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# FEDERAL REGISTER

VOLUME 29 NUMBER 60

Washington, Thursday, March 26, 1964

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# Codification Guide

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**A cumulative guide is published separately at the end of each month. The guide lists the parts and sections affected by documents published since January 1, 1964, and specifies how they are affected.**

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FEDERAL REGISTER

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# Rules and Regulations

## Title 5—ADMINISTRATIVE PERSONNEL

### Chapter I—Civil Service Commission

### PART 534—PAY UNDER OTHER SYSTEMS

#### Maximum Stipends

*Correction*

In F.R. Doc. 64–2722, appearing at page 3559 of the issue for Friday, March 20, 1964, the following correction is made in § 534.202:

In paragraph (b), the phrase in the first paragraph of category positions now reading, "Approved year college level training____ L–2", should be corrected to read, "Approved training after a minimum of one year college level training____ L–2".

## Title 7—AGRICULTURE

### Chapter III—Agricultural Research Service, Department of Agriculture

[P.P.C. 612]

### PART 301—DOMESTIC QUARANTINE NOTICES

#### Subpart—Khapra Beetle

ADMINISTRATIVE INSTRUCTIONS DESIGNATING CERTAIN PREMISES AS REGULATED AREA

Pursuant to § 301.76–2 of the regulations supplemental to the Khapra Beetle Quarantine (7 CFR 301.76–2) under sections 8 and 9 of the Plant Quarantine Act of 1912, as amended (7 U.S.C. 161, 162), administrative instructions are hereby issued as follows, listing premises in which infestation of the khapra beetle has been determined to exist and designating such premises as a regulated area within the meaning of said quarantine and regulations.

**§ 301.76–2a Administrative instructions designating certain premises as regulated area under the khapra beetle quarantine and regulations.**

Infestation of the khapra beetle has been determined to exist in the premises listed below. Accordingly, such premises are hereby designated as a regulated area within the meaning of the provisions in this subpart:

ARIZONA

S & W Feed Lot, P.O. Box 1590, Yuma, located 1 mile east of Gila Center Store and ½ mile north of Highway 95.

(Sec. 9, 37 Stat. 318; 7 U.S.C. 162. Interprets or applies sec. 8, 37 Stat. 318, as amended; 7 U.S.C. 161. 19 F.R. 74, as amended; 7 CFR 301.76–2)

These administrative instructions shall become effective March 26, 1964.

These administrative instructions designate certain premises in Arizona, in which khapra beetle infestation has been determined to exist, as a regulated area under the khapra beetle quarantine and regulations.

These instructions impose restrictions supplementing khapra beetle quarantine regulations already in effect. They must be made effective promptly in order to carry out the purposes of the regulations. Accordingly, under section 4 of the Administrative Procedure Act (5 U.S.C. 1003), it is found upon good cause that notice and other public procedure with respect to the foregoing administrative instructions are impracticable and contrary to the public interest, and good cause is found for making the effective date thereof less than 30 days after publication in the FEDERAL REGISTER.

Done at Hyattsville, Md., this 23d day of March 1964.

[SEAL] D. R. SHEPHERD,
*Acting Director,*
*Plant Pest Control Division.*

[F.R. Doc. 64–2916; Filed, Mar. 25, 1964; 8:50 a.m.]

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### Chapter IV—Federal Crop Insurance Corporation, Department of Agriculture

### PART 401—FEDERAL CROP INSURANCE

#### Subpart—Regulations for the 1961 and Succeeding Crop Years

APPENDIX; COUNTIES DESIGNATED FOR BARLEY CROP INSURANCE

Pursuant to authority contained in § 401.1 of the above-identified regulations, as amended, the following counties are hereby added to the lists of counties published in the FEDERAL REGISTER on March 27, 1963 (28 F.R. 2977), August 3, 1963 (28 F.R. 7931), August 30, 1963 (28 F.R. 9501), and December 20, 1963 (28 F.R. 13863), which were designated for barley crop insurance for the 1964 crop year.

MONTANA

Big Horn. Fallon.

PENNSYLVANIA

Cumberland.

(Secs. 506, 516, 52 Stat. 73, as amended, 77, as amended; 7 U.S.C. 1506, 1516)

[SEAL] JOHN N. LUFT,
*Manager,*
*Federal Crop Insurance Corporation.*

[F.R. Doc. 64–2918; Filed, Mar. 25, 1964; 8:50 a.m.]

