Commission not to expand appreciably their list of represented stations.

14. The parties opposing the proposed rule also state that the operation by CBS and NBC of a representation service has not restrained competition between national spot and network business, nor has it had any adverse effect on the represented stations. They urge that each station is the sole and complete judge of its national spot and local rates, and sets these rates independently on the basis of its judgment regarding competitive factors in the marketplace. It is contended that CBS Spot Sales and NBC Spot Sales have not attempted, directly or indirectly, to change, control, or influence the spot rates of any of their represented stations in order to conform them to the network rates of these stations. The lack of a pattern of uniformity among the represented stations with respect to the level of spot and network rates, to the timing of rate changes, and to discounts, it is stated, demonstrates that the network organizations have not restrained competition in this field. CBS describes the alleged "campaign" to equalize spot and network rates as an isolated instance of a conduct long since discontinued and precluded by the present CBS policy directive. With respect to the station's choice of spot or network programming, it is stated that the Report recognizes that the stations represented by the network organization in spot sales have been the exclusive judges of their own programming and finds no evidence of any competitive restraint. It is further con-

tended that there is no potential restraint of competition since: (a) The Spot Sales units of CBS and NBC operate entirely separately from the network units and compete actively and energetically with networks and other media for advertising business, taking the leadership in various phases of the spot advertising business and achieving results that compare favorably with those of the independent station representatives; and (b) even assuming that a network's spot sales organization had the right or the power to modify the rate policies of the stations that it represents, the economics of the market would make it impossible for such spot sales organization, representing only a handful of stations within the national spot medium, to cause a reduction of competition between national spot television and network television business, while the major part which a station's spot rate plays in determining its overall revenue would compel it to reject any alleged network pressure to coerce upward the national spot rate.

15. It is also urged that the proposed rule would impose immediate and actual restraints by restricting television stations in their free choice of a national spot sales representative. For the first time, it is argued, station licensees would be artificially restricted in their choice of sales agents, and stations which have real business reasons for choosing CBS Spot Sales or NBC Spot Sales as their representatives would be denied the right to do so. Similarly, it is contended that the proposed rule would impose immediate and actual restraints by restraining certain television stations in their competition for national spot business, by requiring them to discharge the representative they believe can best help them compete for such business; the stations, it is said, would also suffer an immediate loss of spot sales business during the period of transition to a new representative, and would, at this date, have less freedom of choice in selecting a new representative than did the competing stations in their markets when they selected their representatives. An immediate and a real restraint on competition would also result, it is argued, from the fact that the proposed rule would reduce by at least two the number of national spot sales representatives competing for station clients, even though these representatives are admitted by the Report to perform a satisfactory or outstanding service.

16. The parties opposing the proposed rule also stated that the drastic remedy of abolition or divestiture is not appropriate where there has been no finding of domination or monopolistic or predatory conduct. The need for such a remedy, it is maintained, cannot be based merely on an alleged "potential" restraint of competition, particularly where the experience of many years gives no evidence of actual conduct inimical to the public interest. Further, it is urged that the cure against a possibility of further expansion is not a prohibition or divorce, but, if any solution is necessary, a rule placing a limit on the number of stations which CBS and NBC (and perhaps any organization) may represent at a

point where, if exceeded, there would be present a likelihood of adverse consequences to the public. Such limitation, it is stated, would at least accord with the policies of CBS and NBC Spot Sales not to expand appreciably and the wishes of the represented stations that the number of stations represented not be significantly increased, and also would not disrupt established business relations to the detriment of affiliates now represented.

17. Various legal arguments have been directed to the authority of the Commission to promulgate the type of rule here proposed.<sup>4</sup> In general, these arguments contend, on the one hand, that the Commission completely lacks the statutory authority to adopt the proposed rule, and, on the other hand, that the record in this proceeding does not support the adoption of such a rule.

18. In challenging the Commission's authority to adopt a rule governing a station's choice of a national spot sales representative, it is argued that business practices of the stations involved are unrelated to the station's duty to furnish service which will meet the statutory public interest standard; that the Commission has no general regulatory authority over business practices in the broadcast, as distinguished from the common carrier field; and that such regulation in the broadcast field can only stem from specific statutory authority, which is here lacking. It is further alleged that support for the proposed rule cannot be found in the Commission's authority to promulgate special rules applicable to stations engaged in chain broadcasting since the proposal does not relate to chain broadcasting or even to the relations between stations and networks. Moreover, the Commission's failure over a period of fifteen years to exercise authority in this field is cited as reflecting recognition of the fact that such authority is lacking.

19. As applied to chain broadcasting, the statutory standard of the public interest has allegedly been construed by the courts to include only matters which have "a direct impact on program service to the public." Thus, it is contended that the Supreme Court in *National Broadcasting Co. v. U.S.*, 319 U.S. 190, found such a direct impact in upholding the Commission's authority to promulgate the existing chain broadcasting regulations. It is argued, however, that the record in this proceeding indicates clearly that the representation of affiliates by CBS and NBC for national spot sales does not adversely affect program service or the ability of the stations to operate in the public interest, and, in fact, aids the stations in question in fulfilling their statutory obligations. In this connection, it is maintained that a legitimate business is involved and the

<sup>4</sup> The arguments challenging the Commission's legal authority are contained in the comments filed by NBC, CBS, WAVE, Pulitzer and Metropolitan and the Memorandum of Law filed on behalf of the independently owned radio and television stations represented by CBS Radio Spot Sales and CBS Television Spot Sales. A Reply Memorandum of Law, supporting the Commission's authority, was submitted by Petry.

Commission cannot shift the burden of proof to the networks to show that their activities in this field are not contrary to the public interest or that there are affirmative reasons why they should be permitted to continue this activity. It is alleged that if the networks were now proposing to enter the spot representation field, it might be appropriate to consider "potentials", but that where, as here, the networks have been engaged in the field for many years, any determination should be based on the record of what has occurred. Internal competition of the type existing between the network and spot sales divisions of CBS and NBC is purportedly not unusual and will allegedly not support divestiture absent "at least some likelihood of consequences inimical to the public interest."<sup>5</sup>

It is also contended that divestiture is a drastic remedy which should be invoked only upon a clear and convincing showing of wrongdoing which is absent here. NEC, in particular, argues that there is no evidence of any wrongdoing on its part. Moreover, the argument is made that, before invoking this harsh remedy, the Commission should consider whether "theoretically possible future restraints" could not be controlled by existing statutory powers (e.g., cease and desist orders or injunctions), existing regulations (e.g., § 3.658(h) which is intended to prevent a network from controlling the station's rate for non-network time) or such additional regulations as might be found to be necessary. CBS and the independent stations represented by CBS spot sales also suggest that possible future expansion by the networks in this field could be controlled by a regulation limiting network representation to approximately the same number of independently owned affiliates as are now represented.

20. In supporting the Commission's authority to adopt the proposed rule, the Reply Memorandum of Law submitted by Petry contends that the Supreme Court's decision in *National Broadcasting Co. v. U.S.*, *supra*, negates the arguments that the Commission, in applying the statute's public interest standard, cannot regulate business practices of broadcast stations in the absence of authority similar to that conferred over common carrier or other express statutory authority. It is alleged that the rule making provisions of the Act and the public interest standard do not, as contended, limit the Commission to adopting rules which relate to matters having an impact on program service, and that the Commission has many rules which have nothing to do with program service. In this connection, it is argued that the Commission, in order to insure the independence of licensees and that they are not operating under circumstances which adversely affect the public interest, is properly concerned with restraints on competition and the aims of

the antitrust laws in applying the public interest standard. With respect to the contention that the Commission's failure to regulate in this field for many years indicates a belief on the Commission's part that the powers did not exist, it is alleged that an agency may properly await the need or opportunity to impose regulations, and is not under any obligation to test the limits of its jurisdiction at the outset. Moreover, the charge of Commission inactivity in this field is allegedly belied by the hearing held on national spot representation in 1948-49 and the network investigation and report now under consideration.

21. Reply comments dealing with the substantive issues involved in the proposed rule to prohibit the representation of television stations in spot sales by organizations which also operate television networks were filed by three parties opposed to the proposed rule: NBC, CBS Television Stations, and independently owned television stations represented by CBS Television Spot Sales. These parties state that the SRA and Petry have advanced no new facts or evidence to substantiate their charges that the operation of spot sales units by CBS or NBC has affected or is likely to affect adversely the public interest. They further state that the assertions of SRA and Petry are inaccurate, devoid of proof, contrary to and ignore the factual evidence in the record. The evidence, it is maintained, does not support the conclusions either that CBS or NBC has restrained competition among national spot sales representatives for station-clients or that CBS Spot Sales or NBC Spot Sales has restrained competition between national spot and network business. If there were a conflict of interest, it is argued, it would be expected that some evidence of the subordination of the stations' interest would be apparent after a number of years of representation by CBS Spot Sales and NBC Spot Sales. It is contended that the mere theoretical existence of a potentiality of abuse does not justify a rule such as that proposed. These parties conclude that the record is devoid of any proof that the stations represented by CBS Spot Sales and NBC Spot Sales have not been and are not acting freely and in accordance with their own business judgments in their selection of a spot sales representative or that the service those stations render the public has been or is likely to be impaired in any way by reason of the selection they have made.

#### ANALYSES AND CONCLUSIONS: TELEVISION SUMMARY

22. The Commission has examined carefully, and at length, the discussion of this question in the report on network broadcasting, the testimony thereon by the various parties appearing in Docket No. 12285, and the comments and reply comments filed by the parties in this proceeding. The central issue is whether the public interest is served when organizations which operate television networks also participate in the representation of television stations in the national spot field. The key question

which must be resolved is whether the participation by the networks in national spot representation of their affiliates has resulted in an impairment by the networks on the discharge by the licensee of the affiliated stations they represent of their responsibility to operate their stations independently in the public interest. In making this determination we have considered the extent to which the combination of the role of the network organizations in the network phase of television with their role as national spot representative for television stations affiliated with their network could restrain or has in fact restrained competition for national advertising business between network television and national spot television contrary to the public interest. The Commission has concluded, for reasons hereinafter set forth, that the public interest will be best served by adoption of a rule prohibiting television stations affiliated with a network organization from also being represented by that organization in national television spot sales.

#### BACKGROUND

23. In order to consider the specific issues in this proceeding in their proper context, it is desirable that certain background facts be briefly set forth. Network and national spot television are the only media competing for national television advertising. The national advertiser using network television purchases time on an entire network or a substantial portion thereof. In national spot television the advertiser purchases time on a group of television stations on an individual basis for either a spot announcement or an entire program.

24. In network television the network acts, in effect, as a sales agent for all of the stations which comprise the network, including those owned and operated by the network and the independently owned affiliated stations. The network sets the network rate charge of each of its affiliated stations and provides and schedules the programs which are broadcast over its network. In addition, the network exercises discretion in granting affiliation to individual stations.

25. Affiliated stations have option time contracts with their networks, pursuant to which the stations agree to carry network programs during certain specified periods of the broadcast day, subject to certain limitations and restrictions set out in the Commission's existing chain broadcasting rules.<sup>6</sup> Program service by the networks is not, however, restricted to the optioned time periods.

26. National spot television competes with network television for advertising, programs and station time. The rates charged, the sale of time, and the scheduling of announcements and programs for national spot television are matters which should be controlled by the individual television station licensee(s).

<sup>5</sup> Reference is made to the fact that some independent spot sales representatives represent radio and television stations in the same market but not under common ownership. CBS and NBC spot sales have not engaged in this practice.

<sup>6</sup> See § 3.658 (d) and (e) of the Commission's rules. There is currently outstanding a Notice of Proposed Rule Making in Docket No. 12859 which proposes various changes in those rules.

Most television stations are represented by a national spot sales representative who sells to advertisers the time periods which the station indicates it has available for national spot announcements and programs.

27. In the commercial development of television, the network method of broadcasting has been the most important single factor. It has been in large part responsible for our nationwide system of television broadcasting and for many of the outstanding contributions which television has brought to the American public. The Commission has repeatedly recognized the importance of network television to the public interest.

28. The Commission recognizes also the importance of the networks to their various individual television stations which are affiliated with them. The networks are responsible for a considerable part of the program service which the affiliated stations offer to the public. A network affiliation also determines in large measure the economic well being of a station. In addition to the income an affiliate derives from carrying network programs, those programs attract large viewing audiences, thus increasing the value to the station of time periods adjacent to the network programs which the station sells on a national spot or local basis.

29. The Commission has been continually concerned with preserving the maximum degree of licensee responsibility and effective competition consistent with the maintenance of the network structure and the acknowledged benefits of network broadcasting. These are the objectives of our existing chain broadcasting regulations. While the provisions are directed to the station licensees they are manifestly designed to prevent networks from using their position to force affiliates to accept practices or policies which would impinge on licensee responsibility or be inimical to effective competition in television broadcasting. Particularly relevant in this regard is § 3.658 (h) which provides:

(h) Control by networks of station rates. No license shall be granted to a TV broadcasting station having any contract, arrangement, or understanding, expressed or implied, with a network organization under which the station is prevented or hindered from, or penalized for fixing or altering its rates for the sale of broadcast time for other than the network's programs.

We now turn to the specific issues in the proceeding.

#### COMPETITION FOR THE REPRESENTATION OF STATIONS

##### EXISTING COMPETITIVE SITUATION

30. The Report on Network Television found that the CBS and NBC spot sales organizations do not, either individually or collectively, dominate the national spot representation field. We concur in this conclusion. There are over 500 television broadcast stations now in operation. CBS Spot Sales represents a total of 12 stations, 5 of which are owned by the network and 7 of which are independently owned stations affiliated with

the CBS television network,<sup>7</sup> which has a total of 193 affiliated stations. Eleven stations are represented by NBC Spot Sales. Five of these stations are network owned, while 6 are independently owned stations affiliated with the NBC television network,<sup>8</sup> which has a total of 185 affiliated stations.

31. There are more than 25 independent organizations, in addition to CBS and NBC, which represent television stations in national television spot sales. The Report indicates that, on the basis of the figures then available, 14 of the independent national spot representatives represented more stations than CBS Spot Sales, while 11 represented more stations than NBC Spot Sales. While the stations represented by the two network spot sales organization accounted for approximately one-fourth of the total volume of national spot sales in television, the largest of the independent national spot representatives handled a larger volume of business than either of the network organizations.

32. We believe that these facts are sufficient<sup>9</sup> to illustrate the relative position now occupied by CBS and NBC in the national television spot sales representation picture. While the position of each is significant, neither one occupies a dominant position in the national spot field.

33. It is alleged that the networks have restrained competition for the representation of stations in spot sales by using their ability to refuse or terminate a network affiliation to influence stations in their selection or retention of a spot sales representative. No evidence has been presented indicating that the networks have influenced or sought to influence affiliated stations in their choice of spot sales representatives or that the networks have taken spot sales representation into account in making decisions with respect to affiliation.<sup>10</sup>

<sup>7</sup> The stations owned and operated by CBS are WCBS-TV, New York, N.Y.; KNXT, Los Angeles, Calif.; WCAU-TV, Philadelphia, Pa.; WBEM-TV, Chicago, Ill.; and KMOX-TV, St. Louis, Mo. The independent stations represented are WTOP-TV, Washington, D.C.; WJXT, Jacksonville, Fla.; KOYN-TV, Portland, Oregon; WBTW, Florence, S.C.; WBTV, Charlotte, N.C.; KSL-TV, Salt Lake City, Utah; and KGUL-TV, Houston, Texas.

<sup>8</sup> The stations owned and operated by NBC are WRCA-TV, New York, N.Y.; WNBQ, Chicago, Ill.; KRCA, Los Angeles, Calif.; WRC-TV, Washington, D.C.; and WRCV-TV, Philadelphia, Pa. Independently owned stations represented are KDS-TV, St. Louis, Mo.; KOA-TV, Denver, Colo.; WAVE-TV, Louisville, Ky.; WCKT, Miami, Fla.; KONA-TV, Honolulu, Hawaii; and WRGB, Schenectady, N.Y. In addition, NBC Spot Sales represents, in Detroit and the West Coast only, 5 stations licensed to the Crosley Broadcasting Co. Two of the Crosley stations, WLW-A, Atlanta, Ga., and WLM-I, Indianapolis, Ind., are not affiliated with NBC but are affiliates of the ABC television network.

<sup>9</sup> The Report and the pleadings in this proceeding contain additional statistics which support the conclusion that the networks do not now dominate the spot sales field.

<sup>10</sup> The Report on Network Broadcasting indicated that there is "evidence that the networks have taken the factor of national spot representation into account along with other

##### POTENTIAL COMPETITIVE SITUATION

34. We next consider whether the network spot sales organizations are in a position to restrain competition for representation of television stations in national spot sales in such a manner as to impinge upon the licensees' responsibility to operate their stations in the public interest independently of network control. The Report on Network Broadcasting found that the networks did have the power and ability to so restrain competition if they desired to do so, and we concur in that judgment.

35. CBS and NBC are now both operating successful television spot sales organizations. As we have indicated these organizations represent relatively few stations. However, the CBS and NBC spot sales organizations are in a position to extend the influence of their networks over the affiliated stations they represent and to assist their parent corporations in furthering their primary network interests where competition between network and national spot television is concerned.

36. It is significant that the networks could make use of a potent competitive advantage over independent national spot representatives in soliciting for representation stations affiliated with their respective networks. In addition to offering stations a satisfactory spot sales representation service, they could use their control over network affiliations to influence the stations' choice of a spot representative.

37. This influence could be exerted directly, with the network indicating that the grant or continuation of affiliation is dependent on the station being represented by the network's spot sales and organization. The influence could also be indirect and involve no overt pressure by the network. Thus, stations may have an incentive, to improve their chances of acquiring or retaining a network affiliation or of securing other benefits from the network by requesting representation by a network spot sales organization. Many stations have, in fact, approached CBS and NBC spot sales with requests to represent them. CBS spot sales has followed a consistent policy of not soliciting stations "which has been dictated, in part at least, by an awareness of its powerful network position."<sup>11</sup> Moreover, CBS has also admitted that stations may have sought to be represented by its spot sales organization in

factors in one or more of their affiliation decisions, and have indicated to one or more of their affiliates that the affiliation and spot sales representation relationships, in both radio and television, should be looked upon as a single "package" (p. 536).<sup>12</sup> However, evidence in support of this allegation was not presented in the Report, in the hearings in Docket No. 12285, nor in this proceeding. We are therefore giving no consideration to these allegations in reaching our decision herein.

<sup>11</sup> NBC Spot Sales, on the other hand, has solicited stations, in some cases unsuccessfully.

<sup>12</sup> Thus, CBS has stated: "Historically, and perhaps because of the position of CBS in networking, CBS Spot Sales has not sought out any station for representation."

## RULES AND REGULATIONS

the hope of receiving or maintaining a CBS affiliation.

38. Various effects detrimental to the public interest could flow from expansion by the networks in the spot sales field. By use of their network position to influence stations, the network spot sales organizations could put independent representatives at a competitive disadvantage and seriously restrain competition for station representation. To the extent such influence was used, it would restrain the licensees of affiliated stations in their free choice of spot sales representatives, and thus impinge on their independent responsibility to program their stations in the public interest. Moreover, any expansion would put the networks in a position to exert an influence over more of their affiliates concerning their spot sales practices. This could result in increasing the ability of the networks to restrain competition between network and spot sales television, thus increasing their ability to interfere with the responsibility of the represented affiliates to make independent decisions concerning spot sales rates and programs.

39. Various arguments have been advanced in an attempt to demonstrate that expansion of the network spot sales organizations will not, in fact occur. It is maintained that the networks have not expanded and have no intention of doing so. However, notwithstanding the present intentions of the networks as stated in the Hearing, in the absence of a prohibition, the networks may in the future find it desirable to revise present plans. In any event, as discussed later, the Commission is unable to find that their representation of the independently owned affiliates they now serve is in the public interest.

40. It is claimed that stations have chosen to be represented by CBS and NBC spot sales for sound business reasons. The network spot sales organizations allegedly offer a superior service which is based on their unique policies of representing only a small number of stations, all affiliated with one network and all located in relatively large markets. It is argued, therefore, that any attempt to expand would be doomed to failure, since it would mean changing these policies and thus losing the stations now represented.

41. Assuming that an expansion program by CBS and NBC spot sales would cause some of their existing affiliated stations to change representatives, we do not believe this would be an effective bar to expansion. Many independent spot sales organizations successfully represent far more stations than do CBS and NBC spot sales. We are aware of no reason why the networks could not change their policies if they chose to do so and build up spot sales organizations at least as large and effective as those operated by independent representatives. On the contrary, the superior bargaining position of CBS and NBC with respect to network affiliation puts them in a position from which effective action could be taken to achieve that end.

42. In addition, the reasons advanced for the self-limiting policies which have been followed by the network spot sales

organizations offer little assurance that the network will continue to adhere to them in the future. It is contended that these policies enable the network spot sales organizations to give their represented stations superior service and results. However, without disputing the statement in the Report on Network Broadcasting, that the network spot sales organizations "are generally considered to perform a satisfactory or outstanding service," it has not been demonstrated that they have achieved better results for the affiliates they represent than independent representatives who have not followed the same self-limiting practices.

43. Evidence has been introduced to show that stations represented by CBS Spot Sales have been leaders in their respective markets in income received from spot sales, the number of spot sales programs sold and the activity of their spot sales accounts. There is also evidence that the network-represented stations derive a greater share of their income from spot sales than do CBS affiliates as a whole. This evidence, however, does not provide a proper comparison between the effectiveness of the network and independent spot sales representatives. A meaningful comparison requires consideration of the results achieved by the network and independent spot representatives under comparable circumstances. Three of the stations represented by CBS Spot Sales and four represented by NBC Spot Sales are in markets in which there are four operating commercial television stations. In 1958, the network-represented stations received, respectively, an average of 34.7 percent and 27.7 percent of the total national spot business in their markets. CBS affiliated stations represented by independent spot sales organizations in seven comparable four-station markets received an average of 29.8 percent of the total national spot sales business in their markets.<sup>13</sup> Six NBC affiliates represented by independent spot sales organizations in comparable four-station markets received 34.5 percent of the total national spot sales business in their markets. In markets with three commercial VHF stations, two stations represented by CBS Spot Sales received an average of 34.2 percent of the total national spot sales business in their markets, while 10 CBS affiliates represented by independent spot sales organizations in comparable three-station markets received an average of 36.6 percent of the total national spot sales business in their markets. The one station which NBC Spot Sales now represents in a market with three commercial VHF stations receives 4.1 percentage points less of the total national spot sales business in its market than the average percentage of such business received by 11 NBC affiliates represented by independent spot sales organizations in comparable three-station markets. These statistics

<sup>13</sup> These figures are derived from the financial data submitted to the Commission by individual television stations on a confidential basis. In order to maintain the confidential nature of this data, it is being presented in a fashion which will not identify the stations or the markets involved.

certainly do not demonstrate that the policies followed by CBS and NBC spot sales have produced superior results to those achieved by independent representatives.

44. Moreover, we are not persuaded that the results achieved by the network spot sales organizations can be attributed, in any large degree, to representing only a small number of stations affiliated with the same network. None of the more than 25 independent representatives has found it necessary or desirable to follow the limiting practices of the networks. Several of them represent effectively and efficiently many more stations than CBS and NBC spot sales. No sound reasons have been advanced why the network spot sales organizations could not, with appropriately large staff, continue their standards of service while representing many more stations.

45. In addition, the network policy of representing only its affiliated stations does not appear to offer significant advantages. The national spot sales advertiser does not buy a group of stations as a package, but buys each station on an individual basis, depending on the particular markets he wishes to cover and the particular circumstances concerning stations, time, cost, and program ratings in each individual market.

46. It is also argued that the networks cannot use their position with respect to network affiliation in order to gain an unfair competitive advantage over independent spot sales representatives. Allegedly, there is no connection between affiliation and representation as far as the networks are concerned. We agree that there is no evidence that CBS or NBC has taken representation into account when making affiliation decisions.<sup>14</sup> However, the networks can take representation into account in their affiliation decisions if they choose to do so. The fact that representation and affiliation contracts vary in length and termination dates would not appear to have any effect on the networks' ability in this regard. Moreover, there is already a clear connection between being represented by CBS or NBC Spot Sales and being affiliated with the same network. With minor exceptions, CBS and NBC spot sales have represented only stations affiliated with their respective networks, in contrast to the practice of all other national spot representatives who represent stations affiliated with all of the networks. The representation contracts of CBS Spot Sales have a provision that the contract may be cancelled by either party if the station's affiliation with CBS terminates during the life of the contract, and at least some of the representation contracts used by NBC Spot Sales have similar provisions. In contrast, the contracts used by 25 independent national spot sales representatives do not give either the representatives of the station the right to cancel the contract if the network affiliation of the station is terminated or changed. Moreover, stations represented by the network spot sales organizations have testified that they would probably cancel their representation contracts if they terminated their

<sup>14</sup> See footnote 10, *supra*.

affiliation with the network. CBS, as we have previously noted, admits that stations may have solicited their spot sales organizations for representation in the hope that this would be of help in securing or maintaining a CBS network affiliation. Thus, a connection between representation by CBS or NBC spot sales and affiliation with their respective networks already exists, and the networks can, if they wish, exploit it to their own advantage and to the detriment of the licensee's freedom to choose programming and negotiate for advertising.

47. Opponents of the proposed rule also contend that affiliated stations will not countenance pressure from the networks concerning national spot representation because revenue from national spot sales is too important to them. It is further argued that the networks could, in any event, only exercise influence over affiliates in markets with four or more comparable television facilities, since there are three allegedly comparable television networks each requiring an affiliate in every significant market.

48. The amount of pressure which a network can exert over an affiliate certainly varies depending upon a number of circumstances, and there are undoubtedly situations where a station is in such a powerful position that a network would be unable to exert any influence over it. We think it is evident, however, that there are a great many instances where the networks, because of their control over affiliation, can influence affiliates in their choice of spot representative and thus restrain competition and interfere with the independent responsibilities of the station licensees involved. While it is true as a general proposition that networks need affiliated stations to provide nationwide coverage, the individual television station has a greater need, in most cases for the network affiliation. The economic survival of the station may well depend on such affiliation. Network programs are not only a substantial source of direct income to the affiliated station; they also attract the viewing audience and provide valuable adjacencies for the affiliate to sell to national spot and local advertisers.

49. In markets with four or more comparable television facilities, the network's bargaining advantage is evident, since it has a choice of stations with which to affiliate. If they limited themselves solely to such markets,<sup>15</sup> both CBS and NBC could nevertheless more than double the number of independently owned affiliates they now represent. Moreover, we cannot agree with the contention that CBS and NBC are necessarily precluded from exerting leverage in markets where there are fewer than four comparable television facilities. While it is undoubtedly true that in such markets the stations are probably in a better position to bargain with the networks there is no question that affiliation with each of the networks is not necessarily equally attractive to sta-

tions, particularly from an economic standpoint. Statistics introduced in Docket No. 12285 for the year 1956 show that the total broadcast income of stations affiliated with ABC trailed far behind that received by CBS and NBC affiliates in the same markets. While we recognize that the ABC Network has significantly improved its competitive position, statistics for 1958 indicate that the average total revenues for an ABC affiliate in 29 of the top 50 television markets<sup>16</sup> were \$2,386,000 compared to an average of \$3,930,000 for CBS and NBC affiliates in the same markets. Thus owing to the economic advantages of affiliation with CBS and NBC, the latter do not necessarily lack bargaining power in three station markets merely because an ABC affiliation may be available if a station loses or fails to get a CBS or NBC affiliation.