### PART 401—FEDERAL CROP INSURANCE

#### Subpart—Regulations for the 1961 and Succeeding Crop Years

APPENDIX; COUNTY DESIGNATED FOR CORN CROP INSURANCE

Pursuant to authority contained in § 401.1 of the above-identified regulations, as amended, the following county is hereby added to the lists of counties published in the FEDERAL REGISTER on August 17, 1963 (28 F.R. 8439), and December 20, 1963 (28 F.R. 13863), which were designated for corn crop insurance for the 1964 crop year.

MINNESOTA

Pope.

(Secs. 506, 516, 52 Stat. 73, as amended, 77, as amended; 7 U.S.C. 1506, 1516)

[SEAL] JOHN N. LUFT,
*Manager,*
*Federal Crop Insurance Corporation.*

[F.R. Doc. 64–2919; Filed, Mar. 25, 1964; 8:50 a.m.]

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### PART 401—FEDERAL CROP INSURANCE

#### Subpart—Regulations for the 1961 and Succeeding Crop Years

APPENDIX; COUNTY DESIGNATED FOR COTTON CROP INSURANCE

Pursuant to authority contained in § 401.1 of the above-identified regulations, as amended, the following county is hereby added to the lists of counties published in the FEDERAL REGISTER on August 17, 1963 (28 F.R. 8441), and December 20, 1963 (28 F.R. 13863), which were designated for cotton crop insurance for the 1964 crop year.

NORTH CAROLINA

Greene.

(Secs. 506, 516, 52 Stat. 73, as amended, 77, as amended; 7 U.S.C. 1506, 1516)

[SEAL] JOHN N. LUFT,
*Manager,*
*Federal Crop Insurance Corporation.*

[F.R. Doc. 64–2920; Filed, Mar. 25, 1964; 8:50 a.m.]

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### PART 401—FEDERAL CROP INSURANCE

#### Subpart—Regulations for the 1961 and Succeeding Crop Years

APPENDIX; DELETION FROM LIST OF COUNTIES DESIGNATED FOR COTTON CROP INSURANCE

Gaines County, Texas, is hereby deleted from the list of counties published

in the FEDERAL REGISTER on August 17, 1963 (28 F.R. 8441), which were designated for cotton crop insurance for the 1964 crop year pursuant to the authority contained in § 401.1 of the above-identified regulations.

(Secs. 506, 516, 52 Stat. 73, as amended, 77, as amended; 7 U.S.C. 1506, 1516)

[SEAL] JOHN N. LUFT,
*Manager,*
*Federal Crop Insurance Corporation.*

[F.R. Doc. 64-2921; Filed, Mar. 25, 1964; 8:51 a.m.]

## PART 401—FEDERAL CROP INSURANCE

### Subpart—Regulations for the 1961 and Succeeding Crop Years

APPENDIX; COUNTIES DESIGNATED FOR DRY BEAN CROP INSURANCE

The appendix designating counties for dry bean crop insurance for the 1964 crop year which was published in the FEDERAL REGISTER on August 17, 1963 (28 F.R. 8439), is hereby amended by adding "pink" to the classes of beans on which insurance is offered in the following counties.

WASHINGTON

Adams. Grant.
Franklin.

(Secs. 506, 516, 52 Stat. 73, as amended, 77, as amended; 7 U.S.C. 1506, 1516)

[SEAL] JOHN N. LUFT,
*Manager,*
*Federal Crop Insurance Corporation.*

[F.R. Doc. 64-2922; Filed, Mar. 25, 1964; 8:51 a.m.]

## PART 401—FEDERAL CROP INSURANCE

### Subpart—Regulations for the 1961 and Succeeding Crop Years

APPENDIX; COUNTY DESIGNATED FOR FLAX CROP INSURANCE

Pursuant to authority contained in § 401.1 of the above-identified regulations, as amended, the following county is hereby added to the list of counties published in the FEDERAL REGISTER on August 17, 1963 (28 F.R. 8441), which were designated for flax crop insurance for the 1964 crop year.

MINNESOTA

Ottertail.

(Secs. 506, 516, 52 Stat. 73, as amended, 77, as amended; 7 U.S.C. 1506, 1516)

[SEAL] JOHN N. LUFT,
*Manager,*
*Federal Crop Insurance Corporation.*

[F.R. Doc. 64-2923; Filed, Mar. 25, 1964; 8:51 a.m.]

## PART 401—FEDERAL CROP INSURANCE

### Subpart—Regulations for the 1961 and Succeeding Crop Years

APPENDIX; COUNTY DESIGNATED FOR OAT CROP INSURANCE

Pursuant to authority contained in § 401.1 of the above-identified regulations, as amended, the following county is hereby added to the list of counties published in the FEDERAL REGISTER on August 20, 1963 (28 F.R. 9140), which were designated for oat crop insurance for the 1964 crop year.

WISCONSIN

La Crosse.

(Secs. 506, 516, 52 Stat. 73, as amended, 77, as amended; 7 U.S.C. 1506, 1516)

[SEAL] JOHN N. LUFT,
*Manager,*
*Federal Crop Insurance Corporation.*

[F.R. Doc. 64-2924; Filed, Mar. 25, 1964; 8:51 a.m.]

## PART 401—FEDERAL CROP INSURANCE

### Subpart—Regulations for the 1961 and Succeeding Crop Years

APPENDIX; COUNTIES DESIGNATED FOR PEA (CANNING AND FREEZING) CROP INSURANCE

Pursuant to authority contained in § 401.1 of the above-identified regulations, as amended, the following counties are hereby added to the list of counties published in the FEDERAL REGISTER on August 20, 1963 (28 F.R. 9140), which were designated for pea (canning and freezing) crop insurance for the 1964 crop year.

WISCONSIN

Columbia. Fond du Lac.
Dane.

(Secs. 506, 516, 52 Stat. 73, as amended, 77, as amended; 7 U.S.C. 1506, 1516)

[SEAL] JOHN N. LUFT,
*Manager,*
*Federal Crop Insurance Corporation.*

[F.R. Doc. 64-2925; Filed, Mar. 25, 1964; 8:51 a.m.]

## PART 401—FEDERAL CROP INSURANCE

### Subpart—Regulations for the 1961 and Succeeding Crop Years

APPENDIX; COUNTY DESIGNATED FOR PEANUT CROP INSURANCE

Pursuant to authority contained in § 401.1 of the above-identified regulations, as amended, the following county is hereby added to the list of counties published in the FEDERAL REGISTER on August 20, 1963 (28 F.R. 9141), which were designated for peanut crop insurance for the 1964 crop year. The type of peanuts on which insurance is offered is shown opposite the county name.

VIRGINIA

Prince George-Virginia Type.

(Secs. 506, 516, 52 Stat. 73, as amended, 77, as amended; 7 U.S.C. 1506, 1516)

[SEAL] JOHN N. LUFT,
*Manager,*
*Federal Crop Insurance Corporation.*

[F.R. Doc. 64-2926; Filed, Mar. 25, 1964; 8:52 a.m.]

## PART 401—FEDERAL CROP INSURANCE

### Subpart—Regulations for the 1961 and Succeeding Crop Years

APPENDIX; COUNTIES DESIGNATED FOR PEANUT CROP INSURANCE

The appendix designating counties for peanut crop insurance for the 1964 crop year, which was published in the FEDERAL REGISTER on August 20, 1963 (28 F.R. 9141), is hereby amended as follows:

(a) Spanish is deleted as a type of peanut on which insurance is offered in each of the following counties:

ALABAMA

Coffee. Geneva.
Covington. Henry.
Crenshaw. Houston.
Dale. Pike.

(b) Virginia is added as a type of peanut on which insurance is offered in each of the following counties:

FLORIDA

Jackson.

GEORGIA

Baker. Irwin.
Bulloch. Lee.
Calhoun. Miller.
Clay. Mitchell.
Coffee. Randolph.
Colquitt. Terrell.
Cook. Tift.
Early. Worth.

(Secs. 506, 516, 52 Stat. 73, as amended, 77, as amended; 7 U.S.C. 1506, 1516)

[SEAL] JOHN N. LUFT,
*Manager,*
*Federal Crop Insurance Corporation.*

[F.R. Doc. 64-2927; Filed, Mar. 25, 1964; 8:52 a.m.]

## PART 401—FEDERAL CROP INSURANCE

### Subpart—Regulations for the 1961 and Succeeding Crop Years

APPENDIX; DELETION FROM LIST OF COUNTIES DESIGNATED FOR POTATO CROP INSURANCE

Adams and Franklin Counties, Washington, are hereby deleted from the list of counties published in the FEDERAL REGISTER on August 20, 1963 (28 F.R. 9141), which were designated for potato crop insurance for the 1964 crop year pursuant to the authority contained in § 401.1 of the above-identified regulations.