50. We conclude, therefore, that CBS and NBC could substantially expand their television spot sales organization through exploitation of their network positions. Such expansion could seriously restrain competition for the representation of stations. To the extent that affiliated stations were influenced in their choice of spot representatives by their relationship to the networks, this would also impinge on the station licensee's independent responsibility for operation of his station.

51. The networks have voluntarily and deliberately refrained from exercising their power to expand their spot sales organization. Statements by the networks of their current intention not to expand their sales activities have coincided with the pendency of this and a prior Commission proceeding in which the problems raised by the spot activities of the networks were an issue. This voluntary self-restraint has not been explained by convincing reasons based on considerations normally affecting the conduct of the spot representation business. Accordingly, there is no assurance that, absent Commission action, the networks will adhere to their voluntary limiting policies in the future.

#### COMPETITION BETWEEN NETWORKS AND NATIONAL SPOT TELEVISION

52. We turn now to consider how network representation of affiliated stations in national spot sales affects competition between network and national spot television. The Report and Network Broadcasting concluded that there is a *prima facie* case that network participation in the national spot field is likely to result in a lessening rather than a strengthening of competitive forces in the industry. In addition, the Report found that, while the networks have generally acted circumspectly in connection with their spot sales activities, there was evidence of cooperation rather than active competition between the spot sales and network divisions of CBS and NBC, and, in the case of CBS, evidence of serious restraint of competition between network and national spot television.

<sup>15</sup> We include these markets which now have four or more operating VHF television stations or which will have, at the conclusion of adjudicatory proceedings now pending before the Commission.

53. On the basis of the information before us in the Report, the Hearing Record, and this proceeding, we are unable to conclude that the performance of these two competitive functions by a single organization can realistically be regarded as having no effect on the manner in which the subordinate spot representation function is performed. On the contrary, we are convinced that the conduct, by a network, of two operations so inherently competitive with each other unavoidably creates incentive to moderate or regulate the conduct of the less significant operation in such a manner as to maximize the network's revenues and profits. This circumstance would naturally tend toward subordination of the lesser to the greater source of income. These dual roles enable CBS and NBC to restrain competition between network and national spot television in a manner which can restrict the licensee's freedom and independence of action.

54. As indicated above, network and national spot television are the sole competitors for national television advertising. When a network acts as national spot representative for its affiliated stations, one part of the network is in competition with the other, and principal part. However, the networks and their represented stations allege that the spot sales divisions of CBS and NBC compete actively with their respective network divisions. In support of this argument they cite the fact that the spot sales divisions are administered and operated separately; that both CBS and NBC spot sales divisions have actively promoted the spot sales medium; and that both divisions have produced good results for their represented stations.

55. On the basis of the evidence presented, we concur with the finding of the Report that the network and spot divisions of CBS and NBC "are undoubtedly engaged in active competition, in most respects, at the operating or working level." However, the spot sales and network divisions are nevertheless parts of the same parent corporations and fully subject to the control of the policy-making executives of the parent. Those executives have the duty of ensuring that all divisions operate in a manner consistent with the overall interests of the corporation and its stockholders.

56. National spot representation is in no way essential to the primary network business of CBS and NBC. The inherent potential for conflict of interest posed by the conduct, within a single organization, of normally competitive activities, when viewed in the light of past practices affecting network affiliates, precludes our reaching a decision in reliance on an expectation that one part of a network organization—the spot sales division—can or will in all circumstances perform its function completely insulated from and with total disregard of the major interests of the network. It is undeniable that in at least some circumstances the interests of networking, as such, conflict with the furtherance of spot sales. This is an inherent and inescapable result of the simple fact that both compete for station time and advertising revenue.

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In this connection the two principal areas where the dual roles of CBS and NBC as network operators and national spot representatives for their affiliated stations involve an inherent conflict of interest, are (a) the setting of the station's rates for national spot sales; and (b) the station's choice of network or national spot programs.

57. In the national spot field, the individual affiliated station is in direct competition with its network for the business of national advertisers. We concur with the finding made in this respect by the Report, which states on page 176:

National spot, of all the alternative means of advertising, is the closest substitute for networking. While national spot is not a complete substitute for network advertising, the two methods of reaching a national television audience are sufficiently similar to be included in the same market. Advertising agencies agree almost unanimously that when network time is not available, national spot is the next best alternative.

The rates charged for network and national spot television have a direct effect on this competition. It is therefore in the interest of the individual station to establish its national spot rate at a level which will maximize its competitive attractiveness to the national advertiser. Many factors may influence the station in determining the appropriate national spot rate. In the best judgment of the station, these factors may dictate setting its national spot rate substantially lower than its network rate.

58. As competitors of their affiliated stations for national television advertising, the networks have conflicting interest in their affiliates' national spot rates. Their interests are twofold: (1) To reduce the competition which the network may receive from national spot for the business of national advertisers; and (2) to protect network rates by reducing any disparity with national spot rates.

59. The spot sales organizations of CBS and NBC, by virtue of their representation of affiliated stations, are in a position to support the network position in these conflicts. This can be done by cooperating with their network rather than vigorously competing with them. National spot representatives are consulted by the stations they represent concerning the national spot rates to be charged by the stations. Independent spot representatives, whose income is solely derived from commissions on spot sales, can be expected to advise their stations what will serve them best competitively from the standpoint of spot sales. The same expectation is not present when networks through their spot sales representatives, advise the affiliated stations, taking into consideration the ever present possibility of a conflicting primary network interest. Moreover, as has been pointed out earlier CBS and NBC spot sales can exert pressure, either directly or indirectly, on affiliated stations to accept their views because of the control exercised by their parent organizations over affiliation and network rates.

60. NBC contends that a network cannot use its position in the spot sales field to influence national spot rates because (a) it represents only a few stations, rather than the entire spot sales

medium, and the only result of bringing about higher spot rates on its represented stations would be the loss of spot business to other stations in the markets concerned, to other advertising media, or, if the loss were to network television, the beneficiary might be another network; and (b) spot rates are so important to a station's revenue that stations would not permit network influence concerning them.

61. However, this argument ignores the fact that at least one of the purposes of raising national spot rates is to get other stations in the market and other affiliates of the network to follow suit. The history of price leadership in many industries, including television,<sup>17</sup> indicates that this result is as likely as is a loss of business to other stations and media.<sup>18</sup> Thus, if spot rates can be raised on the affiliated stations represented by the network, this can serve as an example to other affiliates.<sup>19</sup>

62. NBC also ignores the fact that the network spot sales units, because of their strong bargaining position have leverage to persuade affiliated stations they represent to raise spot rates. While the amount of leverage may vary depending on the particular circumstances, the significant fact is that such leverage does exist, and can be used by the spot sales division to help achieve desired results, thus further restricting the licensee's freedom of action in operating its station.

63. Moreover, there is evidence that the inherent conflict of interest produced by the dual roles of CBS and NBC in networking and spot sales, has resulted in instances of cooperation rather than full competition between the network spot sales organizations and their parent organizations. The most significant evidence concerns CBS. During 1952-1954, the network, concerned about the disparity between the national spot and network rates of some of its affiliates, undertook what the then National Director of CBS Television Station Relations described as a "campaign on our part to equalize Spot and Network

<sup>17</sup> See Chapter 7 of the Report on Network Broadcasting.

<sup>18</sup> NBC has itself recognized price leadership in the television rates as shown in the following excerpt from an NBC semiannual rate review (June, 1955): "The gap between network rates and national spot rates has been substantially narrowed during the past year. In part, this is due to a reduction in the number and amount of rate increases to NBC stations, as they near or reach the saturation level. Another factor is the increase in CBS rate increases, which has induced their affiliates to raise the national spot rates of their stations—which in turn has allowed the NBC affiliates to raise their spot rates." (Report, P. 439.) (Emphasis supplied.)

<sup>19</sup> The networks have used their owned and operated stations in this manner. Thus, in a 1954 rate review, NBC stated that a "major effort" by the network at reducing the differential between spot and network rates should be deferred until, *inter alia*, the spot rates of its owned stations could be used as examples. NBC later indicated that adjustments in spot rates by its owned stations were particularly helpful in substantially improving the relationship generally between network and spot rates. (See Report, pp. 438 and 439.)

rates."<sup>20</sup> The campaign involved two elements: "Cooperation between CBS spot sales and the television network division to raise the spot rates of affiliates represented by CBS spot sales; and use of the network's power to grant network rate increases as a lever to obtain the station's agreement to increase its national spot rate" (Report p. 432). In carrying out its part in this "campaign" CBS spot sales provided information to the network on plans for national spot rate changes by stations represented by the spot sales organization.<sup>21</sup> We agree with the statement in the Report (p. 537) that "In this case, the CBS spot-sales division sacrificed potential or actual national spot business by helping to set the national spot rates of the owned and the affiliated stations at a level that would reduce competition between network and national spot sales. The spot-sales organization was acting in the interest of the broadcasting company rather than in the interests of the stations which it represented in national spot sales; indeed, it can be said to have been acting in a manner contrary to the interests of the represented stations."

64. Subsequent to the issuance of the Report, the Commission, on December 20, 1957, wrote to CBS concerning certain practices on the part of CBS that might be contrary to the provisions or purposes of the Commission's Chain Broadcasting Rules, including the "campaign" to equalize national spot and network rates and the alleged cooperation of CBS spot sales in that campaign.

65. CBS replied to the Commission's inquiry by letter of February 7, 1958. After considering the documents involved and the reply of CBS, the Commission wrote to CBS on July 3, 1958, and, with respect to the alleged cooperation between CBS spot sales and the network, concluded as follows:

"In the second aspect of this effort to control the spot rates of its affiliates, CBS operated through its CBS Spot Sales Division, which represented a small number of affiliates in addition to CBS-owned stations. CBS Spot Sales cooperated in this effort by recommending to some of its represented stations national spot rates identical with or comparable to the stations' network rates; by advising CBS Television network, during a period of six months to a year, of any contemplated changes in the spot rates of the stations it represented; and by participating generally with the Network Research and Station Relations Divisions in matters pertaining to requests for increased rates. The activities of CBS Spot Sales in this respect were demonstrated in the case of at least three affiliates, WCAU-TV, KSL-TV, and WPDV (now WBTW)." (Letter to CBS, pp. 10-11.)

66. CBS admits, at least by implication, that the "campaign" and the cooperation between its spot sales organization and the network did take place, but seeks to minimize both their extent and importance, and concludes that, in

<sup>20</sup> Details concerning this campaign are set forth in Chapter 7 of the Report on Network Broadcasting, pp. 431-435.

<sup>21</sup> With respect to NBC, the Report found (p. 437): "While here (sic) appears to have been occasional exchanges of information between NBC spot sales and the NBC network, no clear pattern or policy has been identified in this regard."

any event, any "campaign" to equalize rates was "singularly unsuccessful." In support of its contention that the alleged "campaign" was singularly unsuccessful, CBS cites data indicating that there is not, and has not been equality or parity between the network and national spot rates of the stations represented by its spot sales organizations.<sup>22</sup> It is perfectly clear that there is not parity or equality between these rates.

67. Thus, CBS has only shown that its campaign did not achieve parity or equality between network and national spot rates. It has not shown that the campaign was "singularly unsuccessful." Moreover, there is some indication that the "campaign" may have achieved some success. A study conducted by CBS in February, 1955, showed that the average national spot rate among CBS affiliates was 96.1 percent of the average network rate. The same study indicated that of a total of 172 affiliates, 54 had spot rates higher than network rates, 70 had the same rates and 48 had higher network rates. This compared to the results of a previous CBS analysis conducted in July, 1954, which showed that only 23 out of a total of 152 affiliates had spot rates higher than network rates.

68. The important question, however, is not whether equality or parity has been achieved or has even been sought, but whether spot rates have been or could be raised higher than they otherwise would be as a result of the actions of the spot sales organizations of the networks. Any such increase of spot rates can affect the competitive balance between network and national spot television, and result in restraining competition between them. This together with any influence by the network spot sales organizations over the national spot rates of affiliates would interfere with the right and duty of the station licensees to determine their national spot rates independently,<sup>23</sup> with resulting effects upon their programming choices as well.

69. Another example of how the inherent conflict of interest brought about by the dual roles of the networks has resulted in less than vigorous competition between the networks and their respective spot sales organizations concerns "cut-in" charges.<sup>24</sup> These are charges made for local insertions in network programs which are used by national advertisers to give local information, such as the names of local dealers. In 1955, the SRA attempted to persuade all television stations to standardize the previously diverse method of charging for "cut-ins", by classifying them and charging for them as spot announcement business. The networks, on the other hand, took the position that "cut-ins" should be considered and charged for, not as national spot busi-

ness, but as a production service in a network time period.

70. We are not concerned here with whether or not "cut-ins" should be classified as national spot business. What is pertinent is the fact that the incident involved competition between network and national spot television. In this competitive situation, neither the CBS nor NBC spot sales organizations supported the spot sales position. CBS Spot Sales cooperated with the CBS television network division in championing the network position, while NBC Spot Sales took a neutral position in the controversy. It does not appear that either side was successful in achieving uniform treatment of "cut-ins". However, this incident, while a relatively minor one, is nevertheless an example of the network spot sales organizations failing to compete fully against the network.

#### STATION PROGRAMMING

71. Apart from the matter of station rates, the other area of possible conflict between the primary interests of the network and the interests of stations for whom the network serves as national spot representatives relates to programming. Our review of the comments filed in this proceeding supports the conclusions reached on this point in the Report, which stated on Pages 538 and 539:

2. Station programming \* \* \* There may be a clear conflict of interest, for example, between the network's desire to sell as much of the station's time as possible on a network basis, including time periods not subject to the network's option, and the station's desire (shared by its representative) to sell at least some of these time periods on a potentially more profitable national spot basis. There is no evidence, however, that the network spot sales organizations have acted differently from the independent-station representatives in these or other programming situations. In general, a station representative does not usually become involved in the programming decisions of its represented stations. It may occasionally give programming advice, particularly if requested by the station. In some such instances, the network spot sales organizations have advised against carrying a network program and in favor of a national spot program.

72. On the basis of the evidence in this proceeding we cannot conclude that up to the present time networks spot sales organizations have abused the rights of an affiliate when giving programming advice. Nevertheless the conflict of interest within the network and the possibility of diminishing the broadcast licensee's freedom of programming choice still remains.

#### FORM OF THE RULE

73. The Commission has found that representation of stations in the spot sales field by organizations which operate television networks has various consequences which are incompatible with the public interest. Participation in the spot sales fields gives the networks the potential power to restrain competition for the representation of stations, as well as competition between network and national spot television. In the latter field, the networks' role as national spot representative for affiliated stations creates an inherent conflict of interest which

has resulted in inhibiting competition between network and national spot television. Such restraint by the networks on the licensee's freedom to choose his station representative and freedom to compete for national spot business therefore involves interference with the licensee's independent duty to operate his station in the public interest. We have therefore concluded that the public interest requires the adoption of a rule which will preclude the danger of abuses resulting from television networks representing stations in the spot sales field. There remains for consideration the question of the form the rule should take.

74. SRA and Petry in their comments and the Report on Network Broadcasting advocate a rule which would prohibit networks from representing any stations for spot sales purposes, other than those stations owned and operated by the networks. We are of the opinion, however, that such a sweeping prohibition against network participation in national spot representation is unnecessary. For it is the network-affiliate relationship which is the key factor in producing results contrary to the public interest. It is the leverage provided by the value of the network affiliation to the represented stations that enables the networks to influence competition in the national TV advertising field, and results in the networks' encroachment on the independence of the represented stations. Therefore, a rule which effectively obviates use of that leverage will sufficiently protect the public interest. This can be accomplished by prohibiting a television station from being represented in spot sales by a network with which it is affiliated.

75. We turn next to the question of divestiture. It is argued that the Commission lacks authority to order divestiture in the absence of domination, or of monopolistic or predatory conduct; that evidence of internal competition, without proof of public harm, or the likelihood thereof, is not enough to support divestiture; that divestiture will inflict various hardships on stations now represented by CBS and NBC spot sales; that, at most, there should be a rule limiting the networks to representing about the same number of stations as they now represent; and that enforcement of the Commission's existing rules (e.g. § 3.658(h)) and the use of cease and desist orders and injunctions can adequately protect the public interest.

76. We believe there is ample support for the conclusion that CBS and NBC should not be permitted to continue representing affiliates in national spot sales. Such representation of affiliates by the networks creates an incentive to subordinate the performance of the representative function to other conflicting interests. Under these circumstances there is a clear likelihood that full and effective competition will not prevail with the resultant adverse effects on the station licensees. This likelihood is increased by the evidence that such full and effective competition has not always prevailed in the past.

77. We do not consider adequate the suggestion that the networks be limited

<sup>22</sup> NBC and the stations represented by the networks have also submitted extensive evidence designed to show that there is no relationship between network and spot sales rates and no parity or equality between them.

<sup>23</sup> See § 3.658(h) of the Commission's rules.

<sup>24</sup> The details concerning the controversy over "cut-in" charges are set forth in the Report on Network Broadcasting, pp. 537-538.

## RULES AND REGULATIONS

to representing in national spot sales approximately the same number of television stations they now represent. Such a regulation, while placing a limit on expansion, would not eliminate the inherent conflict of interest with respect to the stations now represented nor change the likelihood that consequences inimicable to the public interest would result from that conflict.

78. We have also fully considered the suggestion that the public interest can be adequately protected by enforcement of § 3.658(h)<sup>22</sup> of the Commission rules and such other rules as the Commission may find appropriate. We do not believe that such regulation would be adequate in these circumstances. In our considered judgment the rule adopted herein is necessary to protect the public interest for the reasons set forth in this Report and Order and we reject as inadequate the suggestion that § 3.658(h), of the Commission's rules or other regulations may be used to prevent the adverse results that flow from the conflict of interests between two competitive operations within a single organization. Moreover, in our view questions of legal authority aside, the conduct by a network of network television and national spot television in the circumstances here considered is not susceptible to effective regulatory control without an excessive and, we think, an impracticable degree of supervision of the day-to-day judgments, activities and interrelationships of two divisions of the same network.

79. The networks have stated that the national spot representation is not essential, indeed that it is totally unrelated to networking.<sup>23</sup> Therefore, the Commission's action will not in any way jeopardize the vital network service which the Commission considers to be in the public interest.

80. Careful consideration has also been given to the effect of divestiture on the stations now represented by CBS and NBC in spot sales. We recognize that such stations will be required to give up the national spot representatives which they have chosen for what they consider to be sound economic reasons, and that some economic losses to them may result. However, we have concluded that any such hardships those stations may suffer are far outweighed by the public interest considerations in favor of divestiture.

81. Moreover, we are not convinced that the stations now represented by the networks will suffer any serious hardships as a result of divestiture. It has not been demonstrated that CBS and NBC spot sales have produced results or provided service significantly better than leading independent representatives. Even assuming, arguendo, that the networks have given better results and service, it is not even alleged that such superior performance is due in any way to the fact that CBS and NBC spot sales

<sup>22</sup> Section 3.658(h) is designed to prohibit networks from influencing the rates charged by affiliates for other than network programs.

<sup>23</sup> The ABC network does not act as national spot representative for any of its affiliated stations, or even for its owned and operated stations.

are divisions of, or in any way connected with the networks. If there is a need and demand for a national spot representative who will follow the policies practiced by CBS and NBC spot sales, that need and demand can be fully met by an independent representative.

82. It is also alleged that stations now represented by CBS and NBC spot sales will suffer hardships owing to the cost of switching their spot sales accounts, the unfamiliarity of new representatives with their stations and markets, and the fact that they will be handicapped in choosing new representatives because other stations in their markets are already represented by the best of the independents. We recognize that the transferring of national spot representation will involve some adjustments. However, such transfers are not uncommon. Moreover, in the markets concerned, almost all of the independent representatives appear to be available. With one exception, not more than two of the independents now represent television stations in any one of those markets. Furthermore, there will be only one station seeking a new representative in each of the markets, since both CBS and NBC spot sales do not now represent independently owned television stations in any of the same markets. Finally, we believe that any problems that might be expected to result from switching representatives will be alleviated by allowing a reasonable transition period.

83. In the Notice of Rule Making the Commission requested comments concerning an appropriate transition period. SRA, which recommended two years and Petry, which recommended six months, were the only parties who addressed themselves to this question. The Report on Network Broadcasting also recommended a two-year transition period. It is the Commission's conclusion that a transition period of two years is reasonable.

## STATUTORY AUTHORITY

84. Several parties to this proceeding have challenged the Commission's authority to regulate the relationship between broadcast stations and their national spot sales representatives. We believe, however, that the Commission clearly has the requisite statutory authority.

85. It is argued that the Commission has no authority over the relations between broadcast station licensees and their national spot representatives because they involve "business" relationships and policies beyond the scope of the Commission's statutory powers. The scope of the rule herein proposed, grounded as it is upon considerations relevant to the maintenance of freedom of licensees to perform their programming responsibilities in the public interest as well as other considerations underlying the chain broadcast rules, is clearly within the statutory authority conferred upon the Commission. The contention concerning "business" relationships which was urged by NBC and CBS in seeking to invalidate the original chain broadcasting regulations adopted in 1941, was clearly rejected by the Supreme Court in National Broadcasting

Company v. United States, 319 U.S. 190 219-220, where the Court stated:

Generalities unrelated to the living problems of radio communications of course cannot justify exercises of power by the Commission. Equally so, generalities empty of all concrete considerations of the actual bearing of regulations promulgated by the Commission to the subject-matter entrusted to it, cannot strike down exercises of power by the Commission. While Congress did not give the Commission unfettered discretion to regulate all phases of the radio industry, it did not frustrate the purposes for which the Communications Act of 1934 was brought into being by attempting an itemized catalogue of the specific manifestations of the general problems for the solution of which it was establishing a regulatory agency. That would have stereotyped the powers of the Commission to specific details in regulating a field of enterprise the dominant characteristic of which was the rapid pace of its unfolding. And so Congress did what experience had taught it in similar attempts at regulation, even in fields where the subject-matter of regulation was far less fluid and dynamic than radio. The essence of that experience was to establish standards for judgment adequately related in their application to the problems to be solved.

86. Congress has conferred adequate authority on the Commission to deal in the manner and for the reasons stated therein with the practices and relationships which we have found inimical to the public interest. See *inter-alia*, sections 303(f) and 303(i) of the Communications Act. Section 303(f) authorizes the Commission to make such regulations as may be necessary to carry out the provisions of the Act. Section 303(i) of the Act gives the Commission "authority to make special regulations applicable to stations engaged in chain broadcasting."

87. It has also been argued that the Commission's failure for many years to regulate network representation of stations in national spot sales indicates that it lacks the authority to do so. However, the Commission's continued concern with this problem can hardly be construed as indicating lack of authority. In 1948-1949 the Commission conducted hearings on network organizations acting as national spot representatives. In 1955 when Congress authorized the Commission to conduct a study of network broadcasting,<sup>24</sup> the Commission's Network Study Committee directed that inquiry be made concerning various specific matters relating to network broadcasting, including "• • • The representation of stations in the national spot field by various persons."<sup>25</sup> The Report issued as a result of that study analyzed the representation of television stations in national spot sales by networks, and recommended that such representation be prohibited. In 1958, the Commission held hearings in Docket No. 12285 on the findings, recommenda-

<sup>22</sup> The applicability of section 303(i) to this proceeding has been questioned. However, any possible doubt in this regard would appear to be resolved by the fact that the rule we are adopting is limited to stations affiliated with networks.

<sup>23</sup> Public Law 112, 84th Congress, 1st session.

<sup>24</sup> Order No. 1 of the Commission's Network Study Committee, released November 22, 1955 (FCC 55M-978).

tions and conclusions contained in the Report. On the basis of the Report and the testimony received in Docket No. 12285, the Commission, on January 29, 1959 issued the Notice of Proposed Rule Making in this proceeding.

88. We have already seen that when a network engages in the business of representing its own affiliates in national spot sales interference with competition leading to reduction of the independence of station licensees can result and there is evidence that it has resulted in some cases. Thus, we have found that there is the danger of interference with competition for the representation of stations and with the freedom of station licensees to choose their national spot representatives. That these are appropriate considerations to be weighed in the public interest was recognized by the Supreme Court in *National Broadcasting Company v. United States*, 319 U.S. at 209, in which the Court relied, in part, upon the Commission's conclusion in its Report on Chain Broadcasting of May 1941 that:

It is against the public interest for a station licensee to enter into a contract with a network which has the effect of decreasing its ability to compete for national business. We believe that the public interest will best be served and listeners supplied with the best programs if stations bargain freely with national advertisers.

#### SUMMARY OF COMMENTS, RADIO

89. The parties urging the institution of proceedings to consider a rule applicable to radio broadcast stations similar to that proposed for television stations rely to a considerable extent on the arguments presented in support of the television rule.<sup>20</sup> In addition, SRA maintains that despite the growth of television and the sharp decline in network radio times sales, spot radio has continued to grow. It is alleged, however, that spot radio has been handicapped by the fact that the radio networks, although steadily losing money for several years, have continued to operate and seek to attract business by offering "bargain basement" network rates to advertisers. SRA maintains that it is not complaining of low network rates on competitive grounds, but contends that the network competition is unfair because radio networking is not self-sustaining and is being continued for other than economic reasons. It is alleged that the network radio affiliates would not tolerate the low rate they receive from network radio except that most of them are also affiliates of the television networks and don't want to jeopardize the latter affiliation. The radio networks, it is claimed, are only interested in minimizing their losses, and do not care if radio spot sales is hurt. This purportedly results in a greater conflict of interest than exists with respect to the networks' position in television spot sales. SRA does

not maintain that ousting the networks from the radio spot sales field will cure all of the problems which result from network operation in radio, but contends that such action will help achieve a maximum amount of competition between network and national spot radio.

90. Those opposing consideration of a rule which would bar radio stations from being represented in spot sales by a network organization<sup>21</sup> argue principally that such a prohibition is unnecessary. They maintain that the fears expressed in the 1948-1949 hearings concerning great expansion by the networks in the radio spot sales field and restraint of competition by the radio networks have not materialized. While the number of standard broadcast stations has almost doubled since 1948, the number of independently owned radio stations represented by the spot sales organizations has declined; while spot time sales in radio have increased since 1948, network radio time sales have sharply declined to where they constituted only about 10 percent of total radio time sales in 1957; and the number of independent spot sales representatives in radio has doubled since 1948.