(Secs. 506, 516, 52 Stat. 73, as amended, 77, as amended; 7 U.S.C. 1506, 1516)

[SEAL] JOHN N. LUFT,
*Manager,*
*Federal Crop Insurance Corporation.*

[F.R. Doc. 64-2928; Filed, Mar. 25, 1964; 8:52 a.m.]

## PART 401—FEDERAL CROP INSURANCE

### Subpart—Regulations for the 1961 and Succeeding Crop Years

APPENDIX; COUNTY DESIGNATED FOR RICE CROP INSURANCE

Pursuant to authority contained in § 401.1 of the above-identified regulations, as amended, the following county is hereby added to the list of counties published in the FEDERAL REGISTER on August 20, 1963 (28 F.R. 9141), which were designated for rice crop insurance for the 1964 crop year.

ARKANSAS

Jefferson.

(Secs. 506, 516, 52 Stat. 73, as amended, 77, as amended; 7 U.S.C. 1506, 1516)

[SEAL] JOHN N. LUFT,
*Manager,*
*Federal Crop Insurance Corporation.*

[F.R. Doc. 64-2929; Filed, Mar. 25, 1964; 8:52 a.m.]

## PART 401—FEDERAL CROP INSURANCE

### Subpart—Regulations for the 1961 and Succeeding Crop Years

APPENDIX; COUNTIES DESIGNATED FOR SOYBEAN CROP INSURANCE

Pursuant to authority contained in § 401.1 of the above-identified regulations, as amended, the following counties are hereby added to the lists of counties published in the FEDERAL REGISTER on August 20, 1963 (28 F.R. 9141), and December 20, 1963 (28 F.R. 13863), which were designated for soybean crop insurance for the 1964 crop year.

TENNESSEE

Fayette. Haywood.

(Secs. 506, 516, 52 Stat. 73, as amended, 77, as amended; 7 U.S.C. 1506, 1516)

[SEAL] JOHN N. LUFT,
*Manager,*
*Federal Crop Insurance Corporation.*

[F.R. Doc. 64-2930; Filed, Mar. 25, 1964; 8:52 a.m.]

## PART 401—FEDERAL CROP INSURANCE

### Subpart—Regulations for the 1961 and Succeeding Crop Years

APPENDIX; COUNTY DESIGNATED FOR TOBACCO CROP INSURANCE

Pursuant to authority contained in § 401.1 of the above-identified regulations, as amended, the following county is hereby added to the list of counties published in the FEDERAL REGISTER on August 20, 1963 (28 F.R. 9142), which were designated for tobacco crop insurance for the 1964 crop year. The type of tobacco on which insurance is offered in this county is shown opposite the name of the county.

VIRGINIA

Prince George—11a.

(Secs. 506, 516, 52 Stat. 73, as amended, 77, as amended; 7 U.S.C. 1506, 1516)

[SEAL] JOHN N. LUFT,
*Manager,*
*Federal Crop Insurance Corporation.*

[F.R. Doc. 64-2931; Filed, Mar. 25, 1964; 8:52 a.m.]

## PART 401—FEDERAL CROP INSURANCE

### Subpart—Regulations for the 1961 and Succeeding Crop Years

APPENDIX; COUNTY DESIGNATED FOR TOBACCO CROP INSURANCE

The appendix designating counties for tobacco crop insurance for the 1964 crop year, which was published in the FEDERAL REGISTER on August 20, 1963 (28 F.R. 9142), is hereby amended by adding "22" to the types of tobacco on which insurance is offered in Simpson County, Kentucky.

(Secs. 506, 516, 52 Stat. 73, as amended, 77, as amended; 7 U.S.C. 1506, 1516)

[SEAL] JOHN N. LUFT,
*Manager,*
*Federal Crop Insurance Corporation.*

[F.R. Doc. 64-2932; Filed, Mar. 25, 1964; 8:53 a.m.]

## PART 401—FEDERAL CROP INSURANCE

### Subpart—Regulations for the 1961 and Succeeding Crop Years

APPENDIX; COUNTIES DESIGNATED FOR TOMATO CROP INSURANCE

Pursuant to authority contained in § 401.1 of the above-identified regulations, as amended, the following counties are hereby added to the list of counties published in the FEDERAL REGISTER on August 20, 1963 (28 F.R. 9143), which were designated for tomato crop insurance for the 1964 crop year.

INDIANA

Grant. Miami.
Howard. Tipton.

OHIO

Lucas. Wood.
Sandusky.