91. It is alleged that there has been no coercion or pressure by the network spot sales organizations on affiliates concerning representation and that such representation has been based on sound business reasons; that the network spot sales organizations have not attempted to persuade represented stations to carry network rather than spot programs; that the network spot sales organizations have not attempted to have represented stations set their spot rates at a particular level;<sup>22</sup> and that the networks lack the power to do these things. Moreover, the spot sales revenues of radio stations represented by the network spot sales organizations have allegedly not suffered because of that representation, and those organizations have engaged in vigorous competition with the radio networks.

92. It is contended that no affirmative reasons have been presented for a rule, and that the arguments of SRA concerning cut-rate network competition are directed against the radio networks rather than their position in the spot sales field. SRA's claim that radio stations put up with low radio network rates because many licensees are also affiliated with the television network of the same organization is alleged to be without foundation. Finally, the argument is made that SRA is merely interested in eliminating competition in the radio spot sales field.

#### DISCUSSION: RADIO

93. The Report on Network Broadcasting did not deal in detail with network

radio, and therefore did not analyze or make recommendations concerning the representation of radio stations in national radio spot sales by radio networks. However, in its Notice of Proposed Rule Making in this proceeding, the Commission requested comments concerning the need for and desirability of a rule for radio similar to that proposed for television. After careful consideration, the Commission has concluded that a rule making proceeding with respect to radio should not be instituted at this time.

94. It is evident that the situations in television and radio are not similar. Of most significance is the fact that the networks do not occupy the same dominant position in radio that they do in television. The relative significance of radio networks, both as an economic factor and as a source of programs has declined substantially. The radio networks do not dominate the radio field, nor do they occupy the same bargaining position with respect to their affiliates as they do in television. Moreover, although there are many more radio stations than television stations, CBS and NBC both represent fewer stations in radio spot sales than in television spot sales.<sup>23</sup>

95. The arguments advanced by SRA in support of rule making in the radio field are largely concerned with radio networking as such, and appear to have, at most, a tenuous and indirect relationship to network representation of radio stations in spot sales.

96. In our opinion the facts do not indicate that continued network representation of radio stations in spot sales is likely to be contrary to the public interest. We have therefore concluded that the institution of a rule making proceeding is not warranted at this time. However, the Commission will continue to review the role of the radio networks in national radio spot sales in light of developments. Accordingly, we do not at this time terminate the proceeding in Docket 9080 which was primarily concerned with the AM problems raised by network participation in the radio national spot field.

#### DECISION

97. In view of the foregoing: *It is ordered*. Under the authority of sections 4(i), 303 (f), (g) and (i) of the Communications Act of 1934, as amended, that, effective December 14, 1959, § 3.658 of the Commission's rules and regulations is amended by adding the following new paragraph:

(i) No license shall be granted to a television broadcast station which is represented for the sale of non-network time by a network organization or by an organization directly or indirectly controlled by or under common control with a network organization, if the station has any contract, arrangement or understanding, express or implied, which provides for the affiliation of the station with such network organization: *Provided, however, That this rule shall not*

<sup>20</sup> SRA and Petry are the only parties who urged a rule making proceeding for radio. Petry stated that its comments in favor of the television rule apply equally to radio. The Reply Memorandum of Law filed by Petry supports the Commission's authority to promulgate rules applicable to both television and radio.

<sup>21</sup> Affidavits in support of these allegations have been submitted from affiliates of the independently owned radio stations represented by CBS Radio Spot Sales.

<sup>22</sup> CBS now represents 5 independently owned radio stations and NBC now represents 3 such stations in national radio spot sales.

## RULES AND REGULATIONS

apply until December 31, 1961, to television broadcast stations so represented on October 30, 1959: *And provided further*, That this rule shall not be applicable to stations licensed to a network organization or to a subsidiary of a network organization.

(Sec. 4, 48 Stat. 1066, as amended; 47 U.S.C. 154. Interprets or applies sec. 303, 48 Stat. 1082, as amended; 47 U.S.C. 303)

Adopted: October 30, 1959.

Released: November 2, 1959.

FEDERAL COMMUNICATIONS  
COMMISSION,  
[SEAL] MARY JANE MORRIS,  
Secretary.

[F.R. Doc. 59-9378; FILED, Nov. 4, 1959;  
8:51 a.m.]

## PROPOSED RULE MAKING

### DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

[7 CFR Part 29]

#### TOBACCO INSPECTION

##### Subpart C—Standards

Notice is hereby given that the United States Department of Agriculture is considering a modification, as hereinafter proposed, of United States Official Standard Grades for Fire-cured Tobacco, Type 21, pursuant to the authority contained in The Tobacco Inspection Act (49 Stat. 731; 7 U.S.C. 511 et seq.).

The proposed standard grades will apply only to Type 21 fire-cured tobacco. Types 22 and 23 fire-cured tobacco will continue to be graded by the present Official Standard Grades for Fire-cured Tobacco, U.S. Types 21, 22, 23, and 24 (§§ 29.201–29.282). Standard grades for Types 22 and 23 will be modified and revised during the current fiscal year. Type 24, now extinct, will not be covered in the forthcoming modification.

These standard grades for Type 21 tobacco are substantially the same as those under §§ 29.201–29.282. The changes are chiefly in the format and the use of terminology. This proposal (1) deletes, adds, and modifies some definitions and rules for clarification; (2) deletes grades that do not appear in sufficient volume to justify their continuance; (3) indicates Short Leaf or Tip grades by use of a size instead of treating them as a separate group; (4) adds variegated (K) color in the Thin Leaf group for application to the third, fourth, and fifth qualities; (5) authorizes use of a size in the third, fourth, and fifth qualities the Lugs in mixed (M) and green (G) colors; (6) treats Nondescript and Scrap as standard groups; and (7) incorporates an element of quality table, a summary of the standard grades, and a key to standard trademarks.

All persons who desire to submit written data, views, or arguments for consideration in connection with the proposed standard grades should file the same with the Director, Tobacco Division, Agricultural Marketing Service, United States Department of Agriculture, Washington 25, D.C., not later than 15 days after publication of this notice in the *FEDERAL REGISTER*.

The proposal is as follows:

1. Delete "21" in the heading under Subpart C of Part 29 immediately preceding § 29.201 and delete § 29.256.

2. Insert in Subpart C of Part 29 immediately after § 29.1225 the following:

#### OFFICIAL STANDARD GRADES FOR FIRE-CURED TOBACCO (U.S. TYPE 21)

##### DEFINITIONS

Sec.	
29.2251	Definitions.
29.2252	Air-dried.
29.2253	Body.
29.2254	Brown colors.
29.2255	Class.
29.2256	Clean.
29.2257	Color.
29.2258	Color intensity.
29.2259	Color symbols.
29.2260	Condition.
29.2261	Crude.
29.2262	Cured.
29.2263	Damage.
29.2264	Dirty.
29.2265	Elements of quality.
29.2266	Fiber.
29.2267	Finish.
29.2268	Fire-cured.
29.2269	Foreign matter.
29.2270	Form.
29.2271	Grade.
29.2272	Trademark.
29.2273	Green (G).
29.2274	Group.
29.2275	Injury.
29.2276	Leaf scrap.
29.2277	Leaf structure.
29.2278	Leaf surface.
29.2279	Length.
29.2280	Lot.
29.2281	Maturity.
29.2282	Mixed color (M).
29.2283	Nested.
29.2284	No grade.
29.2285	Oftype.
29.2286	Oil.
29.2287	Order (case).
29.2288	Package.
29.2289	Packing.
29.2290	Quality.
29.2291	Raw.
29.2292	Resweated.
29.2293	Rework.
29.2294	Semicured.
29.2295	Side.
29.2296	Size.
29.2297	Sound.
29.2298	Special factor.
29.2299	Steam-dried.
29.2300	Stem.
29.2301	Stemmed.
29.2302	Strength (tensile).
29.2303	Strips.
29.2304	Subgrade.
29.2305	Sweated.
29.2306	Sweating.
29.2307	Tobacco.
29.2308	Tobacco products.
29.2309	Type.
29.2310	Type 21.
29.2311	Uniformity.
29.2312	Unsound (U).
29.2313	Unstemmed.
29.2314	Variegated (K).
29.2315	Wet (W).
29.2316	Width.

##### ELEMENTS OF QUALITY

Sec. 29.2351 Elements of quality and degrees of each element.

##### RULES

29.2353	Rules.
29.2354	Rule 1.
29.2355	Rule 2.
29.2356	Rule 3.
29.2357	Rule 4.
29.2358	Rule 5.
29.2359	Rule 6.
29.2360	Rule 7.
29.2361	Rule 8.
29.2362	Rule 9.
29.2363	Rule 10.
29.2364	Rule 11.
29.2365	Rule 12.
29.2366	Rule 13.
29.2367	Rule 14.
29.2368	Rule 15.
29.2369	Rule 16.
29.2370	Rule 17.
29.2371	Rule 18.
29.2372	Rule 19.
29.2373	Rule 20.
29.2374	Rule 21.
29.2375	Rule 22.
29.2376	Rule 23.

##### GRADES

29.2401	Wrappers (A Group).
29.2402	Heavy Leaf (B Group).
29.2403	Thin Leaf (C Group).
29.2404	Lugs (X Group).
29.2405	Nondescript (N Group).
29.2406	Scrap (S Group).

##### SUMMARY OF STANDARD GRADES

29.2431 Summary of standard grades.

##### KEY TO STANDARD TRADEMARKS

29.2432 Key to standard trademarks.

##### DEFINITIONS

##### § 29.2251 Definitions.

As used in these standards, the words and phases hereinafter defined shall have the indicated meanings so assigned.

##### § 29.2252 Air-dried.

The condition of unfermented tobacco as customarily prepared for storage under natural atmospheric conditions.

##### § 29.2253 Body.

The thickness and density of a leaf or the weight per unit of surface. (See Elements of quality.)

##### § 29.2254 Brown colors.

A group of colors ranging from a reddish brown to yellowish brown. These colors vary from low to medium saturation and from very low to medium brilliance. As used in these standards, the range is expressed as light brown (L), medium brown (F), and dark brown (D).

##### § 29.2255 Class.

A major division of tobacco based on method of cure or principal usage.

##### § 29.2256 Clean.

Tobacco is described as clean when it contains only a normal amount of sand or soil particles. Leaves grown on the lower portion of the stalk normally contain more dirt or sand than those from higher stalk positions. (See rule 4.)

##### § 29.2257 Color.

The third factor of a grade based on the relative hues, saturations or chroma, and color values common to the type.

## § 29.2258 Color intensity.

The varying degree of saturation or chroma. Color intensity as applied to tobacco describes the strength or weakness of a specific color or hue. It is applicable to all colors except variegated and green. (See Elements of quality.)

## § 29.2259 Color symbols.

As applied to Type 21, Fire-cured tobacco, color symbols are L—light brown, F—medium brown, D—dark brown, K—variegated, M—mixed, and G—green.

## § 29.2260 Condition.

The state of tobacco which results from the method of preparation or from the degree of fermentation. Words used to describe the condition of tobacco are as follows: Undried, air-dried, steam-dried, sweating, sweated, and aged.

## § 29.2261 Crude.

The lowest degree of maturity. Crude leaves are usually hard and slick as a result of extreme immaturity. A similar condition may result from firekill, sunburn, or sunscald. Any leaf which is crude to the extent of 20 percent or more or has a positive green color affecting 50 percent or more of its leaf surface may be described as crude. (See rule 20.)

## § 29.2262 Cured.

Tobacco dried of its sap by either natural or artificial processes.

## § 29.2263 Damage.

The effect of mold, must, rot, black rot, or other fungous or bacterial diseases which attack tobacco in its cured state. Tobacco having the odor of mold, must, or rot is considered damaged. (See rule 21.)

## § 29.2264 Dirty.

The state of tobacco containing an abnormal amount of dirt or sand, or tobacco to which additional quantities of dirt or sand have been added. (See rule 23.)

## § 29.2265 Elements of quality.

Elements of quality and the degrees used in the specifications of the official standard grades of Fire-cured, Type 21, are shown in § 29.2351. Words have been selected to describe the degrees of each element. Some of the words are almost synonymous in their meaning, yet, they are sufficiently different to represent steps within the range of the elements of quality to which they are applied.

## § 29.2266 Fiber.

The term applied to the veins in a tobacco leaf. The large central vein is called the midrib or stem. The smaller lateral and cross veins are considered from the standpoint of size and color and in some types are treated as elements of quality. In Fire-cured, fiber size and color are not of great importance, except where a fine distinction must be made between several lots of high quality or between sides of the same lot.

## § 29.2267 Finish.

The reflectance factor in color perception. Finish indicates the sheen or shine of the surface of a tobacco leaf. Descriptive terms range from bright to dingy. (See Elements of quality.)

## § 29.2268 Fire-cured.

Tobacco cured under artificial atmospheric conditions by the use of open fires from which the smoke and fumes of burning wood are partly absorbed by the tobacco.

## § 29.2269 Foreign matter.

Any extraneous substance or material such as stalks, suckers, straw, strings, rubber bands, et cetera. Abnormal amounts of dirt or sand also are included. (See rule 23.)

## § 29.2270 Form.

The stage of preparation of tobacco such as unstemmed or stemmed.

## § 29.2271 Grade.

A subdivision of a type according to group, quality, and color.

## § 29.2272 Trademark.

A trademark normally consists of three symbols which indicate group, quality, and color. A letter is used to indicate group, a number to indicate quality, and a letter or letters to indicate color. For example, B3D means Heavy Leaf, third quality, and dark brown color.

## § 29.2273 Green (G).

A color term applied to immature or crude tobacco. Any leaf which has a green color affecting 20 percent or more of its leaf surface may be described as green. (See rule 19.)

## § 29.2274 Group.

A division of a type covering closely related grades based on certain characteristics which are related to stalk position, body, or the general quality of the tobacco. Groups in the Fire-cured, Type 21, are as follows: Wrappers (A), Heavy Leaf (B), Thin Leaf (C), Lugs (X), Nondescript (N), and Scrap (S).

## § 29.2275 Injury.

Hurt or impairment from any cause except the fungous or bacterial diseases which attack tobacco in its cured state. (See definition of Damage.) Injury to tobacco may be caused by field diseases, insects, or weather conditions; insecticides, fungicides, or cell growth inhibitors; nutritional deficiencies or excesses; or improper fertilizing, harvesting, curing, or handling. Injured tobacco includes dead, burnt, half-cut, torn, broken, frostbitten, sunburned, sunscalded, scorched, fire-killed, bulk-burnt, steam-burnt, barn-burnt, house-burnt, bleached, bruised, discolored, or deformed leaves; or tobacco affected by wildfire, rust, frogeye, mosaic, root rot, wilt, black shank, or other diseases. (See Elements of quality and rule 16.)

## § 29.2276 Leaf scrap.

A by-product of unstemmed tobacco. Leaf scrap results from handling un-

stemmed tobacco and consists of loose and tangled whole or broken leaves.

## § 29.2277 Leaf structure.

The cell development of a leaf as indicated by its porosity or solidity. (See Elements of quality.)

## § 29.2278 Leaf surface.

The smoothness or roughness of the web or lamina of a tobacco leaf. Leaf surface is affected to some extent by the size and shrinkage of the veins or fibers. (See Elements of quality.)

## § 29.2279 Length.

The linear measurement of cured tobacco leaves from the butt of the midrib to the extreme tip. (See Elements of quality and U.S. Standard Tobacco Sizes.)

## § 29.2280 Lot.

A pile, basket, bulk, or more than one bale, case, hogshead, tierce, package, or other definite package unit.

## § 29.2281 Maturity.

The degree of ripeness. Tobacco is mature when it reaches its prime state of development. The extremes are expressed as immature and mellow. (See Elements of quality.)

## § 29.2282 Mixed color (M).

Distinctly different colors of the type mingled together. (See rule 18.)

## § 29.2283 Nested.

Any tobacco which has been loaded, packed, or arranged to conceal foreign matter or tobacco of inferior grade, quality, or condition. Nested includes: (a) Any lot of tobacco which contains foreign matter or damaged, injured, tangled, or other inferior tobacco, any of which cannot be readily detected upon inspection because of the way the lot is packed or arranged; (b) any lot of tied tobacco which contains foreign matter in the inner portions of the hands or which contains foreign matter in the heads under the tie leaves; (c) any lot of tied tobacco in which the leaves on the outside of the hands are placed or arranged to conceal inferior quality leaves on the inside of the hands or which contains wet tobacco or tobacco of lower quality in the heads under the tie leaves; (d) any lot of tobacco which consists of distinctly different grades, qualities, or conditions and which is stacked or arranged in layers with the same kinds together so that the tobacco in the lower layer or layers is distinctly inferior in grade, quality, or condition from the tobacco in the top or upper layers. (See rule 23.)

## § 29.2284 No grade.

A designation applied to a lot of tobacco which is classified as nested, off-type, rework, semicured, tobacco damaged 20 percent or more, abnormally dirty tobacco, tobacco containing foreign matter, extremely wet or watered tobacco, and tobacco having an odor foreign to the type. (See rule 23.)

## § 29.2285 Offtype.

Tobacco of distinctly different characteristics which cannot be classified as Fire-cured, Type 21. (See rule 23.)

## PROPOSED RULE MAKING

## § 29.2286 Oil.

A soft, semifluid constituent of tobacco. Oil is considered an element of quality in Fire-cured types. (See Elements of quality.)

## § 29.2287 Order (case).

The state of tobacco with respect to its moisture content.

## § 29.2288 Package.

A hogshead, tierce, case, bale, or other securely enclosed parcel or bundle.

## § 29.2289 Packing.

A lot of tobacco consisting of a number of packages submitted as one definite unit for sampling or inspection. It is represented to contain the same kind of tobacco and has a common identification number or mark on each package.

## § 29.2290 Quality.

A division of a group or the second factor of a grade based on the relative degree of one or more elements of quality in tobacco.

## § 29.2291 Raw.

Freshly harvested tobacco or tobacco as it appears between the time of harvesting and the beginning of the curing process.

## § 29.2292 Resweated.

The condition of tobacco which has passed through a second fermentation under abnormally high temperatures or refermented with a relatively high percentage of moisture. Resweated includes tobacco which has been dipped or reconditioned after its first fermentation and put through a forced or artificial sweat.

## § 29.2293 Rework.

Any lot of tobacco which needs to be resorted or otherwise reworked to prepare it properly for market in the manner which is customary in the type area, including: (a) Tobacco which is so mixed that it cannot be classified properly in any grade of the type, because the lot contains a substantial quantity of two or more distinctly different grades which should be separated by sorting; (b) tobacco which contains an abnormally large quantity of foreign matter or an unusual number of muddy or extremely dirty leaves which should be removed; and (c) tobacco not tied in hands, not packed straight, not properly tied, or otherwise not properly prepared for market. (See rule 23.)

## § 29.2294 Semicured.

Tobacco in the process of being cured or which is partially but not thoroughly cured. Semicured includes tobacco which contains fat stems, wet butts, swell stems, frozen tobacco, and tobacco having frozen stems or stems that have not been thoroughly dried in the curing process. (See rule 23.)

## § 29.2295 Side.

A certain phase of quality, color, or length as contrasted with some other phase of quality, color, or length; or any peculiar characteristic of tobacco.

## § 29.2296 Size.

The length of tobacco leaves. (See United States Standard Tobacco Sizes.)

## § 29.2297 Sound.

Free of damage.

## § 29.2298 Special factor.

A symbol or term authorized to be used with specified grades. Tobacco to which a special factor is applied may meet the general specifications but has a peculiar side or characteristic which tends to modify the grade. (See rule 10.)

## § 29.2299 Steam-dried.

The condition of unfermented tobacco as customarily prepared for storage by means of a redrying machine or other steam-conditioning equipment.

## § 29.2300 Stem.

The midrib or large central vein of a tobacco leaf.

## § 29.2301 Stemmed.

A form of tobacco, including strips and strip scrap, from which the stems or midribs have been removed.

## § 29.2302 Strength (tensile).

The stress a tobacco leaf can bear without tearing.

## § 29.2303 Strips.

The sides of a tobacco leaf from which the stem has been removed or a lot of tobacco composed of strips.

## § 29.2304 Subgrade.

Any grade modified by a special factor symbol.

## § 29.2305 Sweated.

The condition of tobacco which has passed through one or more fermentations natural to tobacco packed with a normal percentage of moisture. This condition is sometimes described as aged.

## § 29.2306 Sweating.

The condition of tobacco in the process of fermentation.

## § 29.2307 Tobacco.

Tobacco as it appears between the time it is cured and stripped from the stalk, or primed and cured, and the time it enters into the different manufacturing processes. The acts of stemming, sweating, and conditioning are not regarded as manufacturing processes. Tobacco, as used in these standards, does not include manufactured or semimanufactured products, stems, cuttings, clippings, trimmings, siftings, or dust.

## § 29.2308 Tobacco products.

Manufactured tobacco, including cigarettes, cigars, smoking tobacco, chewing tobacco, and snuff, which is subject to Internal Revenue tax.

## § 29.2309 Type.

A division of a class of tobacco having certain common characteristics and closely related grades. Tobacco which has the same characteristics and corresponding qualities, colors, and lengths is classified as one type, regardless of any factors of historical or geographical nature which cannot be determined by an examination of the tobacco.

## § 29.2310 Type 21.

That type of fire-cured tobacco, known as Virginia fire-cured or dark-fired, produced principally in the Piedmont and mountain sections of Virginia.

## § 29.2311 Uniformity.

An element of quality which describes the consistency of a lot of tobacco as it is prepared for market. Uniformity is expressed in grade specifications as a percentage. The percentage is applicable to group, quality, and color. (See rule 15.)

## § 29.2312 Unsound (U).

Damaged under 20 percent. (See rule 21.)

## § 29.2313 Unstemmed.

A form of tobacco, including whole leaf and leaf scrap, from which the stems or midribs have not been removed.

## § 29.2314 Variegated (K).

Any leaf of which 20 percent or more of its leaf surface is off brown, grayish, mottled, or bleached and does not blend with the normal colors of the type or group. (See rule 17.)

## § 29.2315 Wet (W).

Any sound tobacco containing excessive moisture to the extent that it is in an unsafe or doubtful-keeping order. Wet applies to any tobacco which is not damaged but which is likely to damage if treated in the customary manner. (See rule 22.) (For extremely wet or watered tobacco, see rule 23.)

## § 29.2316 Width.

The relative breadth of a tobacco leaf expressed in relation to its length. (See Elements of quality.)

## ELEMENTS OF QUALITY

## § 29.2351 Elements of quality and degrees of each element.

These standardized words or terms are used to describe tobacco quality and to assist in interpreting grade specifications. Tobacco attributes or characteristics which constitute quality are designated as elements of quality. The range within each element is expressed by the use of words or terms designated as degrees. These several degrees are arranged to show their relative value, but the actual value of each degree varies with type, group, and grade. In each case the first and last degrees represent the full range for the element, and the intermediate degrees show gradual steps between them.

Elements	Degrees				
1. Body	Tissuey	Thin	Medium	Fleshy	Heavy.
2. Maturity	Mellow	Ripe	Mature	Underripe	Immature.
3. Leaf structure (porosity and solidity)	Porous	Open	Even	Close	Solid.
4. Leaf surface (smoothness)	Smooth	Rich	Wavy	Wrinkly	Rough.
5. Oil	Rich	Oily	Lean		
6. Elasticity	Elastic	Semielastic			
7. Strength (tensile)	Strong	Normal			
8. Finish	Bright	Clear			
9. Color intensity	Deep	Strong	Moderate	Dull	Dingy.
10. Width	Broad	Spready	Normal	Weak	Pale.
11. Length	(1)	(2)	(1)	(1)	(1)
12. Uniformity	(2)	(2)	(2)	(2)	(2)
13. Injury tolerance	(2)	(2)	(2)	(2)	(2)

<sup>1</sup> Expressed in U.S. Standard Tobacco Sizes.

<sup>2</sup> Expressed in percentage.

#### RULES

##### § 29.2353 Rules.

The application of these official standard grades shall be in accordance with the following rules:

##### § 29.2354 Rule 1.

Each grade shall be treated as a subdivision of a particular type. When the grade is stated in an inspection certificate, the type also shall be stated.

##### § 29.2355 Rule 2.

The determination of a grade shall be based upon a thorough examination of a lot of tobacco or of an official sample of the lot.

##### § 29.2356 Rule 3.

In drawing an official sample from a hogshead or other package of tobacco, three or more breaks shall be made at such points and in such manner as the inspector or sampler may find necessary to determine the kinds of tobacco and the percentage of each kind contained in the lot. One break shall be made not more than six inches from the bottom. All breaks shall be made so that the tobacco contained in the center of the package is visible to the sampler. Tobacco shall be drawn from at least three breaks from which a representative sample of not less than six hands shall be selected. The sample shall include tobacco of each different group, quality, color, length, and kind found in the lot in proportion to the quantities of each contained in the lot.

##### § 29.2357 Rule 4.

All standard grades must be clean.

##### § 29.2358 Rule 5.

The grade assigned to any lot of tobacco shall be a true representation of the tobacco at the time of inspection and certification. If, at any time, it is found that a lot of tobacco does not comply with the specifications of the grade previously assigned it shall not thereafter be represented as such grade.

##### § 29.2359 Rule 6.

A lot of tobacco on the marginal line between two colors shall be placed in the color with which it best corresponds with respect to body or other associated elements of quality.

##### § 29.2360 Rule 7.

Any lot of tobacco which meets the specifications of two grades shall be placed in the higher grade. Any lot of

tobacco on the marginal line between two grades shall be placed in the lower grade.

##### § 29.2361 Rule 8.

A lot of tobacco meets the specifications of a grade when it is not lower in any degree of any element of quality than the minimum specifications of such grade.

##### § 29.2362 Rule 9.

In determining the grade of a lot of tobacco, the lot as a whole shall be considered. Minor irregularities which do not affect over one percent of the tobacco shall be overlooked.

##### § 29.2363 Rule 10.

Any special factor symbol approved by the Director of the Tobacco Division, Agricultural Marketing Service, may be used after a trademark to show a peculiar side or characteristic of the tobacco which tends to modify the grade.

##### § 29.2364 Rule 11.

Interpretations, the use of specifications, and the meaning of terms shall be in accordance with determinations or clarifications made by the Chief of the Standards Branch and approved by the Director.

##### § 29.2365 Rule 12.

The use of any grade may be restricted by the Director during any marketing season, when it is found that the grade is not needed or appears in insufficient volume to justify its use.

##### § 29.2366 Rule 13.

Length shall be stated in connection with each grade of the A, B, and C groups and may be stated in connection with the grades of other groups. For this purpose, U.S. Standard Tobacco Sizes shall be used.

##### § 29.2367 Rule 14.

U.S. Standard Tobacco Size 45 shall be used to designate X group tobacco which is 20 inches or over in length in the third, fourth, and fifth qualities of M and G colors.

##### § 29.2368 Rule 15.

Degrees of uniformity shall be expressed in terms of percentages. The percentages shall govern the portion of a lot which must meet the specifications of the grade. The minor portion must be closely related but may be of a different group, quality, and color from the major portion. These percentages shall not affect limitations established by other rules.

##### § 29.2369 Rule 16.

The application of injury as an element of quality shall be expressed in terms of a percentage of tolerance. The appraisal of injury shall be based upon the percentage of affected leaf surface or the degree of injury. In appraising injury, consideration shall be given to the normal characteristics of the group as related to injury.

##### § 29.2370 Rule 17.

Any lot of tobacco containing over 30 percent of variegated leaves shall be described as "variegated" and designated by the color symbol "K." Variegated leaves may be included in any group to the following extent: In the third quality, 10 percent; in the fourth quality, 20 percent; and in the fifth quality, 30 percent.

##### § 29.2371 Rule 18.

Any lot of tobacco of B, C, or X groups which contains 30 percent or more of a color distinctly different from the major color shall be classified as "mixed" and designated by the color symbol "M."

##### § 29.2372 Rule 19.

Any lot of tobacco containing 20 percent or more of green leaves or any lot which is not crude but contains 20 percent or more of green and crude combined shall be designated by the color symbol "G."

##### § 29.2373 Rule 20.

Crude leaves shall not be included in any grade of any color except green. Any lot containing 30 percent or more of crude leaves, 50 percent or more of green leaves, or 50 percent or more of green and crude leaves combined shall be designated as Nondescript.

##### § 29.2374 Rule 21.

Tobacco damaged under 20 percent but which otherwise meets the specifications of a grade shall be treated as a subgrade by placing the special factor "U" after the trademark. Tobacco damaged 20 percent or more shall be designated as "No-G."

##### § 29.2375 Rule 22.

Sound tobacco that is wet or in doubtful-keeping order but which otherwise meets the specifications of a grade shall be treated as a subgrade by placing the special factor "W" after the trademark. This special factor does not apply to tobacco designated as "No-G."

##### § 29.2376 Rule 23.

Tobacco shall be designated as No Grade, using the trademark "No-G," when it needs to be reworked, contains foreign matter, has an odor foreign to the type, or when it is dirty, nested, off-type, semicured, damaged 20 percent or more, or extremely wet or watered tobacco.

#### GRADES

##### § 29.2401 Wrappers (A Group).

This group consists of leaves from the Heavy Leaf and Thin Leaf groups. Cured leaves of the A group show a low percentage of injury affecting wrapper yield. Wrappers are high in oil and very elastic.

## PROPOSED RULE MAKING

U.S. grades	Grade names and specifications	U.S. grades	Grade names and specifications	U.S. grades	Grade names and specifications
A1F	Choice Medium-brown Wrappers	B5F	Fair Dark-brown Heavy Leaf	C5L	Low Light-brown Thin Leaf
	Thin to medium body, ripe, open to firm, smooth, rich in oil, elastic, strong, bright finish, deep color intensity, broad, and 20 percent of leaves not lower than B2 or C2.		Fleshy to heavy, mature, open to close, wrinkly, lean in oil, inelastic, weak, dull finish, weak color intensity, narrow, 70 percent uniform, and 30 percent injury tolerance.		Thin to medium body, underripe, open to close, rough, lean in oil, inelastic, weak, dingy finish, pale color intensity, stringy, 60 percent uniform, and 40 percent injury tolerance.
A2F	Fine Medium-brown Wrappers	B5D	Low Dark-brown Heavy Leaf	C1F	Choice Medium-brown Thin Leaf
	Thin to medium body, ripe, open to firm, even to smooth, rich in oil, elastic, strong, clear finish, strong color intensity, spready, and 30 percent of leaves not lower than B2 or C2.		Fleshy to heavy, underripe, open to close, rough, lean in oil, inelastic, weak, dingy finish, pale color intensity, stringy, 60 percent uniform, and 40 percent injury tolerance.		Thin to medium body, ripe, open to firm, smooth, oily, semielastic, strong, bright finish, deep color intensity, broad, 95 percent uniform, and 5 percent injury tolerance.
A1D	Choice Dark-brown Wrappers	B3M	Good Mixed Color Heavy Leaf	C2F	Fine Medium-brown Thin Leaf
	Fleshy to heavy, ripe, open to firm, smooth, rich in oil, elastic, strong, bright finish, deep color intensity, broad, and 20 percent of leaves not lower than B2 or C2.		Medium to heavy body, mature to ripe, open to firm, wavy, oily, inelastic, normal strength, moderate finish and color intensity, normal width, 80 percent uniform, and 20 percent injury tolerance.		Thin to medium body, ripe, open to firm, even, oily, semielastic, strong, clear finish, strong color intensity, spready, 90 percent uniform, and 10 percent injury tolerance.
A2D	Fine Dark-brown Wrappers	B4M	Fair Mixed Color Heavy Leaf	C3F	Good Medium-brown Thin Leaf
	Fleshy to heavy, ripe, open to firm, even to smooth, rich in oil, elastic, strong, clear finish, strong color intensity, spready, and 30 percent of leaves not lower than B2 or C2.		Medium to heavy body, mature, open to close, wrinkly, lean in oil, inelastic, weak, dull finish, weak color intensity, narrow, 70 percent uniform, and 30 percent injury tolerance.		Thin to medium body, mature to ripe, open to firm, wavy, oily, inelastic, normal strength, moderate finish and color intensity, normal width, 80 percent uniform, and 20 percent injury tolerance.
<b>§ 29.2402 Heavy Leaf (B Group).</b>					
	This group consists of leaves usually grown at or above the center portion of stalk. These leaves have a pointed tip, tend to fold, are heavier in body than the X or C groups, and show no ground injury.	B5M	Low Mixed Color Heavy Leaf	C4F	Fair Medium-brown Thin Leaf
			Medium to heavy body, underripe, open to close, rough, lean in oil, inelastic, weak, dingy finish, pale color intensity, stringy, 60 percent uniform, and 40 percent injury tolerance.		Thin to medium body, mature, open to close, wrinkly, lean in oil, inelastic, weak, dull finish, weak color intensity, narrow, 70 percent uniform, and 30 percent injury tolerance.
		B3G	Good Green Heavy Leaf	C5F	Low Medium-brown Thin Leaf
			Medium to heavy body, immature, open to firm, wavy, oily, inelastic, normal strength, moderate finish, normal width, 80 percent uniform, and 20 percent injury tolerance.		Thin to medium body, underripe, open to close, rough, lean in oil, inelastic, weak, dull finish, weak color intensity, stringy, 60 percent uniform, and 40 percent injury tolerance.
		B4G	Fair Green Heavy Leaf	C2D	Fine Dark-brown Thin Leaf
			Medium to heavy body, immature, firm to close, wrinkly, lean in oil, inelastic, weak, dull finish, narrow, 70 percent uniform, and 30 percent injury tolerance.		Thin to medium body, ripe, open to firm, even, oily, semielastic, strong, clear finish, strong color intensity, spready, 90 percent uniform, and 10 percent injury tolerance.
		B5G	Low Green Heavy Leaf	C3D	Good Dark-brown Thin Leaf
			Medium to heavy body, immature, close to solid, rough, lean in oil, inelastic, weak, dingy finish, stringy, 60 percent uniform, and 40 percent injury tolerance.		Thin to medium body, mature to ripe, open to firm, wavy, oily, inelastic, normal strength, moderate finish and color intensity, normal width, 80 percent uniform, and 20 percent injury tolerance.
		<b>§ 29.2403 Thin Leaf (C Group).</b>			
			This group consists of leaves usually grown at the center portion of stalk. C-group leaves normally have a rounded tip and a tendency to roll, are thinner in body than the B group, and show little or no ground injury.		Fair Dark-brown Thin Leaf
					Thin to medium body, mature, open to close, wrinkly, lean in oil, inelastic, weak, dull finish, weak color intensity, narrow, 70 percent uniform, and 30 percent injury tolerance.
		U.S. grades	Grade names and specifications	C5D	Low Dark-brown Thin Leaf
		C1L	Choice Light-brown Thin Leaf		Thin to medium body, underripe, open to close, rough, lean in oil, inelastic, weak, dingy finish, pale color intensity, stringy, 60 percent uniform, and 40 percent injury tolerance.
			Thin to medium body, ripe, open to firm, smooth, oily, semielastic, strong, bright finish, deep color intensity, broad, 95 percent uniform, and 5 percent injury tolerance.		Thin to medium body, mature to ripe, open to firm, wavy, oily, inelastic, normal strength, moderate finish and color intensity, normal width, 80 percent uniform, and 20 percent injury tolerance.
		C2L	Fine Light-brown Thin Leaf	C3M	Good Mixed Color Thin Leaf
			Thin to medium body, ripe, open to firm, even, oily, semielastic, strong, clear finish, strong color intensity, spready, 90 percent uniform, and 10 percent injury tolerance.		Thin to medium body, mature to ripe, open to firm, wavy, oily, inelastic, normal strength, moderate finish and color intensity, normal width, 80 percent uniform, and 20 percent injury tolerance.
		C3L	Good Light-brown Thin Leaf	C4M	Fair Mixed Color Thin Leaf
			Thin to medium body, mature to ripe, open to firm, wavy, oily, inelastic, normal strength, moderate finish and color intensity, normal width, 80 percent uniform, and 20 percent injury tolerance.		Thin to medium body, mature, open to close, wrinkly, lean in oil, inelastic, weak, dull finish, weak color intensity, narrow, 70 percent uniform, and 30 percent injury tolerance.
		C4L	Fair Light-brown Thin Leaf	C5M	Low Mixed Color Thin Leaf
			Thin to medium body, mature, open to close, wrinkly, lean in oil, inelastic, weak, dull finish, weak color intensity, narrow, 70 percent uniform, and 30 percent injury tolerance.		Thin to medium body, underripe, open to close, rough, lean in oil, inelastic, weak, dingy finish, pale color intensity, stringy, 60 percent uniform, and 40 percent injury tolerance.

U.S. grades	Grade names and specifications
C3K	Good Variegated Thin Leaf Thin to medium body, mature to ripe, open to close, wavy, oily, inelastic, normal strength and width, 80 percent uniform, and 20 percent injury tolerance.
C4K	Fair Variegated Thin Leaf Thin to medium body, mature, open to close, wrinkly, lean in oil, inelastic, weak, narrow, 70 percent uniform, and 30 percent injury tolerance.
C5K	Low Variegated Thin Leaf Thin to medium body, underripe, open to close, rough, lean in oil, inelastic, weak, stringy, 60 percent uniform, and 40 percent injury tolerance.
C3G	Good Green Thin Leaf Thin to medium body, immature, open to firm, wavy, oily, inelastic, normal strength, moderate finish, normal width, 80 percent uniform, and 20 percent injury tolerance.
C4G	Fair Green Thin Leaf Thin to medium body, immature, firm to close, wrinkly, lean in oil, inelastic, weak, dull finish, narrow, 70 percent uniform, and 30 percent injury tolerance.
C5G	Low Green Thin Leaf Thin to medium body, immature, close to solid, rough, lean in oil, inelastic, weak, dingy finish, stringy, 60 percent uniform, and 40 percent injury tolerance.
<b>§ 29.2404 Lugs (X Group).</b>	
This group of leaves normally grows at the bottom of the stalk. Leaves of the X group usually have a blunt tip, tend to roll, have a higher degree of maturity than the A, B, or C groups, and show ground injury characteristic of the group.	
U.S. grades	Grade names and specifications
X1L	Choice Light-brown Lugs Thin to medium body, mellow, open to firm, even, oily, inelastic, normal strength, clear finish, strong color intensity, 95 percent uniform, and 5 percent injury tolerance.
X2L	Fine Light-brown Lugs Thin to medium body, mellow, open to firm, even, oily, inelastic, normal strength, moderate finish and color intensity, 90 percent uniform, and 10 percent injury tolerance.
X3L	Good Light-brown Lugs Thin to medium body, ripe, open, wavy, lean in oil, inelastic, normal strength, dull finish, weak color intensity, 80 percent uniform, and 20 percent injury tolerance.
X4L	Fair Light-brown Lugs Tissuey to medium body, mature to ripe, porous, wrinkly, lean in oil, inelastic, weak, dingy finish, pale color intensity, 70 percent uniform, and 30 percent injury tolerance.
X5L	Low Light-brown Lugs Tissuey to medium body, mature to ripe, porous, rough, lean in oil, inelastic, weak, dingy finish, pale color intensity, 60 percent uniform, and 40 percent injury tolerance.
X1F	Choice Medium-brown Lugs Medium to fleshy body, mellow, open to firm, even, oily, inelastic, normal strength, clear finish, strong color intensity, 95 percent uniform, and 5 percent injury tolerance.

U.S. grades	Grade names and specifications
X2F	Fine Medium-brown Lugs Medium to fleshy body, mellow, open to firm, even, oily, inelastic, normal strength, moderate finish and color intensity, 90 percent uniform, and 10 percent injury tolerance.
X3F	Good Medium-brown Lugs Medium to fleshy body, ripe, open, wavy, lean in oil, inelastic, normal strength, dull finish, weak color intensity, 80 percent uniform, and 20 percent injury tolerance.
X4F	Fair Medium-brown Lugs Thin to fleshy, mature to ripe, porous, wrinkly, lean in oil, inelastic, weak, dingy finish, pale color intensity, 70 percent uniform, and 30 percent injury tolerance.
X5F	Low Medium-brown Lugs Thin to fleshy, mature to ripe, porous, rough, lean in oil, inelastic, weak, dingy finish, pale color intensity, 60 percent uniform, and 40 percent injury tolerance.
X1D	Choice Dark-brown Lugs Fleshy to heavy, mellow, open to firm, even, oily, inelastic, normal strength, moderate finish and color intensity, 95 percent uniform, and 10 percent injury tolerance.
X2D	Fine Dark-brown Lugs Fleshy to heavy, ripe, open, wavy, lean in oil, inelastic, weak, dull finish, pale color intensity, 80 percent uniform, and 20 percent injury tolerance.
X3D	Good Dark-brown Lugs Fleshy to heavy, ripe, open, wavy, lean in oil, inelastic, weak, dull finish, pale color intensity, 80 percent uniform, and 20 percent injury tolerance.
X4D	Fair Dark-brown Lugs Medium to heavy body, mature to ripe, porous, wrinkly, lean in oil, inelastic, weak, dingy finish, pale color intensity, 70 percent uniform, and 30 percent injury tolerance.
X5D	Low Dark-brown Lugs Medium to heavy body, mature to ripe, porous, rough, lean in oil, inelastic, weak, dingy finish, pale color intensity, 60 percent uniform, and 40 percent injury tolerance.
X3M	Good Mixed Color Lugs Medium to heavy body, ripe, open, wavy, lean in oil, inelastic, weak, dull finish, pale color intensity, 80 percent uniform, and 20 percent injury tolerance.
X4M	Fair Mixed Color Lugs Thin to fleshy, mature to ripe, porous, wrinkly, lean in oil, inelastic, weak, dingy finish, pale color intensity, 70 percent uniform, and 30 percent injury tolerance.
X5M	Low Mixed Color Lugs Tissuey to medium body, mature to ripe, porous, rough, lean in oil, inelastic, weak, dingy finish, pale color intensity, 60 percent uniform, and 40 percent injury tolerance.
X3G	Good Green Lugs Fleshy to heavy, immature, open, wavy, lean in oil, inelastic, weak, dull finish, 80 percent uniform, and 20 percent injury tolerance.
X4G	Fair Green Lugs Medium to fleshy body, immature, porous, wrinkly, lean in oil, inelastic, weak, dingy finish, 70 percent uniform, and 30 percent injury tolerance.

U.S. grades	Grade names and specifications		
X5G	Low Green Lugs Thin to medium body, immature, porous, rough, lean in oil, inelastic, weak, dingy finish, 60 percent uniform, and 40 percent injury tolerance.		
<b>§ 29.2405 Nondescript (N Group).</b>			
Extremely common tobacco which does not meet the minimum specifications or which exceeds the tolerance of the lowest grade of any other group.			
U.S. grades	Grade names and specifications		
N1L	First Quality Light Colored Nondescript Tissuey to medium body and 60 percent injury tolerance.		
N1D	First Quality Dark Colored Nondescript Medium to heavy body and 60 percent injury tolerance.		
N1G	First Quality Crude Green Nondescript 60 percent crude leaves or injury tolerance.		
N2	Substandard Nondescript Nondescript of any group or color; over 60 percent crude leaves or injury tolerance.		
<b>§ 29.2406 Scrap (S Group).</b>			
A by-product of unstemmed and stemmed tobacco. Scrap accumulates from handling tobacco in farm buildings, warehouses, packing and conditioning plants, and stemmerys.			
U.S. grades	Grade name and specifications		
S	Scrap Loose, tangled, whole, or broken unstemmed leaves, or the web portions of tobacco leaves reduced to scrap by any process.		
<b>SUMMARY OF STANDARD GRADES</b>			
<b>§ 29.2431 Summary of standard grades.</b>			
4 Grades of Wrappers			
A1F	A2F	A1D	A2D
16 Grades of Heavy Leaf			
B1F	B5F	B4D	B5M
B2F	B1D	B5D	B3G
B3F	B2D	B3M	B4G
B4F	B3D	B4M	B5G
23 Grades of Thin Leaf			
C1L	C2F	C4D	C4M
C2L	C3F	C5D	C5M
C3L	C4F	C3K	C3G
C4L	C5F	C4K	C4G
C5L	C2D	C5K	C5G
C1F	C3D	C3M	
20 Grades of Lugs			
X1L	X2F	X3D	X3G
X2L	X3F	X4D	X4G
X3L	X4F	X5D	X5G
X4L	X5F	X3M	
X5L	X1D	X4M	
X1F	X2D	X5M	
4 Grades of Nondescript			
N1L	N1D	N2	N1G
1 Grade of Scrap			
S			
Special factors "U" and "W" may be applied to all grades.			
Tobacco not covered by the standard grades is designated as No-G.			

## PROPOSED RULE MAKING

SIZES APPLICABLE	
A1, A2	45, 46.
B1	45, 46.
B2	44, 45, 46.
B3, B4, B5	43, 44, 45, 46, 47.
C1	45, 46.
C2	44, 45, 46.
C3, C4, C5	44, 45, 46, 47.
X3, X4, X5, M and G	45.

<sup>1</sup> No size is applied to these grades if tobacco is under size 45.

## KEY TO STANDARD TRADEMARKS

## § 29.2432 Key to standard trademarks.

## Groups

A—Wrappers.  
B—Heavy Leaf.  
C—Thin Leaf.  
X—Lugs.  
N—Nondescript.  
S—Scrap.

## Qualities

1—Choice.  
2—Fine.  
3—Good.  
4—Fair.  
5—Low.

## Colors

L—Light brown.  
F—Medium brown.  
D—Dark brown.  
K—Variegated.  
M—Mixed.  
G—Green.

(49 Stat. 734; 7 U.S.C. 511m)

Done at Washington, D.C. this 30th day of October 1959.

S. T. WARRINGTON,  
Acting Deputy Administrator,  
Agricultural Marketing Service.

[F.R. Doc. 59-9359; Filed, Nov. 4, 1959;  
8:49 a.m.]

## [7 CFR Parts 1002, 1009]

[Docket No. AO-268-A5]

## HANDLING OF MILK IN GREATER WHEELING AND CLARKSBURG, W. VA. MARKETING AREAS

## Extension of Time for Filing Briefs

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 orders (7 CFR Part 900), notice is hereby given that the time for filing briefs with respect to the hearings on proposed amendments to the tentative marketing agreements and orders regulating the handling of milk in the Greater Wheeling and Clarksburg, West Virginia marketing areas, which was held September 29-30, 1959, pursuant to notice which was issued September 9, 1959, (24 F.R. 7381), is hereby extended to November 6, 1959.

Dated: October 30, 1959, Washington, D.C.

S. T. WARRINGTON,  
Acting Deputy Administrator.

[F.R. Doc. 59-9358; Filed, Nov. 4, 1959;  
8:49 a.m.]

## DEPARTMENT OF LABOR

## Wage and Hour Division

## [29 CFR Part 613]

[Administrative Order 526]

## INDUSTRY COMMITTEE NO. 45-C

## Resignation and Appointment of Employee Member

A. Bernstein of Santurce, Puerto Rico, has resigned as an employee representative on Committee No. 45-C. Under the authority of the Fair Labor Standards Act of 1938 (52 Stat. 1060, as amended; 29 U.S.C. 201 et seq.), and Reorganization Plan No. 6 of 1950 (3 CFR, 1950 Supp., p. 165), I hereby appoint Hipolito Marcano of San Juan, Puerto Rico, to serve on said Committee as an employee representative.

Signed at Washington, D.C., this 30th day of October 1959.

JAMES P. MITCHELL,  
Secretary of Labor.

[F.R. Doc. 59-9373; Filed, Nov. 4, 1959;  
8:51 a.m.]

## FEDERAL AVIATION AGENCY

## [14 CFR Part 60]

[Reg. Docket No. 168; Draft Release 59-17]

[Special Civil Air Reg. 436]

## LOS ANGELES INTERNATIONAL AIRPORT TRAFFIC PATTERN RULES

## Notice of Proposed Rule Making

Pursuant to the authority delegated to me by the Administrator (§ 405.27, 24 F.R. 2196), notice is hereby given that the Bureau of Air Traffic Management will propose to the Administrator the adoption of a Special Civil Air Regulation governing the airport traffic pattern rules for the Los Angeles International Airport.

Interested persons may participate in the making of the proposed rule by submitting such written data, views or arguments as they may desire. Communications should be submitted in duplicate to the Docket Section of the Federal Aviation Agency, Room B-316, 1711 New York Avenue NW., Washington 25, D.C. All communications received prior to December 18, 1959, will be considered by the Administrator before taking action upon the proposed rule. The proposals contained in this notice may be changed in the light of comments received. All comments submitted will be available for examination by interested persons in the Docket Section when the prescribed date for the return of comments has expired. Because of the large number of comments which we anticipate receiving in response to this draft release, we will be unable to acknowledge receipt of each reply. However, you may be assured that all comments will be given careful consideration.

Section 307(c) of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1348(c)) authorizes and directs the

Administrator of the Federal Aviation Agency to "prescribe air traffic rules and and regulations governing the flight of aircraft, for the navigation, protection, and identification of aircraft, for the protection of persons and property on the ground, and for the efficient utilization of the navigable airspace, including rules as to safe altitudes of flight and rules for the prevention of collision." This provision of the Act requires the Administrator in the development of air traffic rules for the safety of interstate, overseas, and foreign air commerce to also provide in such rules proper protection to persons and property on the ground.

The Los Angeles International Airport, Los Angeles, California, is a terminal airport for transcontinental and international jet aircraft operations. The airport is situated in close proximity to communities which have become highly populated. As a result, the operation of high performance jet transport aircraft during take-off and landing can substantially interfere with the schools and other activities of the communities adjacent to the airport necessitating the promulgation of special air traffic rules governing the flight of such aircraft which will provide proper protection of persons and property on the ground.

In order to enhance the safety of all aircraft operations to or from the Los Angeles International Airport and provide protection to persons or property on the ground, it is proposed to adopt a special air traffic rule which shall be adhered to by all aircraft operating on, or in the vicinity of, the Los Angeles International Airport. This Special Air Traffic Rule will establish a specific area of airspace surrounding the Los Angeles Airport to be designated as an airport traffic pattern area within which special operating rules shall apply. This airspace will extend upwards to 2000 feet within a radius of 5 miles of the geographical center of the airport.

All en route aircraft not intending to land at an airport within the airport traffic pattern area would be prohibited from operating in this airspace unless specifically authorized by air traffic control. All aircraft, military as well as civil, would be required to operate in the Los Angeles airport traffic pattern area in conformance with detailed operating procedures set forth in this regulation. These operating procedures prescribe certain minimum altitudes to be observed while entering, operating within and departing the airport traffic pattern area. They also prescribe safe directions of flight over areas of least congestion which shall be followed by all aircraft operating to or from the airports within the traffic pattern area.

Additionally, these rules specify that under calm wind conditions a preferential runway shall be used for take-offs in westerly directions over open water. Although, it is intended that this preferential runway shall be used whenever safety of the operation will not be jeopardized by its use, it is not intended that this requirement will, in any way, abrogate the authority of the pilot in

command as to the operation of the aircraft. Therefore, if the pilot in command believes that the preferential runway is not suitable for the safe conduct of a particular flight, another runway may be used when traffic permits such use. Whenever, this prerogative is exercised the pilot in command will submit to the FAA the reasons therefore.

In addition to the foregoing rules, jet aircraft will be required, when on final approach for a landing in a westerly direction over the residential areas, to maintain a minimum angle of descent of  $3^{\circ}$  to the runway to be used. This angle of descent corresponds to the ILS glide slope which was recently elevated to  $3^{\circ}$  at the Los Angeles Airport.

Finally, these rules require all jet take-offs to be made to the west between 2200 and 0700 hours, except when such a take-off would involve a downwind component of 10 or more knots. This provision will require take-offs under most wind conditions to be made over open water instead of the residential areas.

The standards and requirements specified in this regulation were developed for the particular problems peculiar to the Los Angeles International Airport. As such, they are intended for local rather than national application.

In consideration of the foregoing, it is proposed to adopt a special civil air regulation governing the flight of all aircraft on and in the vicinity of the Los Angeles International Airport, Los Angeles, California, to read as follows:

LOS ANGELES INTERNATIONAL AIRPORT  
TRAFFIC PATTERN RULES

*Scope and applicability.* All aircraft operating within the airspace of the Los Angeles International Airport Traffic Pattern Area shall be operated in accordance with the following rules unless otherwise authorized by air traffic control. As used in these rules, the Los Angeles International Airport Traffic Pattern Area shall include the airspace described by a 5 mile horizontal radius from the geographical center of that airport and extending upwards to, but not including 2,000 feet mean sea level (m.s.l.).

(a) *General rules.* In addition to the high density airport speed limit requirement currently in effect at Los Angeles the following rules shall apply:

(1) *Avoidance of traffic pattern area.* En route aircraft shall be flown so as to avoid the Los Angeles Traffic Pattern area.

(2) *Communications.* Two-way radio communication shall be established with the Los Angeles Airport Traffic control tower prior to entering the traffic pattern area for a landing at the Los Angeles Airport and prior to take-off from that airport, provided that an aircraft not equipped with functioning two-way radio may take off or land at the Los Angeles International Airport if prior authorization from the Los Angeles Airport traffic control tower has been obtained.

(3) Aircraft operating within the traffic pattern area. All aircraft taking off from or landing at the Los Angeles International Airport, Hughes, Hawthorne or Santa Monica Airports shall be operated within the Los Angeles Airport traffic pattern area in conformance with the following traffic patterns, including the altitudes and directions of flight therefor.

NOTE: For the convenient reference of the pilot there is attached to this rule a chart which depicts the traffic patterns for such airports.

(b) *Traffic pattern rules for Los Angeles International Airport.*—(1) *Preferential runway.* Runways 25L and 25R are designated as the calm wind runways and no other runway shall be used for landing and take off whenever the surface wind velocity is less than 5 knots. If these runways are not considered suitable for the safety of a particular flight operation involved, the pilot may, traffic permitting, use another runway provided a complete written report of the reasons for such operation is submitted within 48 hours. Such report shall be forwarded to the FAA Regional Administrator, Region Four, Los Angeles, California.

(2) *Traffic pattern entry.* All aircraft, except helicopters, landing at the Los Angeles International Airport, shall enter the traffic pattern area in the Northeast, Southeast or Southwest sectors of that area and at an angle of approximately 45 degrees to the downwind leg of the runway in use, and unless the VFR distance from cloud criteria requires otherwise, at an altitude of at least 1,500 feet (m.s.l.). After entry, an altitude of at least 1,500 feet (m.s.l.) shall be maintained as long as practicable while operating within the traffic pattern area.

(3) *Helicopters.* Helicopters shall enter traffic at approximate right angles to the upwind or downwind leg of the Los Angeles Airport traffic pattern at an altitude below that being utilized by fixed-wing aircraft in the pattern. Thereafter, approach to land shall be made in a manner which will avoid the flow of fixed-wing aircraft.

(4) *Departures.* (1) Aircraft taking off to the east at the Los Angeles International Airport shall climb straight ahead to at least 1,500 feet (m.s.l.) as soon as practicable before proceeding on course.

(ii) Aircraft taking off to the west shall climb as rapidly as practicable and shall not turn until past the shoreline. Such aircraft shall not recross the shoreline at less than 1,500 feet (m.s.l.).

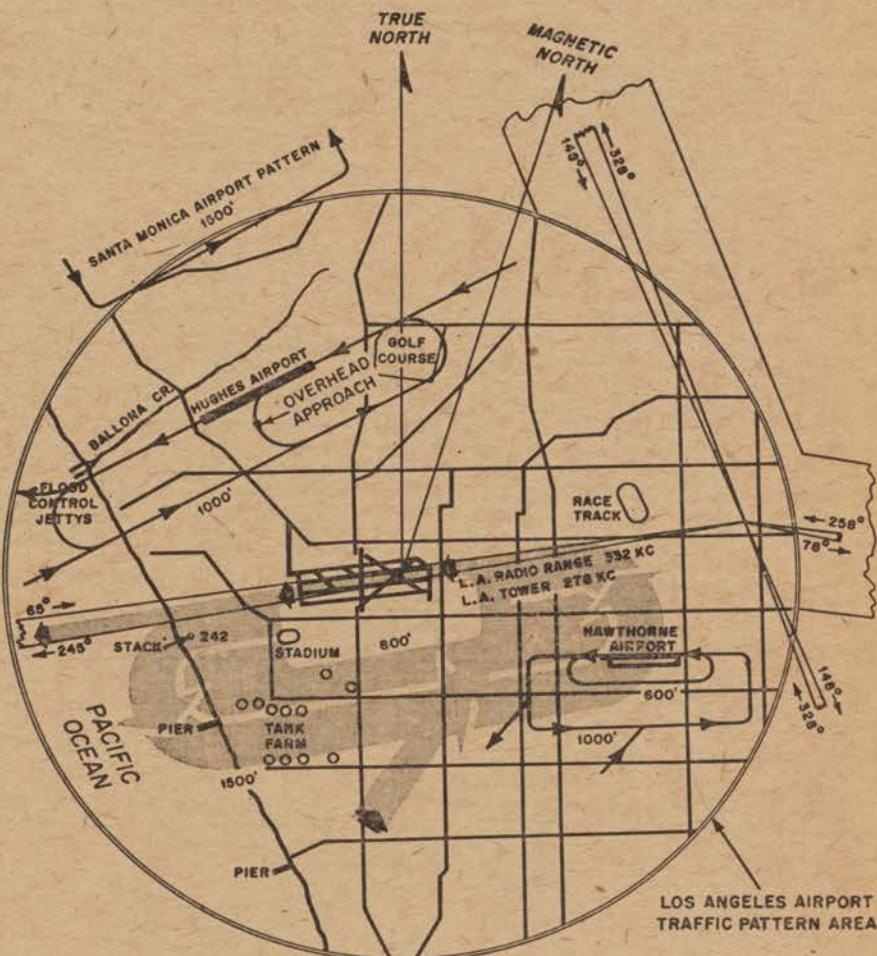
(iii) Aircraft taking off to the North or South shall climb straight ahead to 1,500 feet (m.s.l.) as soon as practicable before proceeding on course.

(5) *Special operating rules for jet aircraft.* (1) Jet aircraft when approaching for a landing on runway 25L or 25R shall approach at not less than the 3 degree ILS glide path altitude from any point between the outer marker and the point of touchdown.

NOTE: Precision radar advisory service is available to assist pilots in conformance with this requirement.

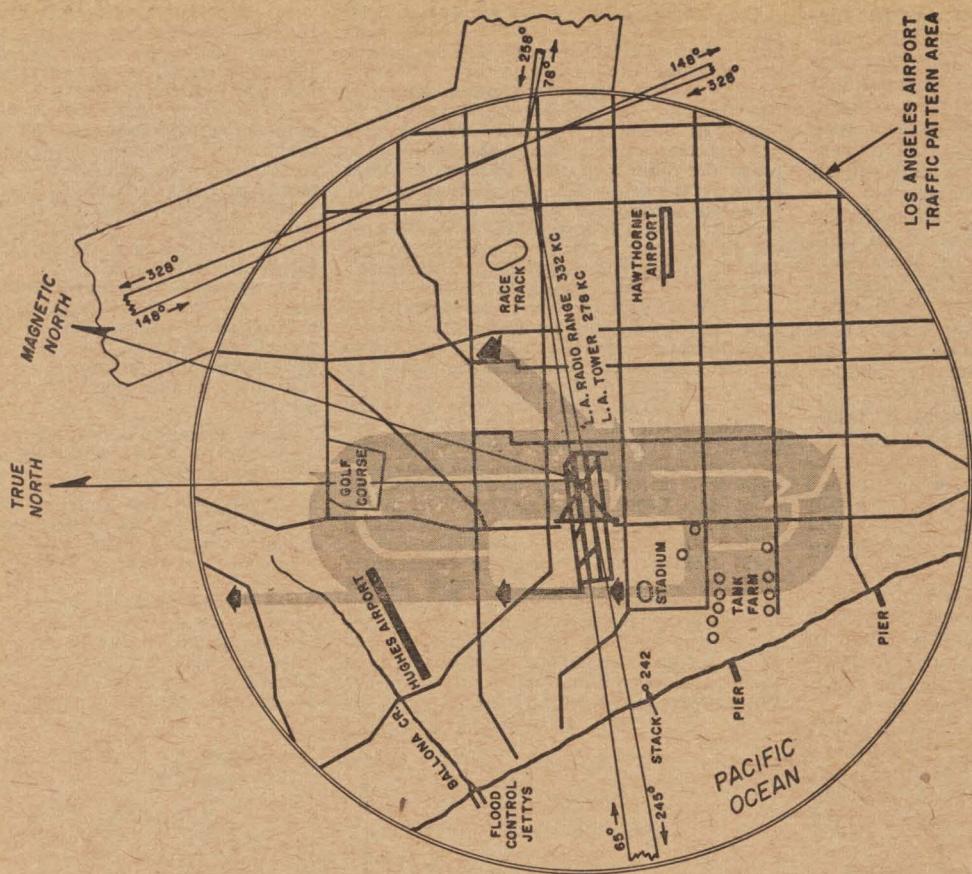
(ii) Between the hours of 2200 and 0700 (P.s.t.) all take-offs by jet aircraft shall be made to the west unless such take-off would involve a downwind component of 10 or more knots.

(c) *Traffic pattern rules for Hawthorne Airport*—(1) *Entry*. All aircraft landing at Hawthorne Airport shall enter the Los Angeles International Airport Traffic Pattern Area in the Southeast sector of that area and at an angle of approximately 45 degrees to

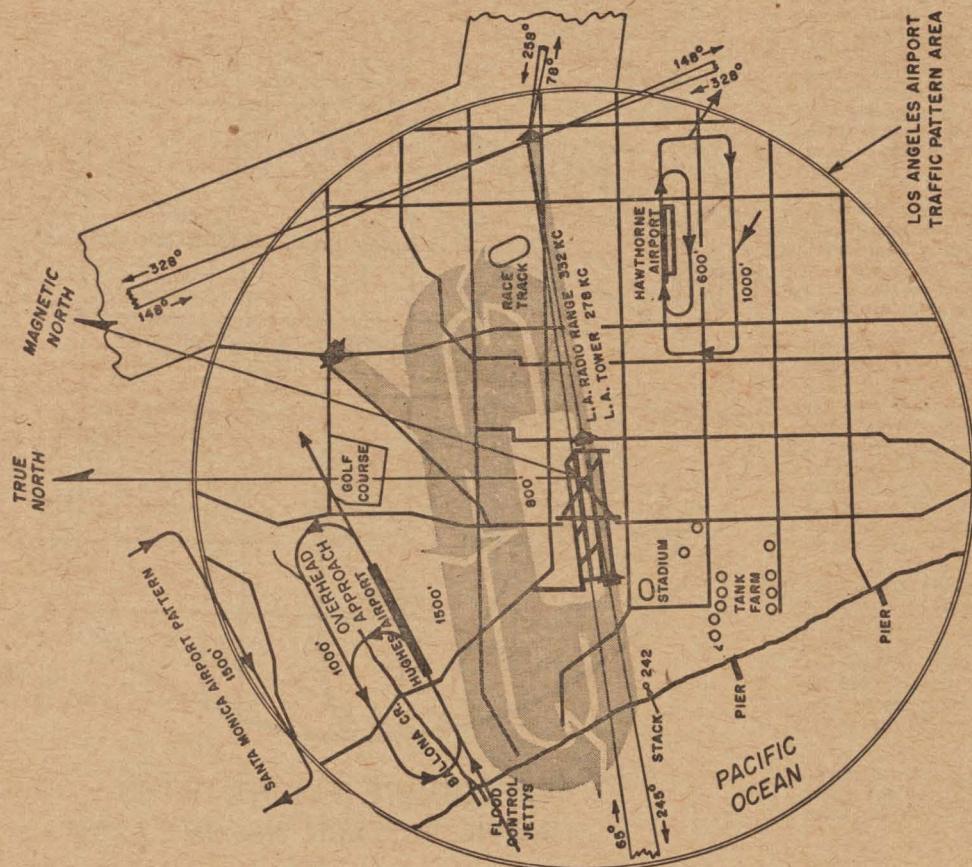


APPROXIMATE FLIGHT PATHS  
TRAFFIC PATTERN NO. 25 L / 25 R

## PROPOSED RULE MAKING



APPROXIMATE FLIGHT PATHS  
TRAFFIC PATTERN NO. 34



APPROXIMATE FLIGHT PATHS  
TRAFFIC PATTERN NO. 7R/7L

## NOTICES

## DEPARTMENT OF THE TREASURY

Office of the Secretary

[Order No. 167-41; (CGFR 59-471)]

COMMANDANT, U.S. COAST GUARD

## Delegation of Functions

By virtue of the authority vested in me by Reorganization Plan No. 26 of 1950 and 14 U.S.C. 631, there are transferred to the Commandant, U.S. Coast Guard, the functions under section 2734 (amended by P.L. 86-223) of Title 10 U.S.C. concerning the appointment of foreign claims commissions to settle and pay claims arising outside of the United States, its territories and possessions.

The Commandant may make provisions for the performance by subordinates in the Coast Guard of the functions delegated herein.

Dated: October 30, 1959.

[SEAL] A. GILMORE FLUES,  
Acting Secretary of the Treasury.

[F.R. Doc. 59-9366; Filed, Nov. 4, 1959;  
8:50 a.m.]

[1959 Dept. Circular 1032]

## 4 1/4 PERCENT TREASURY CERTIFICATES OF INDEBTEDNESS OF SERIES C-1960

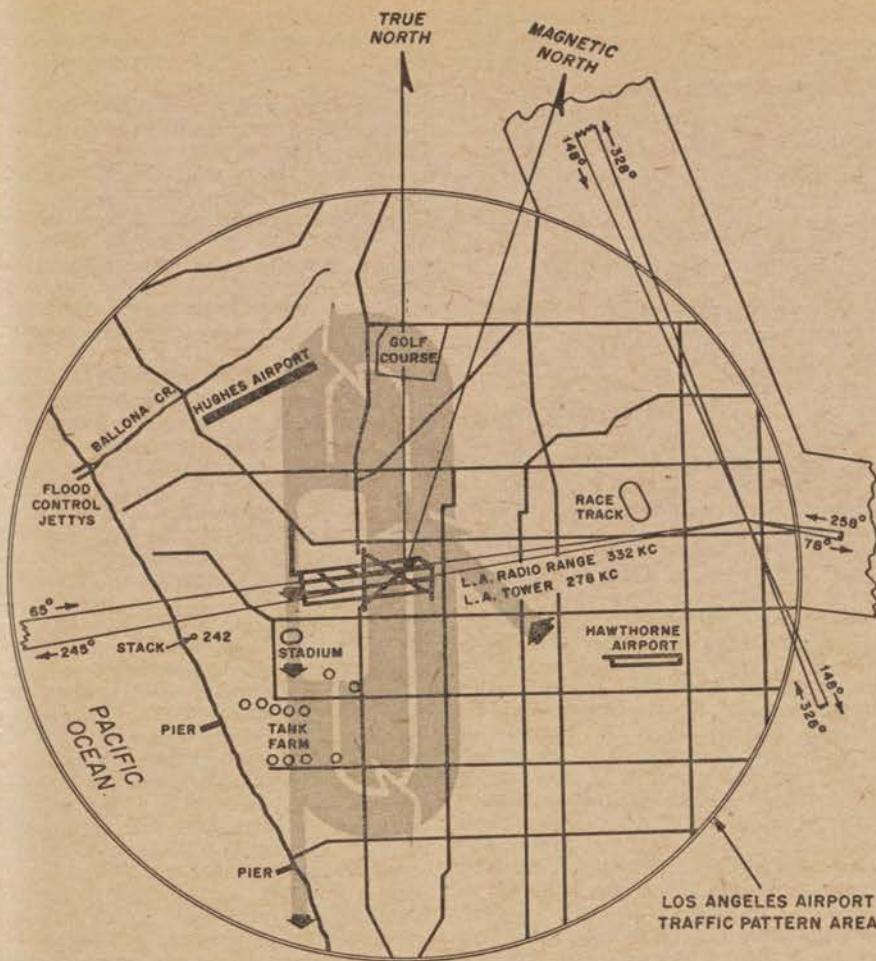
## Offering of Certificates

NOVEMBER 2, 1959.

I. *Offering of certificates.* 1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par, from the people of the United States for certificates of indebtedness of the United States, designated 4 1/4 percent Treasury Certificates of Indebtedness of Series C-1960, in exchange for 3 3/8 percent Treasury Certificates of Indebtedness of Series E-1959, maturing November 15, 1959, or 3 1/2 percent Treasury Notes of Series B-1959, maturing November 15, 1959. The amount of the offering under this circular will be limited to the amount of maturing certificates and notes tendered in exchange and accepted. The books will be open only on November 2 through November 4 for the receipt of subscriptions for this issue.

2. In addition to the offering under this circular, holders of the maturing securities are offered the privilege of exchanging all or any part of such securities for 4 1/8 percent Treasury Notes of Series C-1963, which offering is set forth in Department Circular No. 1033, issued simultaneously with this circular.

II. *Description of certificates.* 1. The certificates will be dated November 15, 1959, and will bear interest from that date at the rate of 4 1/4 percent per

APPROXIMATE FLIGHT PATHS  
TRAFFIC PATTERN NO. 16

the downwind leg of the Hawthorne traffic pattern, and unless the VFR distance-from-cloud criteria require otherwise, at an altitude of at least 1,000 feet (m.s.l.). After entry, an altitude of at least 1,000 feet (m.s.l.) shall be maintained as long as practicable while operating within the Los Angeles Airport Traffic Pattern Area. Small aircraft shall maintain at least 600 feet (m.s.l.) as long as practicable while operating in the Hawthorne traffic pattern.

NOTE: Small aircraft as used in this regulation shall mean those aircraft of less than 12,500 pounds maximum certificated take-off weight.

(ii) *Departures.* Aircraft departing from the Hawthorne airport shall climb straight ahead to at least 1,000 feet (small aircraft 600 feet) and shall depart the traffic pattern area to the south climbing as rapidly as practicable.

(d) *Traffic pattern rules for Hughes Airport.* (1) All aircraft landing at Hughes Airport shall enter the Los Angeles International Airport Traffic Pattern Area in the Northeast or Northwest sectors of that area on a flight path parallel to the Hughes Airport runway and unless the VFR distance

from cloud criteria require otherwise, at an altitude of at least 1,000 feet (m.s.l.). After entry an altitude of at least 1,000 feet (m.s.l.) shall be maintained as long as practicable while operating within the Los Angeles International Airport Traffic Pattern Area.

(ii) Aircraft departing from the Hughes Airport shall depart the traffic pattern area on the departure runway heading climbing as rapidly as practicable.

(e) *Traffic pattern rules for Santa Monica Airport.* Aircraft operating in that portion of the Santa Monica Airport traffic pattern (downwind leg) which may extend into the Los Angeles traffic pattern area shall be flown so as to remain within one and one-half miles of the Santa Monica Airport.

(Sec. 313(a) and 307(c) of the Federal Aviation Act of 1958 (72 Stat. 752, 749; 49 U.S.C. 1354, 1348)

Issued in Washington, D.C. on October 28, 1959.

D. D. THOMAS,  
Director, Bureau of  
Air Traffic Management.

[F.R. Doc. 59-9266; Filed, Nov. 4, 1959;  
8:45 a.m.]

annum, payable semiannually on May 15 and November 15, 1960. They will mature November 15, 1960. They will not be subject to call for redemption prior to maturity.

2. The income derived from the certificates is subject to all taxes imposed under the Internal Revenue Code of 1954. The certificates are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

3. The certificates will be acceptable to secure deposits of public moneys. They will not be acceptable in payment of taxes.

4. Bearer certificates with interest coupons attached will be issued in denominations of \$1,000, \$5,000, \$10,000, \$100,000, \$1,000,000, \$100,000,000 and \$500,000,000. The certificates will not be issued in registered form.

5. The certificates will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States certificates.

**III. Subscription and allotment.** 1. Subscriptions will be received at the Federal Reserve Banks and Branches and at the Office of the Treasurer of the United States, Washington. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies.

2. The Secretary of the Treasury reserves the right to reject or reduce any subscription, and to allot less than the amount of certificates applied for; and any action he may take in these respects shall be final. Subject to these reservations, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

**IV. Payment.** 1. Payment at par for certificates allotted hereunder must be made on or before November 16, 1959, or on later allotment, and may be made only in Treasury Certificates of Indebtedness of Series E-1959, maturing November 15, 1959, or Treasury Notes of Series B-1959, maturing November 15, 1959, which will be accepted at par, and should accompany the subscription. Coupons dated November 15, 1959, should be detached from the maturing securities by holders and cashed when due.

**V. General provisions.** 1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective Districts, to issue allotment notices, to receive payment for certificates allotted, to make delivery of certificates on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive certificates.

2. The Secretary of the Treasury may at any time, or from time to time, pre-

## NOTICES

scribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

[SEAL] **JULIAN B. BAIRD,**  
*Acting Secretary of the Treasury.*

[F.R. Doc. 59-9364; Filed, Nov. 4, 1959;  
8:49 a.m.]

[1959 Dept. Circular 1033]

### 4 1/4 PERCENT TREASURY NOTES OF SERIES C-1963

#### Offering of Notes

NOVEMBER 2, 1959.

**I. Offering of notes.** 1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par, from the people of the United States for notes of the United States, designated 4 1/4 percent Treasury Notes of Series C-1963 in exchange for 3 1/2 percent Treasury Certificates of Indebtedness of Series E-1959, maturing November 15, 1959, 3 1/2 percent Treasury Notes of Series B-1959, maturing November 15, 1959, or 4 percent Treasury Notes of Series B-1962, maturing August 15, 1962. Holders of the Series B-1962 notes have an option to effect the redemption of such notes on February 15, 1960, upon giving notice of intention to redeem not later than November 16, 1959. Interest will be adjusted on the notes of Series B-1962 to be exchanged as of November 15, 1959, as provided in section IV. payment, hereof. The amount of the offering under this circular will be limited to the amount of eligible certificates and notes tendered in exchange and accepted. The books will be open only on November 2 through November 4 for the receipt of subscriptions for this issue.

2. In addition to the offering under this circular, holders of the maturing certificates and notes of Series B-1959 are offered the privilege of exchanging all or any part of such securities for 4 1/4 percent Treasury Certificates of Indebtedness of Series C-1960, which offering is set forth in Department Circular No. 1032, issued simultaneously with this circular.

**II. Description of notes.** 1. The notes will be dated November 15, 1959, and will bear interest from that date at the rate of 4 1/4 percent per annum, payable semiannually on May 15 and November 15 in each year until the principal amount becomes payable. They will mature November 15, 1963, and will not be subject to call for redemption prior to maturity.

2. The income derived from the notes is subject to all taxes imposed under the Internal Revenue Code of 1954. The notes are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

3. The notes will be acceptable to secure deposits of public moneys. They will not be acceptable in payment of taxes.

4. Bearer notes with interest coupons attached, and notes registered as to principal and interest, will be issued in denominations of \$1,000, \$5,000, \$10,000, \$100,000, \$1,000,000, \$100,000,000 and \$500,000,000. Provision will be made for the interchange of notes of different denominations and of coupon and registered notes, and for the transfer of registered notes, under rules and regulations prescribed by the Secretary of the Treasury.

5. The notes will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States notes.

**III. Subscription and allotment.** 1. Subscriptions will be received at the Federal Reserve Banks and Branches and at the Office of the Treasurer of the United States, Washington. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies.

2. The Secretary of the Treasury reserves the right to reject or reduce any subscription, and to allot less than the amount of notes applied for; and any action he may take in these respects shall be final. Subject to these reservations, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

**IV. Payment.** 1. Payment at par for notes allotted hereunder must be made on or before November 16, 1959, or on later allotment, and may be made only in Treasury Certificates of Indebtedness of Series E-1959, maturing November 15, 1959, Treasury Notes of Series B-1959, maturing November 15, 1959, or Treasury Notes of Series B-1962, maturing August 15, 1962, which will be accepted at par, and should accompany the subscription. Coupons dated November 15, 1959, should be detached from the maturing certificates and notes of Series E-1959 by holders and cashed when due. In the case of the notes of Series B-1962, coupons dated February 15, 1960, and all subsequent coupons, must be attached to the notes when surrendered, and accrued interest from August 15, 1959, to November 15, 1959 (\$10.00 per \$1,000) will be paid subscribers following acceptance of the notes.

**V. General provisions.** 1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective Districts, to issue allotment notices, to receive payment for notes allotted, to make delivery of notes on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive notes.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering,

which will be communicated promptly to the Federal Reserve Banks.

[SEAL] JULIAN B. BAIRD,  
Acting Secretary of the Treasury.  
[F.R. Doc. 59-9365; Filed, Nov. 4, 1959;  
8:50 a.m.]

## DEPARTMENT OF THE INTERIOR

### Bureau of Land Management ALASKA

#### Proposed Withdrawal and Reservation of Land; Amendment

The notice of the proposed withdrawal and reservation of land for the Federal Aviation Agency in the Anchorage Land District Alaska, was published in the FEDERAL REGISTER on March 8, 1958 in Volume 23, Number 48 on Page 1663. The description of the lands involved in the application are hereby amended to read as follows:

An unsurveyed parcel of land located in what will be a portion of Sections 24 and 25 of T. 15 N., R. 6 W., Seward Meridian, when surveyed, and more particularly described by metes and bounds as follows:

Beginning at Monument "A" as marked by brass cap, at approximate latitude 61°22'10" N., and longitude 150°16'06" W., go south 450' to a point, thence west 450' to the true Point of Beginning; thence

North 1,400 ft.,  
East 200 ft.,  
South 200 ft.,  
East 1,000 ft.,  
South 1,200 ft.,  
West 1,000 ft.,  
South 1,600 ft.,  
West 200 ft.,  
North 1,600 ft. to the Point of Beginning.

Containing approximately 41.32 acres.

L. T. MAIN,  
Operations Supervisor,  
Anchorage.

[F.R. Doc. 59-9350; Filed, Nov. 4, 1959;  
8:48 a.m.]

### ALASKA

#### Proposed Withdrawal and Reservation of Land; Amendment

The notice of the proposed withdrawal and reservation of land for the Bureau of Land Management in the Anchorage Land District, Alaska, was published in the FEDERAL REGISTER on September 18, 1959 in Volume 24, Number 183 on Page 7553. The description for the parcel on Kalifonsky Beach should be amended in part to read "Sec. 24: Lots 4, 16-19 inc., NW $\frac{1}{4}$ SE $\frac{1}{4}$ . Containing 101.77 acres.

L. T. MAIN,  
Operations Supervisor,  
Anchorage.

[F.R. Doc. 59-9351; Filed, Nov. 4, 1959;  
8:48 a.m.]

### ALASKA

#### Proposed Withdrawal and Reservation of Lands

The Department of Health, Education, and Welfare has filed an application,

Serial Number 049949 for the withdrawal of the lands described below, from all forms of appropriation under the Public Land Laws including the mining and mineral leasing laws. The applicant desires the land for use as an addition to the Arctic Health Research Center.

For a period of 60 days from the date of publication of this notice, all persons who wish to submit comments, suggestions, or objections in connection with the proposed withdrawal may present their views in writing to the undersigned officer of the Bureau of Land Management, Department of the Interior, Anchorage Operations Office, Mailing: 334 East Fifth Avenue, Anchorage, Alaska.

If circumstances warrant it, a public hearing will be held at a convenient time and place, which will be announced.

The determination of the Secretary on the application will be published in the FEDERAL REGISTER. A separate notice will be sent to each interested party of record.

The lands involved in the application are:

EAST ADDITION TO ANCHORAGE TOWNSITE  
U.S. Survey No. 408 (Amended plat), Block  
32-C;

Containing 2.06 acres (90,000 sq. ft.).

L. T. MAIN,  
Operations Supervisor,  
Anchorage.

[F.R. Doc. 59-9352; Filed, Nov. 4, 1959;  
8:48 a.m.]

[Group 333]

### ARIZONA

#### Notice of Filing of Plats of Survey

OCTOBER 27, 1959.

1. Pursuant to authority delegated by BLM Order No. 541, dated April 21, 1954 (19 F.R. 2473), as amended, notice is given that the plats of survey accepted September 14, 1959 of T. 40 N., R. 8 E., T. 40 N., R. 9 E., T. 41 N., R. 8 E., and T. 41 N., R. 9 E., G. & S. R. M., Arizona, including lands hereinafter described, will be officially filed in the Land Office at Phoenix, Arizona, effective at 10:00 a.m. on the 35th day after the date of this notice:

#### GILA AND SALT RIVER MERIDIAN, ARIZONA

T. 40 N., R. 8 E.,  
Sec. 1, Lots 1, 2, 3, 4, 5, 6, 7, NW $\frac{1}{4}$ NW $\frac{1}{4}$ , SW $\frac{1}{4}$ NE $\frac{1}{4}$ , W $\frac{1}{4}$ SE $\frac{1}{4}$ , SW $\frac{1}{4}$ ;  
Sec. 2, Lots 1, 2, 3, 4, 5, 6, 7, S $\frac{1}{2}$ N $\frac{1}{2}$ , S $\frac{1}{2}$ ;  
Sec. 3, Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 and  
12, SW $\frac{1}{4}$ NW $\frac{1}{4}$ , NW $\frac{1}{4}$ SW $\frac{1}{4}$ , SE $\frac{1}{4}$ NE $\frac{1}{4}$ ,  
SW $\frac{1}{4}$ SE $\frac{1}{4}$ , E $\frac{1}{2}$ SE $\frac{1}{4}$ ;  
Sec. 8, N $\frac{1}{2}$ S $\frac{1}{2}$ , Lots 1, 2 and 3, and SE $\frac{1}{4}$   
SE $\frac{1}{4}$ ;  
Sec. 9, Lots 1, 2, 3, 4, 5, 6, 7, NW $\frac{1}{4}$ SW $\frac{1}{4}$ , and  
S $\frac{1}{2}$ SE $\frac{1}{4}$ ;  
Sec. 10, Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11,  
12, 13, 14, 15 and 16, NE $\frac{1}{4}$ NE $\frac{1}{4}$ , SW $\frac{1}{4}$   
SW $\frac{1}{4}$ ;  
Sec. 11, Lots 1 and 2, NW $\frac{1}{4}$ NW $\frac{1}{4}$ , SW $\frac{1}{4}$   
SW $\frac{1}{4}$ , E $\frac{1}{2}$ W $\frac{1}{2}$ , E $\frac{1}{2}$ ;  
Sec. 12, Lots 1, 2, 3, 4, W $\frac{1}{2}$ E $\frac{1}{2}$ , W $\frac{1}{2}$ .  
T. 40 N., R. 9 E.,  
Sec. 4, Lots 1, 2, 3, 4, S $\frac{1}{2}$ N $\frac{1}{2}$ , S $\frac{1}{2}$ ;  
Sec. 5, Lots 1, 2, 3, 4, S $\frac{1}{2}$ N $\frac{1}{2}$ , S $\frac{1}{2}$ ;  
Sec. 6, Lots 1, 2, 3, 4, 5, 6, 7, SE $\frac{1}{4}$ NW $\frac{1}{4}$ ,  
S $\frac{1}{2}$ NE $\frac{1}{4}$ , E $\frac{1}{2}$ SW $\frac{1}{4}$ , SE $\frac{1}{4}$ ;  
Sec. 7, Lots 1, 2, 3, 4, E $\frac{1}{2}$ W $\frac{1}{2}$ , E $\frac{1}{2}$ ;  
Sec. 8, All;  
Sec. 9, All;

T. 41 N., R. 8 E.,  
Sec. 13, Lots 1, 2, 3, 4, 5, 6, 7, 8, and 9,  
SE $\frac{1}{4}$ SW $\frac{1}{4}$ , and S $\frac{1}{2}$ SE $\frac{1}{4}$ ;  
Sec. 24, Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10,  
N $\frac{1}{2}$ NE $\frac{1}{4}$ , SE $\frac{1}{4}$ NE $\frac{1}{4}$ , E $\frac{1}{2}$ SE $\frac{1}{4}$ , SW $\frac{1}{4}$   
NW $\frac{1}{4}$ , W $\frac{1}{2}$ SW $\frac{1}{4}$ ;  
Sec. 25, Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, and  
11, NW $\frac{1}{4}$ , SW $\frac{1}{4}$ SE $\frac{1}{4}$ , E $\frac{1}{2}$ SE $\frac{1}{4}$ , NW $\frac{1}{4}$   
SW $\frac{1}{4}$ ;  
Sec. 26, Lots 1, 2, N $\frac{1}{2}$ SE $\frac{1}{4}$ ;  
Sec. 35, Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, W $\frac{1}{2}$ ,  
SE $\frac{1}{4}$ NE $\frac{1}{4}$ , E $\frac{1}{2}$ SE $\frac{1}{4}$ ;  
Sec. 36, Lot 1, SW $\frac{1}{4}$ NW $\frac{1}{4}$ , E $\frac{1}{2}$ NW $\frac{1}{4}$ , E $\frac{1}{2}$ ,  
SW $\frac{1}{4}$ ;  
T. 41 N., R. 9 E.,  
Sec. 8, Lots 1, 2, 3, 4, 5, 6, 7, 8, SE $\frac{1}{4}$ SE $\frac{1}{4}$ ,  
N $\frac{1}{2}$ NE $\frac{1}{4}$ ;  
Sec. 9, Lots 1, 2, 3, 4, 5, 6, 7, and 8, NE $\frac{1}{4}$ ,  
N $\frac{1}{2}$ NW $\frac{1}{4}$ , S $\frac{1}{2}$ SW $\frac{1}{4}$ , NE $\frac{1}{4}$ SE $\frac{1}{4}$ , SE $\frac{1}{4}$   
NW $\frac{1}{4}$ ;  
Sec. 16, Lot 1, NW $\frac{1}{4}$ NE $\frac{1}{4}$ , S $\frac{1}{2}$ NE $\frac{1}{4}$ , W $\frac{1}{2}$ ,  
SE $\frac{1}{4}$ ;  
Sec. 17, Lots 1, 2, 3, 4, 5, 6, 7, 8, and 9,  
NE $\frac{1}{4}$ NE $\frac{1}{4}$ ;  
Sec. 18, N $\frac{1}{2}$ SE $\frac{1}{4}$ , Lots 1, 2, 3, 4, 5, and 6,  
SW $\frac{1}{4}$ SW $\frac{1}{4}$ ;  
Sec. 19, Lots 1, 2, 3, 4, 5, 6, 7 and 8,  
SE $\frac{1}{4}$ NW $\frac{1}{4}$ , S $\frac{1}{2}$ NE $\frac{1}{4}$ , E $\frac{1}{2}$ SW $\frac{1}{4}$ , SE $\frac{1}{4}$ ;  
Sec. 20, Lots 1, 2, 3, 4, 5, 6, 7, S $\frac{1}{2}$ NE $\frac{1}{4}$ ,  
S $\frac{1}{2}$ ;  
Sec. 21, Lots 1, 2, 3, 4, S $\frac{1}{2}$ N $\frac{1}{2}$ , S $\frac{1}{2}$ ;  
Sec. 28, All;  
Sec. 29, All;  
Sec. 30, Lots 1, 2, 3, 4, E $\frac{1}{2}$ W $\frac{1}{2}$ , E $\frac{1}{2}$ ;  
Sec. 31, Lots 1, 2, 3, 4, E $\frac{1}{2}$ W $\frac{1}{2}$ , E $\frac{1}{2}$ ;  
Sec. 32 All;  
Sec. 33, All.

Within the above described areas are 18,552.77 acres of public lands.

By Director's Order of June 11, 1954 the following described lands were withdrawn for First Form Reclamation Withdrawal under the Act of June 17, 1902, W $\frac{1}{2}$  and unsurveyed portion of E $\frac{1}{2}$  lying northwest of the Colorado River, Sec. 8, that portion lying northwest of the Colorado River, Sec. 9; those portions lying northwest of the Colorado River, Sec. 16, W $\frac{1}{2}$  and the unsurveyed portion of E $\frac{1}{2}$  lying northwest of the Colorado River, Sec. 17; the unsurveyed portion of S $\frac{1}{2}$  lying northwest of the Colorado River, Sec. 18, and those portions of Secs. 19 and 20 lying northwest of the Colorado River, in T. 41 N., R. 9 E.

Power Site Classification No. 429, of August 19, 1953, classified the following lands as power sites insofar as title thereto remained in the United States, and subject to valid existing rights, and the classification has full force and effect under the provisions of Sec. 24 of the Act of June 10, 1920, as amended; NE $\frac{1}{4}$ NE $\frac{1}{4}$ , S $\frac{1}{2}$ NW $\frac{1}{4}$ , and W $\frac{1}{2}$ SW $\frac{1}{4}$  Sec. 8, and the N $\frac{1}{2}$ N $\frac{1}{2}$  Sec. 9, T. 41 N., R. 9 E.

Public Law 85-868 of September 2, 1958 (72 Stat. 1686), transferred the following described lands from the Navajo Indian Reservation to the United States for Reclamation Purposes:

Lots 2, 4 and 7, and the S $\frac{1}{2}$ SE $\frac{1}{4}$  Sec. 9;  
Lots 1, 2, 3, 4, 5, 6, 7, S $\frac{1}{2}$ NW $\frac{1}{4}$ , SW $\frac{1}{4}$ NE $\frac{1}{4}$ ,  
W $\frac{1}{2}$ SE $\frac{1}{4}$ , SW $\frac{1}{4}$  Sec. 1, Lots 1, 2, 5, 7, S $\frac{1}{2}$ N $\frac{1}{2}$ ,  
S $\frac{1}{2}$  Sec. 2, Lots 2, 7, 8, and 12, SE $\frac{1}{4}$ NE $\frac{1}{4}$ ,  
SW $\frac{1}{4}$ SE $\frac{1}{4}$  and E $\frac{1}{2}$ SE $\frac{1}{4}$  Sec. 3, Lots 1, 2, 7,  
13, 14, 15, and 16, NE $\frac{1}{4}$ NE $\frac{1}{4}$ , SW $\frac{1}{4}$ SW $\frac{1}{4}$  Sec.  
10, Lots 1, 2, NW $\frac{1}{4}$ NW $\frac{1}{4}$ , SW $\frac{1}{4}$ SW $\frac{1}{4}$ , E $\frac{1}{2}$ W $\frac{1}{2}$ ,  
E $\frac{1}{2}$  Sec. 11, and Lots 1, 2, 3, 4, W $\frac{1}{2}$ E $\frac{1}{2}$ , W $\frac{1}{2}$   
Sec. 12, T. 40 N., R. 8 E., Lots 1, 2, 3, 4, S $\frac{1}{2}$   
N $\frac{1}{2}$  and S $\frac{1}{2}$  Sec. 4, Lots 1, 2, 3, 4, S $\frac{1}{2}$ N $\frac{1}{2}$ ,  
S $\frac{1}{2}$  Sec. 5, Lots 1, 2, 3, 4, 5, 6, 7, S $\frac{1}{2}$ NE $\frac{1}{4}$ ,  
SE $\frac{1}{4}$ NW $\frac{1}{4}$ , E $\frac{1}{2}$ SW $\frac{1}{4}$  and SE $\frac{1}{4}$  Sec. 6, Lots  
1, 2, 3, 4, E $\frac{1}{2}$ W $\frac{1}{2}$ , E $\frac{1}{2}$  Sec. 7, and All Secs.  
8 and 9, T. 40 N., R. 9 E.; Lots 4, 5, 6, 9, SE $\frac{1}{4}$   
SW $\frac{1}{4}$  and S $\frac{1}{2}$ SE $\frac{1}{4}$  Sec. 13, Lots 1, 4, 5, 6,



Director, Division of Licensing and Regulation.

Dated at Germantown, Md., this 29th day of October 1959.

For the Atomic Energy Commission.

R. L. KIRK,  
Deputy Director, Division of  
Licensing and Regulation.

[License No. R-5, as amended, Amdt. 2]

In addition to the activities previously authorized by the Commission under License No. R-5, as amended, the Naval Research Laboratory is authorized to use three "split-fuel" type fuel elements in the Naval Research Laboratory reactor in accordance with its application amendment dated September 8, 1959.

In connection with its use of the three "split-fuel" type fuel elements authorized under this amendment the Naval Research Laboratory shall comply with the conditions and requirements contained in paragraph 4 of License No. R-5, as amended.

This amendment is effective as of the date of issuance.

Date of issuance: October 23, 1959.

For the Atomic Energy Commission.

R. L. KIRK,  
Deputy Director, Division of  
Licensing and Regulation.

[F.R. Doc. 59-9331; Filed, Nov. 4, 1959;  
8:45 a.m.]

[Docket No. 50-4]

## NAVAL RESEARCH LABORATORY

### Notice of Proposed Issuance of Construction Permit and Facility License

Please take notice that the Atomic Energy Commission proposes to issue to Naval Research Laboratory, Washington, D.C., a construction permit substantially as set forth below to authorize modification of the Naval Research Reactor to permit operation at power levels up to 1000 KW for extended periods of time unless within fifteen (15) days after the filing of this notice with the Office of the Federal Register a request for a formal hearing is filed with the Commission as provided by the Commission's rules of practice (10 CFR Part 2).

In its application dated June 30, 1959, Naval Research Laboratory requested an amendment to its facility license No. R-5 for this purpose. However, since a material alteration of the facility is involved, it is necessary that a construction permit be issued to authorize the alteration, pursuant to § 50.91 of the Commission's Regulations, 10 CFR Part 50, prior to the issuance of the facility license amendment. For further details see (1) the application submitted by Naval Research Laboratory, and (2) a hazards analysis prepared by the Hazards Evaluation Branch, Division of Licensing and Regulation which summarizes the principal factors considered in reviewing the application for license, both on file at the Commission's Public Document Room, 1717 H Street NW., Washington, D.C. A copy of item (2) above may be obtained at the Commission's Public Document Room or upon request addressed to the Atomic Energy

Commission, Washington 25, D.C., Attention: Director, Division of Licensing and Regulation.

Dated at Germantown, Md., this 29th day of October 1959.

For the Atomic Energy Commission.

R. L. KIRK,  
Deputy Director, Division of  
Licensing and Regulation.

#### PROPOSED CONSTRUCTION PERMIT

By application dated June 30, 1959 (hereinafter referred to as "the application"), Naval Research Laboratory requested authorization to modify the swimming pool type research reactor (hereinafter referred to as "the facility"), which Naval Research Laboratory is presently authorized to operate under License No. R-5, as amended.

The Atomic Energy Commission (hereinafter referred to as "the Commission") finds that:

A. As modified the facility will be a utilization facility as defined in the Commission's regulations contained in Title 10, Chapter 1, CFR Part 50, "Licensing of Production and Utilization Facilities".

B. As modified the facility will be used in the conduct of research and development activities of the types specified in Section 31 of the Atomic Energy Act of 1954, as amended (hereinafter referred to as "the Act").

C. Naval Research Laboratory is technically and financially qualified to engage in the proposed activities in accordance with the regulations contained in Title 10, Chapter 1 CFR.

D. Naval Research Laboratory has submitted sufficient information to provide reasonable assurance that the facility can be operated after completion of the proposed modifications without undue risk to the health and safety of the public.

E. The issuance of a construction permit to Naval Research Laboratory will not be inimical to the common defense and security or to the health and safety of the public.

Pursuant to the Act and Title 10, CFR, Chapter 1 Part 50, "Licensing of Production and Utilization Facilities", the Commission hereby issues a construction permit to Naval Research Laboratory to modify the facility in accordance with the specifications contained in the application. This permit shall be deemed to contain and be subject to the conditions specified in §§ 50.54 and 50.55 of said regulations; is subject to all applicable provisions of the Act and rules and regulations and orders of the Commission now or hereafter in effect; and is subject to the additional condition that the earliest date for completion of modification of the facility is January 1, 1960 and that the latest date for completion is June 30, 1961.

This permit is provisional to the extent that a license amendment authorizing operation of the facility, as modified, at the higher power levels proposed in its application amendment dated June 30, 1959, will not be issued by the Commission unless Naval Research Laboratory has submitted to the Commission (by amendment to the application) additional data, concerning (1) jet diffuser, (2) the ventilation system, (3) pool temperature limits, (4) experiment procedures, and (5) the forced convection cooling system, required to complete the hazards evaluation and the Commission has found that the final design provides reasonable assurance that the health and safety of the public will not be endangered by operation of the facility in accordance with the specified procedures.

Upon completion of the modification of the reactor in accordance with the terms and conditions of this permit, and upon finding that the reactor as modified will operate in

conformity with the application, and the provisions of the Act and of the rules and regulations of the Commission, and in the absence of good cause shown to the Commission why the granting of a license would not be in accordance with the provisions of the Act, the Commission will issue an amendment to License No. R-5 authorizing operation in accordance with the application.

For the Atomic Energy Commission.

Date of issuance:

[F.R. Doc. 59-9332; Filed, Nov. 4, 1959;  
8:45 a.m.]

[Docket No. 50-141]

## STANFORD UNIVERSITY

### Notice of Proposed Issuance of Construction Permit and Facility License

Please take notice that the Atomic Energy Commission proposes to issue, to Stanford University, Stanford, California, a construction permit substantially as set forth below for a 10 kilowatt pool-type reactor on its campus unless within fifteen (15) days after the filing of this notice with the Office of the Federal Register a request for a formal hearing is filed with the Commission as provided by the Commission's rules of practice (10 CFR Part 2). Notice is also hereby given that if the Commission issues the construction permit, the Commission may without further prior public notice convert the construction permit to a Class 104 license authorizing operation of the facility by Stanford University if it is found that the facility has been constructed in compliance with the terms and conditions contained in the construction permit and in conformity with the provisions of the Atomic Energy Act of 1954, as amended, and of the rules and regulations of the Commission, and in the absence of any good cause being shown to the Commission why the granting of such license would not be in accordance with the provisions of the Act. For further details see (1) the application submitted by Stanford University and amendments thereto, and (2) a hazards analysis prepared by the Hazards Evaluation Branch, Division of Licensing and Regulation, both on file at the Commission's Public Document Room, 1717 H Street NW., Washington, D.C. A copy of item (2) above may be obtained at the Commission's Public Document Room or upon request addressed to the Atomic Energy Commission, Washington 25, D.C., Attention: Director, Division of Licensing and Regulation.

Dated at Germantown, Md., this 30th day of October 1959.

For the Atomic Energy Commission.

R. L. KIRK,  
Deputy Director, Division of  
Licensing and Regulation.

#### PROPOSED CONSTRUCTION PERMIT

1. By application dated June 11, 1959, and amendment thereto dated August 21, 1959 (hereinafter collectively referred to as "the application") Stanford University requested a Class 104 license, defined in § 50.21 of Part 50, "Licensing of Production and Utilization Facilities", Title 10, Chapter 1 CFR, authorizing construction and op-

eration on the Stanford University campus at Stanford, California, of a nuclear reactor facility (hereinafter referred to as "the facility") described as a 10 kilowatt (thermal) pool-type training and research reactor.

2. The Atomic Energy Commission (hereinafter referred to as "the Commission") finds that:

A. The facility will be a utilization facility as defined in the Commission's regulations contained in Title 10, Chapter 1, CFR Part 50, "Licensing of Production and Utilization Facilities".

B. The facility will be used in the conduct of research and development activities of the types specified in section 31 of the Atomic Energy Act of 1954, as amended (hereinafter referred to as "the Act").

C. Stanford University is financially qualified to construct and operate the facility in accordance with the regulations contained in Title 10, Chapter 1 CFR, to assume financial responsibility for the payment of Commission charges for special nuclear material and to undertake and carry out the proposed use of such material for a reasonable period of time.

D. Stanford University and its contractor, General Electric Company, are technically qualified to design and construct the reactor.

E. Stanford University has submitted sufficient information to provide reasonable assurance that the facility can be constructed and operated at the proposed location without undue risk to the health and safety of the public.

F. The issuance of a construction permit to Stanford University will not be inimical to the common defense and security or to the health and safety of the public.

3. Pursuant to the Act and Title 10, Chapter 1 CFR Part 50, "Licensing of Production and Utilization Facilities", the Commission hereby issues a construction permit to Stanford University to construct the facility in accordance with the application. This permit shall be deemed to contain and be subject to the conditions specified in §§ 50.54 and 50.55 of said regulations; is subject to all applicable provisions of the Act and rules, regulations and orders of the Commission now or hereafter in effect; and is subject to the additional conditions specified below:

A. The earliest completion date of the facility is November 17, 1959. The latest date for completion of the facility is March 17, 1960. The term "completion date" as used herein, means the date on which construction of the facility is completed except for the introduction of the fuel material.

B. The facility shall be constructed and located at the location near Palo Alto, California, specified in the application.

4. Upon completion (as defined in paragraph "1" above) of the construction of the facility in accordance with the terms and conditions of this permit, and upon finding that the facility authorized has been constructed and will operate in conformity with the application, and the provisions of the Act and of the rules and regulations of the Commission, and in the absence of any good cause being shown to the Commission why the granting of a license would not be in accordance with the provisions of the Act, the Commission will issue a Class 104 license to Stanford University pursuant to section 104c of the Act, which license shall expire twenty (20) years after the date of this construction permit.

Date of issuance:

For the Atomic Energy Commission.

[F.R. Doc. 59-9333; Filed, Nov. 4, 1959; 8:45 a.m.]

## NOTICES

[Docket No. 50-123]

### THE CURATORS OF THE UNIVERSITY OF MISSOURI, SCHOOL OF MINES AND METALLURGY

#### Notice of Proposed Issuance of Construction Permit

Please take notice that the Atomic Energy Commission proposes to issue to the Curators of the University of Missouri, School of Mines and Metallurgy, Rolla, Missouri, a construction permit substantially as set forth below unless within fifteen days after the filing of this notice with the Office of the Federal Register a request for a formal hearing is filed with the Commission as provided by the Commission's rules of practice (10 CFR Part 2).

For further details see (1) the application submitted by the Curators of the University of Missouri, School of Mines and Metallurgy, and amendments thereto, and (2) a hazards analysis prepared by the Hazards Evaluation Branch, Division of Licensing and Regulation, both on file at the Commission's Public Document Room, 1717 H Street, NW, Washington, D.C. A copy of item (2) above may be obtained at the Commission's Public Document Room or upon request addressed to the Atomic Energy Commission, Washington 25, D.C., Attention: Director, Division of Licensing and Regulation.

Dated at Germantown, Md., this 29th day of October 1959.

For the Atomic Energy Commission.

R. L. KIRK,  
Deputy Director, Division of  
Licensing and Regulation.

#### PROPOSED CONSTRUCTION PERMIT

1. By application dated January 28, 1959, and amendments thereto dated February 6, 1959, February 26, 1959, June 12, 1959, and July 13, 1959 (hereinafter together referred to as "the application"), the Curators of the University of Missouri, School of Mines and Metallurgy (hereinafter referred to as "University of Missouri") requested a Class 104 license, defined in § 50.21 of Part 50, "Licensing of Production and Utilization Facilities", Title 10, Chapter 1 CFR, authorizing construction and operation at a power level not exceeding 10 kilowatts on the University of Missouri's campus in Rolla, Missouri, of a swimming pool-type nuclear reactor utilizing highly enriched uranium as fuel (hereinafter referred to as "the facility").

2. The Atomic Energy Commission (hereinafter referred to as "the Commission") finds that:

A. The facility will be a utilization facility as defined in the Commission's regulations contained in Title 10, Chapter 1, CFR Part 50, "Licensing of Production and Utilization Facilities".

B. The facility will be used in the conduct of research and development activities of the types specified in Section 31 of the Atomic Energy Act of 1954, as amended (hereinafter referred to as "the Act").

C. University of Missouri is financially qualified to construct and operate the facility in accordance with the regulations contained in Title 10, Chapter 1, CFR, to assume financial responsibility for the payment of Commission charges for special nuclear material and to undertake and carry out the

proposed use of such material for a reasonable period of time.

D. University of Missouri, and its contractor, The Curtiss-Wright Corporation, are technically qualified to design and construct the facility.

E. University of Missouri has submitted sufficient information to provide reasonable assurance that a facility of the general type proposed can be constructed and operated at the proposed location without undue risk to the health and safety of the public.

F. The issuance of a construction permit to University of Missouri will not be inimical to the common defense and security or to the health and safety of the public.

3. Pursuant to the Act and Title 10, CFR Chapter 1 Part 50, "Licensing of Production and Utilization Facilities", the Commission hereby issues a construction permit to University of Missouri to construct the facility in accordance with the application. This permit shall be deemed to contain and be subject to the conditions specified in §§ 50.54 and 50.55 of said regulations; is subject to all applicable provisions of the Act and rules, regulations and orders of the Commission now or hereafter in effect; and is subject to the additional conditions specified below:

A. The earliest completion date of the facility is November 17, 1959. The latest date for completion of the facility is May 31, 1960. The term "completion date", as used herein, means the date on which construction of the facility is completed except for the introduction of the fuel material.

B. The facility shall be constructed and located at the University of Missouri's campus in Rolla, Missouri, as specified in the application.

4. This permit is provisional to the extent that a license authorizing operation of the facility will not be issued by the Commission unless University of Missouri has submitted to the Commission, by amendment of the application, additional data concerning (1) the ventilation system for the facility building, (2) experiments proposed for conduct in the facility and (3) a recalculation of the consequences of any fission product release based on the measured leak rate of the facility building as actually constructed, and the Commission has found that the final design provides reasonable assurance that the health and safety of the public will not be endangered by operation of the facility in accordance with the specified procedures.

5. Upon completion (as defined in paragraph 3.A. above) of the construction of the facility in accordance with the terms and conditions of this permit, upon the filing of the additional information needed to bring the original application up-to-date, and upon finding that the facility authorized has been constructed and will operate in conformity with the application, as amended, and in conformity with the provisions of the Act and of the rules and regulations of the Commission, and in the absence of any good cause being shown to the Commission why the granting of a license would not be in accordance with the provisions of the Act, the Commission will issue a Class 104 license to University of Missouri pursuant to section 104c of the Act, which license shall expire twenty years after the date of this construction permit.

6. Pursuant to § 50.60 of the regulations in Title 10, Chapter 1 CFR Part 50, the Commission has allocated to University of Missouri for use in connection with the facility 7 kilograms of uranium-235 contained in highly enriched uranium and 80 grams of plutonium contained in plutonium-beryllium sealed sources.

For the Atomic Energy Commission.

[F.R. Doc. 59-9334; Filed, Nov. 4, 1959; 8:45 a.m.]

[Docket No. 50-87]

## WESTINGHOUSE ELECTRIC CORP.

## Notice of Issuance of Facility License Amendment

Please take notice that the Atomic Energy Commission has issued Amendment No. 2, set forth below, to License No. CX-11 authorizing Westinghouse Electric Corporation to modify the facility's Westinghouse Testing Reactor core assembly, to install an experimental tube in the reflector region, and to perform experiments in the reflector region in the Westinghouse Reactor Evaluation Center CES facility located near Waitz Mill, in Westmoreland County, Pennsylvania. The Commission has found that performance of the modifications and experiments in accordance with the terms and conditions of the license, as amended, will not present any undue hazard to the health and safety of the public and will not be inimical to the common defense and security.

The Commission has found that prior public notice of proposed issuance of this amendment is not necessary in the public interest since the performance of the proposed modifications and experiments would not present any substantial change in the hazards to the health and safety of the public from those previously considered and evaluated in connection with the previously approved operation of the facility.

In accordance with the Commission's rules of practice (10 CFR Part 2), the Commission will direct the holding of a formal hearing on the matter of issuance of the license amendment upon receipt of a request therefor from the licensee or an intervener within 30 days after the issuance of the license amendment. For further details, see (1) the application for license amendment, dated September 1, 1959, submitted by Westinghouse Electric Corporation, and (2) a hazards analysis of the modifications and experiments prepared by the Hazards Evaluation Branch, Division of Licensing and Regulation, both on file at the Commission's Public Document Room, 1717 H Street NW, Washington, D.C. A copy of item (2) above may be obtained at the Commission's Public Document Room or upon request addressed to the Atomic Energy Commission, Washington 25, D.C., Attention: Director, Division of Licensing and Regulation.

Dated at Germantown, Md., this 29th day of October 1959.

For the Atomic Energy Commission.

R. L. KIRK,  
Deputy Director, Division of  
Licensing and Regulation.

[License No. CX-11; Amdt. 2]

In addition to activities previously authorized by the Commission under License No. CX-11, the Westinghouse Electric Corporation (hereinafter referred to as "the licensee") is authorized to perform the modifications and experiments described in the application for license amendment dated September 1, 1959, in the Westinghouse Reactor Evaluation Center CES facility, in accordance with the procedures and limitations therein.

In performing these experiments the licensee shall comply with the conditions and

requirements contained in paragraph 4 of License No. CX-11, as amended, and shall comply with the following additional conditions:

4.a.(4) The total available absolute reactivity in experiments in the core and the reflector regions shall not exceed 1 percent delta k/k.  
4.a.(5) The total available absolute reactivity in experiments in the reflector region shall not exceed 0.5 percent delta k/k.

This amendment is effective as of the date of issuance.

Date of issuance: October 29, 1959.

For the Atomic Energy Commission.

R. L. KIRK,  
Deputy Director, Division of  
Licensing and Regulation.

[F.R. Doc. 59-9335; Filed, Nov. 4, 1959;  
8:45 a.m.]

## CIVIL AERONAUTICS BOARD

[Docket 10038]

## BONANZA AIR LINES, INC. TEMPORARY POINTS CASE

## Notice of Prehearing Conference

In the matter of the renewal of Bonanza Air Lines, Inc. temporary intermediate points (Order of Investigation, E-13240).

Notice is hereby given that a prehearing conference in the above-entitled matter is assigned to be held on November 19, 1959, at 10:00 a.m., e.s.t. in Room 725, Universal Building, Connecticut and Florida Avenues NW, Washington, D.C., before Examiner Herbert K. Bryan.

Dated at Washington, D.C., November 2, 1959.

[SEAL] FRANCIS W. BROWN,  
Chief Examiner.

[F.R. Doc. 59-9369; Filed, Nov. 4, 1959;  
8:50 a.m.]

## FEDERAL COMMUNICATIONS COMMISSION

[Docket No. 13253; FCC 59M-1437]

## MADISON BROADCASTERS

## Order Scheduling Prehearing Conference

In re application of John W. Ecklin and James C. Grisham d/b as Madison Broadcasters, Madison, South Dakota, Docket No. 13253, File No. BP-12222, for construction permit.

It is ordered, This 29th day of October 1959, that a prehearing conference, pursuant to § 1.111 of the Commission's rules, will be held in the above-entitled matter at 10:00 a.m., November 20, 1959, in the Commission's offices in Washington, D.C.

Released: October 30, 1959.

FEDERAL COMMUNICATIONS COMMISSION,  
[SEAL] MARY JANE MORRIS,  
Secretary.

[F.R. Doc. 59-9374; Filed, Nov. 4, 1959;  
8:51 a.m.]

[Docket Nos. 12833, 12834; FCC 59M-1440]

## GEORGE T. HERNREICH AND PATTESON BROTHERS

## Order Continuing Hearing

In re applications of George T. Hernreich, Jonesboro, Arkansas, Docket No. 12833, File No. BPCT-2538, Alan G. Patteson, Jr. and Mathew Carter Patteson, d/b as Patteson Brothers, Jonesboro, Arkansas, Docket No. 12834, File No. BPCT-2567, for construction permits for new television broadcast stations.

The Chief Hearing Examiner having under consideration a joint motion by the applicants, filed October 28, 1959, for continuance of the dates heretofore specified for certain procedural steps in the above-entitled matter;

It appearing, that good cause exists to warrant the continuance herein sought, and that the Commission's Broadcast Bureau, the only other party to the proceeding, consents thereto and it waives the provisions of § 1.43 of the rules to permit immediate consideration of the instant pleading:

It is ordered, This 29th day of October 1959, that the motion is granted; that the date for commencement of the evidentiary hearing and the introduction of applicants' written cases is continued from November 3, 1959, to January 5, 1960, and that the date for examination of witnesses is continued from November 9, 1959, to January 12, 1960.

Released: October 30, 1959.

FEDERAL COMMUNICATIONS COMMISSION,  
[SEAL] MARY JANE MORRIS,  
Secretary.

[F.R. Doc. 59-9375; Filed, Nov. 4, 1959;  
8:51 a.m.]

[Docket No. 12856; FCC 59-1113]

## WSAZ, INC., AND AMERICAN TELEPHONE AND TELEGRAPH CO.

## Order Amending Issues

In the matter of WSAZ, Incorporated, Complainant, v. American Telephone and Telegraph Company, Long Lines Department, Defendant, Docket No. 12856.

At a session of the Federal Communications Commission held at its offices in Washington, D.C., on the 28th day of October 1959;

The Commission having under consideration the Commission's Order of October 7, 1959, setting this matter down for hearing and specifying certain issues to be determined therein;

It appearing, that questions have been raised as to the scope of the issues herein; and

It further appearing, that no general investigation of all the tariff schedules governing the furnishing of channels for video transmission was contemplated by the Commission's Order of October 7, 1959; and

It further appearing, that it is therefore desirable to clarify the language of such order;

## NOTICES

*It is ordered.* That the language of issues Nos. 1 and 2 is amended to read as follows:

1. Whether any of the charges, classifications, regulations and practices contained in tariff provisions applicable to the specific issues raised by the pleadings herein are unjust and unreasonable within the meaning of section 201(b) of the Communications Act of 1934, as amended;

2. Whether the tariff provisions applicable to the specific issues raised by the pleadings herein will subject any person or class of persons to unjust or unreasonable discrimination or give any undue or unreasonable preference or advantage to any person, class of persons, or locality, or subject any person or class of persons to any undue or unreasonable prejudice or disadvantage within the meaning of section 202(a) of the Communications Act of 1934, as amended.

Released: November 2, 1959.

FEDERAL COMMUNICATIONS  
COMMISSION,  
[SEAL] MARY JANE MORRIS,  
Secretary.

[F.R. Doc. 59-9376; Filed, Nov. 4, 1959;  
8:51 a.m.]

[Docket Nos. 11747, 12936; FCC 59M-1441]

## TABLE OF ASSIGNMENTS ET AL.

Order Scheduling Prehearing  
Conference

In the matter of amendment of § 3.606, Table of Assignments, Television Broadcast Stations (Springfield, Ill.-St. Louis, Mo.), Docket No. 11747; In the matter of proceedings pursuant to remand in Sangamon Valley Television Corp. v. United States and Federal Communications Commission, et al. (Case No. 13992, May 8, 1959), Docket No. 12936.

*It is ordered.* This 30th day of October 1959, that a prehearing conference, in accordance with the provisions of § 1.111 of the rules, will be held in the above-entitled matter on Friday, November 20, 1959, at 11:00 a.m. in the offices of the Commission, Washington, D.C.

Released: October 30, 1959.

FEDERAL COMMUNICATIONS  
COMMISSION,  
[SEAL] MARY JANE MORRIS,  
Secretary.

[F.R. Doc. 59-9377; Filed, Nov. 4, 1959;  
8:51 a.m.]

## FEDERAL POWER COMMISSION

[Docket No. E-6900]

## APPALACHIAN POWER CO.

## Order To Show Cause

OCTOBER 29, 1959.

The 1958 Annual Report (F.P.C. Form No. 1) of Appalachian Power Company (Company),<sup>1</sup> a Virginia corporation with

<sup>1</sup> Is a member of the American Electric Power System, and formerly known as the Appalachian Electric Power Company.

its principal place of business at Roanoke, Virginia, indicates that Company is currently accounting and reporting, for general corporate and public reporting purposes, certain annual charges and credits arising from accounting procedures for deferred taxes on income in a manner contrary to the requirements of the Commission's Uniform System of Accounts Prescribed for Public Utilities and Licensees.

Company is both a public utility and Licensee within the meaning of those terms as used in the Federal Power Act.

Company's Annual Report to the Commission for 1958 shows an amount of \$5,233,811 which represents the annual provision for deferred taxes on income for 1958 arising from use of accelerated amortization and liberalized depreciation for tax purposes, pursuant to Sections 168 and 167, respectively, of the Internal Revenue Code of 1954, which the Company charged to income during 1958 other than through Account 507-A, Provision for Deferred Taxes on Income, and failed to credit to Account 266.1, Accumulated Deferred Taxes on Income—Accelerated Amortization, and Account 266.2, Accumulated Deferred Taxes on Income—Liberalized Depreciation. That report also shows inclusion of a credit amount of \$22,622,432, as of December 31, 1958, in earned surplus (retained income) and identified as restricted for deferred ("future") Federal income taxes. That amount represents an accumulation of annual provisions for deferred taxes on income of \$21,167,546 relating to accelerated amortization of emergency facilities, and \$1,454,886 relating to liberalized depreciation, inclusive of the provisions for 1958, referred to above. Also, during 1958, the company transferred from restricted to unrestricted surplus an amount of \$1,080,747 representing deferred taxes on income related to liberalized depreciation apparently with respect to properties located in West Virginia.

Account 507-A, Provision for Deferred Taxes on Income, and Account 266, Accumulated Deferred Taxes on Income, and subdivisions thereof, constitute the income and balance sheet accounts, respectively, prescribed by Commission's Order No. 204 (19 FPC 837), as the appropriate accounts to be used for Federal income taxes deferred by reason of accelerated amortization and liberalized depreciation under sections 168 and 167 of the Internal Revenue Code of 1954.

Notwithstanding prescribed accounts for the purpose, Company, as indicated above, for general corporate and public reporting purposes, is currently accounting and reporting annual and accumulated provisions for deferred taxes on income other than by use of Accounts 507-A and 266. This is revealed in various parts of Company's FPC Form No. 1, including Company's 1958 Annual Report to its stockholders which is required to be appended as a part of Company's FPC Form No. 1, Annual Report to this Commission.

Correspondence between Company representatives and this Commission's staff has failed to show any justification

for Company's departure from the requirements of this Commission's Uniform System of Accounts. Moreover, Company's representatives have indicated that Company proposes to continue the above-mentioned accounting practices.

In view of the foregoing, it is necessary and appropriate for the purposes of the Federal Power Act (particularly sections 301(a), 304 and 311 thereof), that Company show cause, if any there be, for its past and continuing departure from the requirements of this Commission's Uniform System of Accounts; all in the manner as hereinafter provided.

The Commission orders: Company shall show cause, if any there be, in writing and within sixty days from the issuance of this order, why the Commission should not find and determine:

(1) That Company is accounting for and reporting deferred taxes on income otherwise than by use of the Commission's prescribed Accounts 507-A and 266, all as indicated above, and therefore that it has and continues to violate the accounting requirements prescribed by the Commission through its Uniform System of Accounts;

(2) That this action by Company constitutes a willful and knowing violation of the Federal Power Act;

(3) That the Company be required to make, keep, and preserve its accounts in the manner prescribed by this Commission in the Uniform System of Accounts Prescribed for Public Utilities and Licensees;

(4) That the Company be ordered to file such substitute pages of its Annual Report for 1958 (F.P.C. Form No. 1), including the report to stockholders appended as part of said Annual Report, to make the accounting and reporting of accumulated deferred taxes on income therein consistent and in compliance with the requirements therefor as prescribed by the Commission.

By the Commission.

JOSEPH H. GUTRIDE,  
Secretary.

[F.R. Doc. 59-9336; Filed, Nov. 4, 1959;  
8:45 a.m.]

[Docket Nos. G-19389, G-19391]

BLACKSTONE VALLEY GAS AND  
ELECTRIC CO. AND VALLEY GAS  
CO.Notice of Applications and Date of  
Hearing

OCTOBER 30, 1959.

In the matters of Blackstone Valley Gas and Electric Company, Docket No. G-19389; Valley Gas Company, Docket No. G-19391.

Take notice that on September 3, 1959, Valley Gas Company (Valley) filed in Docket No. G-19391 an application pursuant to section 7(c) of the Natural Gas Act for a certificate of public convenience and necessity authorizing the acquisition and operation of certain existing natural gas transmission facilities from Blackstone Valley Gas and Electric Company

(Blackstone), all as more fully set forth in the application which is on file with the Commission and open to public inspection.

On the same date, Blackstone filed an application in Docket No. G-19389 pursuant to section 7(b) of the Natural Gas Act for permission and approval to abandon, by sale to Valley, the aforesaid facilities and the service rendered from them, which application is also on file and open to public inspection.

Blackstone's natural gas facilities consist of a 6- and 12-inch transmission system located entirely in the State of Rhode Island, and gas distribution systems in the Cities of Pawtucket, Woonsocket, North Providence and other nearby towns and cities. Blackstone's supply of natural gas is obtained from Tennessee Gas Transmission Company under a contract dated October 21, 1957, which contract will be assigned to Valley without change.

The total purchase price for the facilities, including nonjurisdictional facilities, to be acquired by Valley from Blackstone, is \$10,000,000, for which Valley will issue to Blackstone \$4,500,000 in First Mortgage Bonds, \$1,500,000 in Fifteen Year Notes, and \$3,999,970 in Common Stock, plus 3 outstanding shares of Valley's common stock which Blackstone will purchase for \$30. This total is stated to represent the net book value of Blackstone's gas facilities and other assets to be transferred.

These related matters should be heard on a consolidated record and 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 December 3, 1959, at 9:30 a.m., e.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 applications: *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 Applicants 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 November 23, 1959. 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.

JOSEPH H. GUTRIDE,  
Secretary.

[F.R. Doc. 59-9388; Filed, Nov. 4, 1959;  
8:46 a.m.]

## FEDERAL REGISTER

[Docket No. G-17174]

### BAYVIEW OIL CORP.

#### Notice of Application and Date of Hearing

OCTOBER 30, 1959.

Take notice that Bayview Oil Corporation (Applicant), an independent producer with its principal place of business in Dallas, Texas, filed on November 28, 1958, in Docket No. G-17174 an application for a certificate of public convenience and necessity, pursuant to section 7(c) of the Natural Gas Act, authorizing the Applicant to continue the sale of gas 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 desires to continue the sale of natural gas to El Paso Natural Gas Company (El Paso) from the H. K. Ridgle Lease in the Gallegos Canyon Field, San Juan County, New Mexico, previously made by its predecessor in interest, McConnell Drilling Corporation (McConnell). This sale is covered by a gas sales contract dated September 23, 1953, as amended, between El Paso, as buyer, and McConnell and O. J. Lilly (Lilly), as sellers, originally accepted for filing as McConnell Drilling Corporation, et al., FPC Gas Rate Schedule No. 1, as supplemented.

On May 26, 1958, McConnell, a wholly-owned subsidiary of Bayview, was dissolved. Pursuant to the plan of dissolution McConnell, by an assignment dated November 26, 1958, conveyed all of its interest in said acreage to Bayview. McConnell, by previous assignment, had acquired Lilly's  $\frac{1}{16}$  interest in the subject lease, thereby making McConnell the owner of the entire interest in said lease.

McConnell and Lilly were granted a certificate in Docket No. G-2808 on August 24, 1956, covering the sale of gas now proposed to be continued by Bayview. Bayview requests that said certificate be cancelled.

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 December 9, 1959, at 9:30 a.m., e.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 Commiss-

sion, Washington 25, D.C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before November 27, 1959. 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.

JOSEPH H. GUTRIDE,  
Secretary.

[F.R. Doc. 59-9387; Filed, Nov. 4, 1959;  
8:45 a.m.]

[Docket No. E-6821]

### CITY OF COLTON, CALIF., AND SOUTHERN CALIFORNIA EDISON CO.

#### Notice of Hearing

OCTOBER 29, 1959.

Pursuant to the Commission's order issued August 28, 1959 (24 F.R. 7145), notice is hereby given that the hearing in the above-designated matter will be held at 10:00 a.m., e.s.t., December 8, 1959, in a hearing room of the Federal Power Commission, 441 G Street NW., Washington, D.C.

JOSEPH H. GUTRIDE,  
Secretary.

[F.R. Doc. 59-9389; Filed, Nov. 4, 1959;  
8:46 a.m.]

[Docket No. G-19376]

### COLUMBIA GULF TRANSMISSION CO.

#### Notice of Application and Date of Hearing

OCTOBER 30, 1959.

Take notice that Columbia Gulf Transmission Company (Applicant), a Delaware corporation with its principal office in Houston, Texas, filed an application in Docket No. G-19376 on September 1, 1959, pursuant to section 7 of the Natural Gas Act for a certificate of public convenience and necessity authorizing the construction and operation of facilities subject to the jurisdiction of the Commission, all as more fully described in the application on file with the Commission, and open to public inspection.

Applicant seeks certificate authority to construct and operate an additional 10,500 horsepower compressor engine unit at its existing Compressor Station No. 2 near Clementsville, Kentucky, for experimental purposes. The proposed unit will consist of one 10,500 horsepower gas turbine as the prime mover of a centrifugal compressor, which will be the only remote controlled unit in the Clementsville Station.

Applicant estimates the total cost of the proposed experimental installation at \$1,554,000 and has entered into an agreement, dated July 15, 1959, with the Cooper-Bessemer Corporation wherein the latter agrees to furnish, without charge, the proposed facilities and its related spare parts for use in the proposed compressor station addition during

## NOTICES

the test period of 8,000 hours or 18 months, whichever occurs first. Cooper-Bessemer has also agreed to pay Applicant the sum of \$250,000 to be applied against the cost of construction. The combined contributions of Cooper-Bessemer is estimated at \$1,025,000 of the total cost of the proposed installation. The cost to the Applicant is estimated at \$529,000 which will cover the remaining cost of materials and labor. In addition, Applicant will furnish the normal operating and maintenance cost of the facilities during the test period, which is estimated at \$223,650 per year.

Applicant states Cooper-Bessemer will own the facilities it furnishes and Applicant will have the option (but not the obligation) to purchase these facilities during the test period at a price of \$1,025,000, and in the event that Applicant does not exercise its option to purchase the facilities, Cooper-Bessemer will remove the units furnished by it.

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 December 15, 1959, at 9:30 a.m., e.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 applications: *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 December 5, 1959. 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.

JOSEPH H. GUTRIDE,  
Secretary.

[F.R. Doc. 59-9340; Filed, Nov. 4, 1959;  
8:46 a.m.]

[Docket No. G-12924, etc.]

**ENGINEERING DEVELOPMENT CO.,  
INC., ET AL.**

**Notice of Applications and Date of  
Hearing**

OCTOBER 29, 1959.

In the matters of Engineering Development Company, Inc., Operator and Spartan Drilling Company, Inc., Agent,

Operator, et al.,<sup>1</sup> Docket Nos. G-12924 and G-12925; Engineering Development Company, Inc., Operator, Docket Nos. G-6301 and G-6303.

Take notice that Engineering Development Company, Inc., Operator (Development) and Spartan Drilling Company, Inc., Agent, Operator, et al. (Spartan) filed joint applications in Docket Nos. G-12924 and G-12925, on July 18, 1957, as amended August 30, 1957, for authorization pursuant to section 7 of the Natural Gas Act, as hereinafter described subject to the jurisdiction of the Commission, all as more fully represented in the joint application which is on file with the Commission and open to public inspection.

The joint applications seek authority for: (1) Development to abandon service to Southern Natural Gas Company (Southern Natural) from The Texas Company, Pickering Lumber Company, and Reed Units, Joaquin Field, Shelby County, Texas and from the Dennis Unit, Logansport Field, De Soto Parish, Louisiana.<sup>2</sup>

The subject gas is being sold under a sales contract dated April 23, 1948, as amended, between G. H. Vaughn and Ed. E. Hurley, as sellers, and Southern Natural, as buyer, covering the Reed and Dennis Units and a contract also dated April 23, 1948, as amended, between G. H. Vaughn, as seller and Southern Natural, as buyer, covering The Texas Company and Pickering Lumber Company Units.

(2) Spartan to continue said service.

The Application states that by three instruments of assignment dated June 28, 1957, Development conveyed the aforementioned unitized leases to Spartan, et al.

Development was authorized on October 18, 1956, in Docket No. G-6303 to render service to Southern Natural from The Texas Company and Pickering Lumber Company Units in the Joaquin Field, Shelby County, Texas, and in Docket No. G-6301<sup>3</sup> from the Dennis and Reed Units in Logansport Field, De Soto Parish, Louisiana and Joaquin Field, Shelby County, Texas, respectively.

The authorization sought herein would render the certificates issued in Dockets Nos. G-6301 and G-6303 subject to cancellation.

These related matters should be heard on a consolidated record and 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 pro-

<sup>1</sup> Applicants are G. H. Vaughn, Jr., Jack C. Vaughn, R. U. Maddox, E. H. Gunter, Earle S. Lougee, W. H. Cardwell, Frank H. Miller, W. C. Lonquist and James W. Elliot.

<sup>2</sup> The sale of gas from The Texas Company and Pickering Lumber Company Units is covered by Spartan's application in Docket No. G-12925, and the sale of gas from the Dennis and Reed Units is covered by Spartan's application in Docket No. G-12924.

<sup>3</sup> On behalf of itself and Ed E. Hurley.

cedure, a hearing will be held on December 8, 1959 at 9:30 a.m., e.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 applications: *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 Applicants 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 November 25, 1959. 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.

JOSEPH H. GUTRIDE,  
Secretary.

[F.R. Doc. 59-9341; Filed, Nov. 4, 1959;  
8:46 a.m.]

[Docket No. G-12637, etc.]

**PAN AMERICAN PETROLEUM CO.  
ET AL.**

**Notice of Applications and Date of  
Hearing**

OCTOBER 29, 1959.

In the matters of Pan American Petroleum Corporation, Docket No. G-12637; Greenbrier Oil Company, Operator, et al.,<sup>1</sup> Docket No. G-13597; Gulf Oil Corporation, Docket No. G-13620; Sun Oil Company,<sup>2</sup> Docket No. G-13626; N. C. Ginther et al.,<sup>3</sup> Docket No. G-13627; Stephen Carlton Clark et al., by Christie, Mitchell and Mitchell, Co., Agent,<sup>4</sup> Docket No. G-13639; A. Z. Skeeters and W. C. Curry, Operators, et al.,<sup>5</sup> Docket No. G-13640; C. L. Roberts et al.,<sup>6</sup> Docket No. G-13645; Mull Drilling Company, Inc., Operator, et al.,<sup>7</sup> Docket No. G-13649; Phillips Petroleum Company, Operator,<sup>8</sup> Docket No. G-13650.

Take notice that each of the above applicants has filed an application for a certificate of public convenience and necessity, pursuant to section 7 of the Natural Gas Act, authorizing each to render service as hereinafter described, subject to the jurisdiction of the Commission, all as more fully represented in the respective applications and amendments and supplements thereto, which are on file with the Commission and open to public inspection.

The respective Applicants produce and propose to sell natural gas for transportation in interstate commerce for resale as indicated below:

See footnotes at end of document.

## Docket No., Field and Location, and Purchaser

G-12637; Yoward Field, Bee County, Tex.; Texas Eastern Transmission Corp.

G-13597; Bailey's Prairie Area, Brazoria County, Tex.; Texas Illinois Natural Gas Pipeline Co.

G-13620; Acreage in Washakie County, Wyo.; Montana-Dakota Utilities Co.

G-13628; South Blanco Field, Rio Arriba County, N. Mex.; Pacific Northwest Pipeline Corp.

G-13627; Atwood East Field Logan County, Colo.; Kansas-Nebraska Natural Gas Co., Inc.

G-13639; North Garwood Field, Colorado County, Tex.; Tennessee Gas Transmission Co.

G-13640; Carthage Field, Panola County, Tex.; Texas Gas Transmission Corp.

G-13645; McGuire-Goemann Field, Barber County, Kans.; Cities Service Gas Co.

G-13649; Elsea Field, Barber County, Kans.; Cities Service Gas Co.

G-13650; Colquitt Field, Claiborne Parish, La.; Arkansas Louisiana Gas Co.

These related matters should be heard on a consolidated record and 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 December 10, 1959, at 9:30 a.m., e.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 applications: *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 Applicants 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 November 25, 1959. 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.

JOSEPH H. GUTRIDE,  
Secretary.

<sup>1</sup> Greenbrier Oil Company, a company comprised of William Hamm, Jr., Marie H. Ankeny, Margaret H. Kelley, Theodora Lang, DeWalt H. Ankeny, James E. Kelley, William H. Lang and Joseph A. Maun, Operator, is filing for itself and on behalf of the following nonoperators: Somerset Land and Cattle Company, Malcolm G. Chace, Jr., J. D. Hedley, and R. Carter Nicholas. The individual partners of the Greenbrier Oil Company and the nonoperators are all signatory seller parties to the subject gas sales contract.

<sup>2</sup> Sun Oil Company is a signatory seller party to the subject gas sales contract through the signature of P. L. Justice, its Attorney-in-Fact.

<sup>3</sup> N. C. Ginther, H. C. Warren and W. L. Ginther are filing jointly and are all signa-

tory seller parties to the subject gas sales contract.

<sup>4</sup> Christie, Mitchell and Mitchell Co., Agent, is filing on behalf of the following co-owners: Stephan Carlton Clark, Investment Corporation of Philadelphia, Johnny Mitchell, Trustee, Oil Drilling, Inc., R. E. Smith, William Stix Wasserman and Waterford Oil Company. Application covers a ratification agreement dated July 1, 1957 of a basic gas sales contract dated November 3, 1953, as amended, between The Ohio Oil Company, Seller, and Tennessee Gas Transmission Company, Buyer. The above-named co-owners are all signatory seller parties to the subject ratification agreement, which has also been signed by Buyer. Said ratification agreement is signed by Christie, Mitchell and Mitchell Co., as Sellers' Representative.

<sup>5</sup> A. Z. Skeeters and W. C. Curry, Operators, are filing for themselves and on behalf of the following non-operators: A. P. Merritt, Carl Casey, Calstar Petroleum Company and P. H. Green Company, Inc. All are signatory seller parties to the subject gas sales contract.

<sup>6</sup> C. L. Roberts, nonoperator, is filing for himself and on behalf of the following additional nonoperators: H. C. Bennett, Russell E. Seifert, Ross Beach, Ross Beach, Jr., Paul Ward, O. Jack Printz, Henry Stern, Harold Wurst, Robert Shaw, Mace Evans and B & B Royalty Co. All are signatory seller parties to the subject gas sales contract.

<sup>7</sup> Mull Drilling Company, Inc., Operator, is filing for itself and on behalf of the following nonoperators: Kay Kimbell and J. Lewell Lafferty. All are signatory seller parties to the subject gas sales contract.

<sup>8</sup> Phillips Petroleum Company, Operator, is filing for itself and as operator of the Sale "B" Lease lists in the application, together with the percentages of working interest of each, the following nonoperators: Republic Natural Gas Company and Crescent Drilling Co. In addition, Phillips is filing for its non-operating interest in three additional leases. Phillips is the sole signatory seller party to the subject gas sales contract.

[F.R. Doc. 59-9342; Filed, Nov. 4, 1959; 8:46 a.m.]

[Docket No. G-19544]

## PHILLIPS PETROLEUM CO.

## Order Fixing Date of Hearing

OCTOBER 29, 1959.

Phillips Petroleum Company, Operator (Applicant) filed an application on September 25, 1959, 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 sell natural gas in interstate commerce to Panhandle Eastern Pipe Line Company for resale, from production from all depths below the base of the Chase Group of the Permian System in Texas County, Oklahoma and Hansford and Sherman Counties, Texas, under a "Deep Gas Contract" dated September 22, 1959.

The Commission finds: It is necessary and appropriate to carry out the provisions of the Natural Gas Act, and the public convenience and necessity require that the above-entitled matter be scheduled for hearing as hereinafter ordered.

The Commission orders:

(A) 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 December 15, 1959 at 9:30 a.m., e.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.*

(B) 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 November 24, 1959.

(C) This order shall constitute notice of the filing of the foregoing application.

By the Commission (Commissioner Connole dissenting, filed a separate statement).<sup>1</sup>

JOSEPH H. GUTRIDE,  
Secretary.

[F.R. Doc. 59-9343; Filed, Nov. 4, 1959; 8:46 a.m.]

## GENERAL SERVICES ADMINISTRATION

[Delegation of Authority No. 372]

## SECRETARY OF DEFENSE

## Delegation of Authority

1. Pursuant to the provisions of sections 201(a) (4) and 205 (d) and (e) of the Federal Property and Administrative Services Act of 1949, 63 Stat. 377, as amended, authority to represent the interests of the executive agencies of the Federal Government in the matter of Arizona Public Service Company—Increased Gas and Electric Rates, before the Arizona Corporation Commission, is hereby delegated to the Secretary of Defense.

2. The Secretary of Defense is hereby authorized to redelegate any of the authority contained herein to any officer, official or employee of the Department of Defense.

3. The authority conferred herein shall be exercised in accordance with the policies, procedures and controls prescribed by the General Services Administration, and shall further be exercised in cooperation with the responsible officers, officials and employees of General Services Administration.

4. This delegation of authority shall be effective October 20, 1959.

FRANKLIN FLOETE,  
Administrator.

OCTOBER 29, 1959.

[F.R. Doc. 59-9371; Filed, Nov. 4, 1959; 8:50 a.m.]

<sup>1</sup> Filed as part of the original document.

## NOTICES

## DEPARTMENT OF LABOR

Office of the Secretary

MICHIGAN EMPLOYMENT SECURITY  
COMMISSION

## Notice of and Order of Dismissal

In the matter of the hearing to the Michigan Employment Security Commission pursuant to section 3303(b)(3) of the Internal Revenue Code of 1954.

On reading and filing the attached subscribed joint motion to said effect;

*It is hereby ordered*, That the above captioned proceedings be dismissed.

Dated: October 31, 1959.

JAMES P. MITCHELL,  
Secretary of Labor.

## JOINT MOTION TO DISMISS

It appearing that the Michigan Legislature on October 29, 1959, enacted Senate Bill No. 1370, and that the same was signed by the Governor of the State of Michigan on October 30, 1959.

And it further appearing that said Senate Bill No. 1370 was entitled to and was given, under appropriate Michigan law, immediate effect;

And it further appearing that said law, amending the Michigan Employment Security Act, removes the conformity question described in the Notice of Hearing appearing in 24 F.R. 7589;

Now, therefore, it is jointly moved by the Bureau of Employment Security of the United States Department of Labor and the Employment Security Commission of the State of Michigan, through their respective counsel, that the Hearing Examiner in the above entitled proceedings recommend to the Secretary of Labor that the said proceedings be dismissed and that an order to that effect be issued by the Secretary of Labor.

HAROLD C. NYSTROM,  
Deputy Solicitor of Labor.

ALBERT D. MISLER,  
Assistant Solicitor.

LOUISE F. FREEMAN,  
Chief Attorney,  
Unemployment Insurance Branch.

Signed by: Albert D. Misler,  
ALBERT D. MISLER,  
For the United States  
Department of Labor.

PAUL L. ADAMS,  
Attorney General of Michigan.

GEORGE M. BOURGON,  
Assistant Attorney General of Michigan.

Signed by: George M. Bourgon,  
GEORGE M. BOURGON,  
Attorneys for Employment Security  
Commission of the State of Michigan.

Dated: October 30, 1959.

It is recommended that the above joint motion to dismiss be granted.

Dated: October 30, 1959.

E. WEST PARKINSON,  
Hearing Examiner.

[F.R. Doc. 59-9372; Filed, Nov. 4, 1959;  
8:50 a.m.]

Wage and Hour Division  
LEARNER EMPLOYMENT  
CERTIFICATES

## Issuance to Various Industries

Notice is hereby given that pursuant to section 14 of the Fair Labor Standards Act of 1938 (52 Stat. 1060, as amended, 29 U.S.C. 201 et seq.), the regulations on employment of learners (29 CFR Part 522), Administrative Order No. 485 (23 F.R. 200) and Administrative Order No. 507 (23 F.R. 2720), the firms listed in this notice have been issued special certificates authorizing the employment of learners at hourly wage rates lower than the minimum wage rates otherwise applicable under section 6 of the Act. The effective and expiration dates, occupations, wage rates, number or proportion of learners, learning periods, and the principal product manufactured by the employer for certificates issued under general learner regulations (§§ 522.1 to 522.11) are as indicated below. Conditions provided in certificates issued under special industry regulations are as established in these regulations.

Apparel Industry Learner Regulations (29 CFR 522.1 to 522.11, as amended, and 29 CFR 522.20 to 522.24, as amended).

The following learner certificates were issued authorizing the employment of ten percent of the total number of factory production workers for normal labor turnover purposes. The effective and expiration dates are indicated.

Michael Berkowitz Co., Inc., Barton Mill Rd., Uniontown, Pa.; effective 10-28-59 to 10-27-60 (ladies', children's and men's pajamas).

Blackwelder Manufacturing Co., Inc., Yadkinville Highway, Mocksville, N.C.; effective 10-25-59 to 10-24-60 (men's sport shirts, ladies' blouses).

J. H. Bonck Co., Inc., 110 South Jefferson Davis Parkway, New Orleans, La.; effective 10-26-59 to 10-25-60 (men's and boys' woven sport shirts).

Boonville Manufacturing Corp., 302-316 North Second Street, Boonville, Ind.; effective 11-1-59 to 10-31-60; workers engaged in the production of men's woven pajamas.

Carthage Shirt Corp., Carthage, Tenn.; effective 11-1-59 to 10-31-60 (men's and boys' dress and sport shirts).

Cluett, Peabody and Co., Inc., Eagle Bldg., Shamokin, Pa.; effective 11-4-59 to 11-3-60 (men's sport shirts).

Cowden Manufacturing Co., 124 Apperson Heights, Mt. Sterling, Ky.; effective 10-23-59 to 10-22-60 (men's and boys' denim dungarees, work suits and coats).

Dixie Manufacturing Co., Plant No. 1, South Main Street, Columbia, Tenn.; effective 11-1-59 to 10-31-60 (slacks, pedal pushers, shorts).

Eureka Pants Manufacturing Co., Madison Street, Shelbyville, Tenn.; effective 10-27-59 to 10-26-60 (work pants and shirts).

Fly Manufacturing Co., 204 South Main Street, Shelbyville, Tenn.; effective 10-27-59 to 10-26-60 (work pants, overalls, dungarees, jackets).

Frackville Pajamas, Inc., Ninth and Scull Streets, Lebanon, Pa.; effective 10-31-59 to 10-30-60 (men's and boys' pajamas).

H & H Dress Co., 410 Washington Street, Jermyn, Pa.; effective 10-22-59 to 10-21-60 (ladies' dresses).

Hanover Shirt Co., Inc., Ashland, Va.; effective 10-23-59 to 10-22-60 (men's corduroy sport shirts).

Hawkinsville Manufacturing Co., Inc., Hawkinsville, Ga.; effective 10-24-59 to 10-23-60 (children's and ladies' outerwear, jackets).

Hanson, Inc., Lawrenceville, Ga.; effective 10-23-59 to 10-22-60 (men's and boys' work and dress pants).

Hubbard Pants Co., Bremen, Ga.; effective 11-1-59 to 10-31-60 (men's and boys' dress slacks).

Hunter-Sadler Co., Sport Shirt Department, Strauss Street, Tupelo, Miss.; effective 10-21-59 to 7-15-60; workers employed in the production of apparel included in Section 522.21 (b), (c), (d), (e), and (f) of the apparel industry learner regulations (replacement certificate) (men's and boys' jackets and sport shirts).

F. Jacobson & Sons, Inc., Charlottesville, Va.; effective 10-24-59 to 10-23-60 (men's pajamas).

Charles Meyers and Co., First and Harrison Streets, Belleville, Ill.; effective 11-1-59 to 10-31-60 (men's trousers).

Mid-South Manufacturing Co., Inc., Richardson, Miss.; effective 10-19-59 to 10-18-60 (work pants and shirts).

Milan Shirt Manufacturing Co., Milan, Tenn.; effective 11-4-59 to 11-3-60 (cotton work shirts; cotton and rayon western shirts).

Mt. Pleasant Garment Corp., First Avenue, Mt. Pleasant, Tenn.; effective 10-23-59 to 10-22-60 (boys' sport shirts).

Penn Childrens Dress Co., 831 Lackawanna Avenue, Mayfield, Pa.; effective 10-26-59 to 10-25-60 (children's and girls' dresses and playuits).

Regal Shirt Corp., 125 West Center Street, Millersburg, Pa.; effective 10-26-59 to 10-25-60 (men's dress and sport shirts).

Regal Shirt Corp., Second and Pine Streets, Catawissa, Pa.; effective 10-21-59 to 10-20-60 (men's sport shirts).

Rob Roy Co., Inc., Cambridge, Md.; effective 11-1-59 to 10-31-60 (boys' shirts).

Shane Uniform Co., Inc., 2015 West Maryland Street, Evansville, Ind.; effective 10-31-59 to 10-30-60; workers engaged in the production of women's service uniforms.

Shane Uniform Co., Inc., 2015 West Maryland Street, Evansville, Ind.; effective 10-31-59 to 10-30-60; workers engaged in the production of men's service uniforms.

Shelburne Shirt Co., Inc., 69 Alden Street, Fall River, Mass.; effective 11-1-59 to 10-31-60 (men's dress shirts).

Susan Garments, Inc., Winnsboro, La.; effective 11-1-59 to 10-31-60 (sportswear and outerwear, men's and boys' cotton trousers).

Triple A Trouser Manufacturing Co., Inc., 1429-31 Capouse Avenue, Scranton, Pa.; effective 11-1-59 to 10-31-60 (boys' trousers).

Walhalla Garment Co., Inc., Walhalla, S.C.; effective 11-1-59 to 10-31-60 (women's wash dresses).

The following learner certificates were issued for normal labor turnover purposes. The effective and expiration dates and the number of learners authorized are indicated.

Anderson Brothers Consolidated Co's, Inc., Floyd and High Streets, Danville, Va.; effective 10-31-59 to 10-30-60; 10 learners (men's and women's work clothes).

Athens Garment Co., 208 North Marion Street, Athens, Ala.; effective 10-24-59 to 10-23-60; 10 learners (work shirts).

Checotah Manufacturing Co., Checotah, Okla.; effective 10-22-59 to 10-21-60; 10 learners (women's and children's washable peddlepushers, shorts).

Frackville Pajamas, Inc., Schaefferstown, Pa.; effective 10-31-59 to 10-30-60; five learners (men's and boys' pajamas).

Quality Tailoring Corp., 412 Boonville Street, Springfield, Mo.; effective 10-22-59 to 10-21-60; 10 learners (men's dress slacks).

Rob Roy Co., Inc., Vienna, Md.; effective 10-21-59 to 10-20-60; 10 learners (boys' shirts).

Silver-Belle Manufacturing Co., 901 Pittston Avenue, Scranton, Pa.; effective 10-22-59 to 10-21-60; two learners (ladies' cotton aprons).

Vivian Sportswear, 14 North Pennsylvania Avenue, Wilkes-Barre, Pa.; effective 10-26-59 to 10-25-60; six learners (women's dresses).

The following learner certificates were issued for plant expansion purposes. The effective and expiration dates and the number of learners authorized are indicated.

Altamont Shirt Corp., Altamont, Tenn.; effective 10-22-59 to 3-6-60; 100 learners (supplemental certificate) (men's low priced dress shirts).

Blairsville Mfg. Co., Inc., Blairsville, Ga.; effective 10-26-59 to 4-25-60; 50 learners (ladies' dresses).

Dublin Garment Co., Dublin, Ga.; effective 10-28-59 to 4-27-60; 20 learners (men's and boys' sport shirts).

The Moyer Co., Commerce and Walnut Streets, Youngstown, Ohio; effective 10-23-59 to 4-22-60; 15 learners engaged in the production of men's slacks.

Fred Ronald Manufacturing Co., 3339 Main Street, Parsons, Kansas; effective 10-28-59 to 4-27-60; 20 learners (boys' shirts and pants).

Glove Industry Learner Regulations (29 CFR 522.1 to 522.11, as amended, and 29 CFR 522.60 to 522.66, as amended).

Good Luck Glove Co., Carbondale, Ill.; effective 10-22-59 to 10-21-60; 10 percent of the total number of machine stitchers for normal labor turnover purposes (cotton, jersey, and leather combination gloves).

Hosiery Industry Learner Regulations (29 CFR 522.1 to 522.11, as amended, and 29 CFR 522.40 to 522.44, as amended).

The following learner certificates were issued authorizing the employment of five percent of the total number of factory production workers for normal labor turnover purposes. The effective and expiration dates are indicated.

Adams-Mills Corp., 400 English Street, High Point, N.C.; effective 10-31-59 to 10-30-60 (ladies' seamless and full-fashioned hosiery, men's and misses' half-hose).

Bear Brand Hosiery Co., Fayetteville, Ark.; effective 10-31-59 to 10-30-60 (seamless).

Bear Brand Hosiery Co., Henderson, Ky.; effective 10-31-59 to 10-30-60 (seamless).

Russell Hosiery Mills, Inc., Drawer 128, Star, N.C.; effective 10-31-59 to 10-30-60 (seamless).

The following learner certificates were issued for normal labor turnover purposes. The effective and expiration dates and the number of learners authorized are indicated.

Bear Brand Hosiery Co., Siloam Springs, Ark.; effective 10-31-59 to 10-30-60; five learners (seamless).

Bear Brand Hosiery Co., Paxton, Ill.; effective 10-31-59 to 10-30-60; five learners (full-fashioned).

Bear Brand Hosiery Co., Kearney, Nebr.; effective 10-31-59 to 10-30-60; five learners (full-fashioned).

Hansen Hosiery Mills, Inc., 176 South Coldbrook Ave., Chambersburg, Pa.; effective 10-31-59 to 10-30-60; five learners (full-fashioned).

The following learner certificates were issued for plant expansion purposes. The effective and expiration dates and the number of learners authorized are indicated.

Charles H. Bacon Co., Inc., Loudon, Tenn.; effective 10-26-59 to 4-25-60; 10 learners (full-fashioned, seamless).

Burlington Industries, Inc., Scottsboro Hosiery Plant, Scottsboro, Ala.; effective 10-20-59 to 4-6-60; 25 learners (supplemental certificate) (seamless).

Knitted Wear Industry Learner Regulations (29 CFR 522.1 to 522.11, as amended, and 29 CFR 522.30 to 522.35, as amended).

Boonville Manufacturing Corp., 302-316 North Second Street, Boonville, Ind.; effective 11-1-59 to 10-31-60; 5 percent of the total number of factory production workers engaged in the production of men's underwear (woven) for normal labor turnover purposes.

William Carter Co., 400 East Main, Senatobia, Miss.; effective 10-26-59 to 10-25-60; 5 percent of the total number of factory production workers for normal labor turnover purposes (men's, women's, and children's cotton pants (underwear)).

Gulf Coast Garment Manufacturing Co., 102 Fourth Street, Port St. Joe, Fla.; effective 10-26-59 to 4-25-60; 20 learners for plant expansion purposes (children's outerwear, underwear).

Iredell Knitting Mills, Inc., Statesville, N.C.; effective 10-26-59 to 10-25-60; 5 percent of the total number of factory production workers for normal labor turnover purposes (men's, women's, and children's underwear and outerwear).

Shoe Industry Learner Regulations (29 CFR 522.1 to 522.11, as amended, and 29 CFR 522.50 to 522.55, as amended).

Westminster Shoe Co., Inc., East Green Street, Westminster, Md.; effective 10-22-59 to 10-21-60; 10 percent of the total number of factory production workers for normal labor turnover purposes (women's dress and work shoes).

Regulations Applicable to the Employment of Learners (29 CFR 522.1 to 522.11, as amended).

Hunter-Sadler Co., Suit and Sports Coat Department, Strauss Street, Tupelo, Miss.; effective 10-21-59 to 7-15-60; 5 percent of the total number of factory production workers engaged in the production of suit and sport coats in the occupations of sewing machine operating, final pressing, hand sewing, and finishing operations involving hand sewing each for a learning period of 480 hours at the rates of not less than 90 cents an hour for the first 280 hours and not less than 95 cents an hour for the remaining 200 hours (replacement certificate).

Palm Beach Co., Bourne Avenue, Somerset, Ky.; effective 10-24-59 to 4-23-60; 5 percent of the total number of factory production workers for normal labor turnover purposes in the occupations of sewing machine operator, final presser, and hand sewer each for a learning period of 480 hours at the rates of at least 90 cents an hour for the first 280 hours and not less than 95 cents an hour for the remaining 200 hours (men's "Palm Beach" coats).

The following learner certificates were issued in Puerto Rico to the companies

hereinafter named. The effective and expiration dates, learner rates, occupations, learning periods, and the number or proportion of learners authorized to be employed, are as indicated.

Carolina Rubber Manufacturing Corp., Carolina, P.R.; effective 10-12-59 to 4-11-60; 10 learners for plant expansion purposes in the occupations of: (1) pressmen for a learning period of 480 hours at the rates of 75 cents an hour for the first 240 hours and 88 cents an hour for the remaining 240 hours; (2) compounders for a learning period of 320 hours at the rates of 75 cents an hour for the first 160 hours and 88 cents an hour for the remaining 160 hours; (3) inspectors for a learning period of 160 hours at the rate of 75 cents an hour (technical rubber parts).

Electro Magnetic Products, Inc., Hato Rey Industrial Subdivision, Lot No. 8, Hato Rey, P.R.; effective 10-12-59 to 4-11-60; 15 learners for plant expansion purposes in the occupations of coil winding, soldering, assembling, the single occupation of testing and inspection each for a learning period of 480 hours at the rates of 72 cents an hour for the first 240 hours and 81 cents an hour for the remaining 240 hours (small radio and TV transformers).

Pedro Ochoa, Sucr. No. 1 Acosta Street, Caguas, P.R.; effective 10-7-59 to 4-6-60; 50 learners for plant expansion purposes in the occupations of: (1) sewing machine operators, buttonhole machine operators, tackers, serging machine operators, final pressing each for a learning period of 480 hours at the rates of 54 cents an hour for the first 240 hours and 63 cents an hour for the remaining 240 hours; (2) pressing other than final pressing, machine operations other than sewing machine, machine trimming, final inspection of fully assembled garments each for a learning period of 160 hours at the rate of 54 cents an hour (men's pants).

Mira-Mar Manufacturing Co., Inc., Catano, P.R.; effective 10-16-59 to 4-15-60; eight learners for plant expansion purposes in the occupation of sewing machine operators for a learning period of 480 hours at the rates of 60 cents an hour for the first 320 hours and 70 cents an hour for the remaining 160 hours (girdles).

Each learner certificate has been issued upon the representations of the employer which, among other things, were that employment of learners at sub-minimum rates is necessary in order to prevent curtailment of opportunities for employment, and that experienced workers for the learner occupations are not available. The certificates may be annulled or withdrawn, as indicated therein, in the manner provided in Part 528 of Title 29 of the Code of Federal Regulations. Any person aggrieved by the issuance of any of these certificates may seek a review or reconsideration thereof within fifteen days after publication of this notice in the FEDERAL REGISTER pursuant to the provisions of 29 CFR 522.9.

Signed at Washington, D.C., this 28th day of October 1959.

ROBERT G. GRONEWALD,  
Authorized Representative  
of the Administrator.

[F.R. Doc. 59-9356: Filed, Nov. 4, 1959;  
8:48 a.m.]

## NOTICES

INTERSTATE COMMERCE  
COMMISSION

[Notice 216]

MOTOR CARRIER TRANSFER  
PROCEEDINGS

NOVEMBER 2, 1959.

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 62508. By order of October 29, 1959, the Transfer Board approved the transfer to Elwin Ginter, doing business as Schuyler Trucking, Northville, N.Y., of Certificate No. MC 1138, issued July 22, 1941, to Nelson Schuyler, Northville, N.Y., authorizing the transportation of: General commodities, excluding household goods, commodities in bulk, and other specified commodities, between Northville, N.Y., and Lake Pleasant, N.Y., serving all intermediate points on the authorized routes. George F. Murphy, 8 South William Street, Johnstown, N.Y., for applicants.

No. MC-FC 62638. By order of October 29, 1959, the Transfer Board approved the transfer to Robert J. Powell, doing business as Kootenai River Bus Lines, 106 Cottonwood Avenue, Deer Lodge, Montana, of a portion of the operating rights in Certificate No. MC 26451 Sub 1, issued November 21, 1950, to Intermountain Transportation Company, a Corporation, 7-9 Main Street, Anaconda, Mont., authorizing the transportation, over a regular route, from Kalispell, Mont., to Bonners Ferry, Idaho.

No. MC-FC 62668. By order of October 30, 1959, the Transfer Board approved to Zephia Odell Clark, Martinsburg, W. Va., of Certificate No. MC 10823, issued April 17, 1959, in the name of Earl Beavers, Martinsburg, W. Va., authorizing the transportation of household goods, between points in Berkeley County, W. Va., on the one hand, and, on the other, points in Virginia, West Virginia, and Maryland. Eleanor A.

Pritts, Martinsburg, W. Va., for applicants.

[SEAL] HAROLD D. MCCOY,  
Secretary.

[F.R. Doc. 59-9368; Filed, Nov. 4, 1959;  
8:50 a.m.]

FOURTH SECTION APPLICATIONS  
FOR RELIEF

NOVEMBER 2, 1959.

Protests to the granting of an application must be prepared in accordance with Rule 40 of the general rules of practice (49 CFR 1.40) and filed within 15 days from the date of publication of this notice in the *FEDERAL REGISTER*.

## LONG-AND-SHORT HAUL

FSA No. 35796: *Iron and steel ingots—Cincinnati, Ohio, and Newport, Ky., to Riverdale, Ill.* Filed by the Traffic Executive Association-Eastern Railroads, Agent (CTR No. 2420), for interested rail carriers. Rates on iron and steel ingots, carloads from Cincinnati, Ohio, and Newport, Ky., to Riverdale, Ill.

Grounds for relief: Barge competition.

Tariff: Supplement 21 to Traffic Executive Association-Eastern Railroads, Agent, tariff I.C.C. 4807 (Hinsch series).

FSA No. 35797: *Products of Alfalfa—Western Points to Points in Southern Territory.* Filed by Western Trunk Line Committee, Agent (No. A-2095), for interested rail carriers. Rates on alfalfa, chopped or ground (alfalfa meal) and alfalfa, ground and pressed into cubes or pellets, carloads from specified origins in Colorado, Kansas, Missouri, Nebraska, and South Dakota to destinations in southern territory except Memphis, Tenn., Natchez and Vicksburg, Miss., and New Orleans, La., and points grouped with named destinations in the National Rate Basis tariff.

Grounds for relief: Short line distance formula. Alleged truck and barge competition from and to certain points. Maintenance of higher-level rates in intermediate territories.

Tariff: Western Trunk Line Committee, Agent, tariff I.C.C. A-4295.

FSA No. 35798: *Class rates—Pan Atlantic Steamship Corporation.* Filed by Pan Atlantic Steamship Corporation (No. 21), for interested carriers. Rates on various commodities moving on class rates loaded in trailers and transported over joint motor-water, water-motor, and motor-water-motor routes of applicant motor carriers and the Pan-Atlantic Steamship Corporation between specified points in Vermont and New Hampshire, on the one hand, and specified points in

Louisiana and Texas, on the other; also between such Vermont and New Hampshire points, on the one hand, and Jacksonville, Miami, and Tampa, Fla., and New Orleans, La., on the other.

Grounds for relief: Rail-water, water-rail, and rail-water-rail competition.

Tariffs: Supplement 7 to Pan Atlantic Steamship Corporation tariff I.C.C. No. 277 and two other schedules.

FSA No. 35799: *Iron and steel articles—Official territory to the south.* Filed by O. E. Schultz, Agent (ER No. 2517), for interested rail carriers. Rates on iron and steel articles, carloads from points in central Illinois, New England, and trunk line territories, in States or portions thereof named or described in the application to destinations in southern territory as described in the application.

Grounds for relief: Short-line distance formula, grouping, short or weak-line arbitraries, also Florida arbitraries, and maintenance of higher-level rates in intermediate territories.

Tariffs: Traffic Executive Association-Eastern Railroads, Agent, tariff I.C.C. C-90. Supplement 19 to Illinois Freight Association, Agent, tariff I.C.C. 907.

FSA No. 35800: *Starch—St. Louis, Mo., group to Palatka and Yulee, Fla.* Filed by O. W. South, Jr., Agent (SFA No. A3860), for interested rail carriers. Rates on starch, liquid, in tank cars, carloads, also starch, in bulk, carloads, as more fully described in the application from St. Louis, Mo., and East St. Louis, Ill., to Palatka and Yulee, Fla.

Grounds for relief: Market competition with other kinds and descriptions of starch from and to the same points.

Tariff: Supplement 167 to Southern Freight Association, Agent, tariff I.C.C. 1548.

FSA No. 35801: *Fine coal—Southeastern mines to Tampa, Fla.* Filed by O. E. South, Jr., Agent (SFA No. A3861), for interested rail carriers. Rates on fine coal, carloads, as described in the application from mines in Alabama, Kentucky, Tennessee, and Virginia on the Southern Railway Company to Tampa, Fla.

Grounds for relief: Market competition at Tampa with like coal from competing mines in same States on other carriers.

Tariffs: Supplement 77 to Southern Freight Association, Agent, tariff I.C.C. 1332. Supplement 21 to Southern Freight Association, Agent, tariff I.C.C. S-39.

By the Commission.

[SEAL] HAROLD D. MCCOY,  
Secretary.

[F.R. Doc. 59-9367; Filed, Nov. 4, 1959;  
8:50 a.m.]

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