(Secs. 506, 516, 52 Stat. 73, as amended, 77, as amended; 7 U.S.C. 1506, 1516)

[SEAL] JOHN N. LUFT,
*Manager,*
*Federal Crop Insurance Corporation.*

[F.R. Doc. 64-2933; Filed, Mar. 25, 1964; 8:53 a.m.]

# Chapter IX—Agricultural Marketing Service (Marketing Agreements and Orders; Fruits, Vegetables, Tree Nuts), Department of Agriculture

[Valencia Orange Reg. 69, Amdt. 1]

## PART 908—VALENCIA ORANGES GROWN IN ARIZONA AND DESIGNATED PART OF CALIFORNIA

### Limitation of Handling

a. *Findings.* 1. Pursuant to the marketing agreement, as amended, and Order No. 908, as amended (7 CFR Part 908), regulating the handling of Valencia oranges grown in Arizona and designated part of California, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674), and upon the basis of the recommendation and information submitted by the Valencia Orange Administrative Committee, established under the said amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of handling of such Valencia oranges, as hereinafter provided, will tend to effectuate the declared policy of the act.

2. It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this amendment until 30 days after publication thereof in the FEDERAL REGISTER (5 U.S.C. 1001-1011) because the time intervening between the date when information upon which this amendment is based became available and the time when this amendment must become effective in order to effectuate the declared policy of the act is insufficient, and this amendment relieves restrictions on the handling of Valencia oranges grown in Arizona and designated part of California.

b. *Order, as amended.* The provisions in paragraph (b)(1) of § 908.369 (Valencia Orange Regulation 69, 29 F.R. 2643) are hereby amended to read as follows:

§ 908.369 Valencia Orange Regulation 69.

* * * * *

(b) *Order.* (1) During the period beginning at 12:01 a.m., P.s.t., March 22, 1964, and ending at 12:01 a.m., P.s.t., January 31, 1965, no handler shall handle any Valencia oranges grown in District 3 which are of a size smaller than 2.20 inches in diameter, which shall be the largest measurement at a right angle to a straight line running from the stem to the blossom end of the fruit, except that not to exceed 5 percent, by count, of the oranges in any type of container may measure smaller than 2.20 inches in diameter: * * *

* * * * *

(Secs. 1–19, 48 Stat. 31, as amended; 7 U.S.C. 601–674)

Dated: March 20, 1964.

PAUL A. NICHOLSON,
*Deputy Director, Fruit and Vegetable Division, Agricultural Marketing Service.*

[F.R. Doc. 64–2888; Filed, Mar. 25, 1964; 8:47 a.m.]

[Valencia Orange Reg. 75]

## PART 908—VALENCIA ORANGES GROWN IN ARIZONA AND DESIGNATED PART OF CALIFORNIA

### Limitation of Handling

**§ 908.375 Valencia Orange Regulation 75.**

(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 908, as amended (7 CFR Part 908; 27 F.R. 10089), regulating the handling of Valencia oranges grown in Arizona and designated part of California, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674), and upon the basis of the recommendations and information submitted by the Valencia Orange Administrative Committee, established under the said amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of handling of such Valencia oranges, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this section until 30 days after publication hereof in the FEDERAL REGISTER (5 U.S.C. 1001–1011) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient, and a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective as hereinafter set forth. The committee held an open meeting during the past week, after giving due notice thereof, to consider supply and market conditions for Valencia oranges and the need for regulation; interested persons were afforded an opportunity to submit information and views at this meeting; the recommendation and supporting information for regulation during the period specified herein were promptly submitted to the Department after such meeting was held; the provisions of this section, including its effective time, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such Valencia oranges; it is necessary, in order to effectuate the declared policy of the act, to make this section effective during the period herein specified; and compliance with this section will not require any special preparation on the part of persons subject hereto which cannot be completed on or before the effective date hereof. Such committee meeting was held on March 19, 1964.

(b) *Order.* (1) During the period beginning at 12:01 a.m., P.s.t., March 29, 1964, and ending at 12:01 a.m., P.s.t., January 31, 1965, no handler shall handle any Valencia oranges grown in District 1 which are of a size smaller than 2.20 inches in diameter, which shall be the largest measurement at a right angle to a straight line running from the stem to the blossom end of the fruit, except that not to exceed 5 percent, by count, of the oranges in any type of container may measure smaller than 2.20 inches in diameter.

(2) As used in this section, "handle," "handler," and "District 1" shall have the same meaning as when used in the said amended marketing agreement and order.

(Secs. 1–19, 48 Stat. 31, as amended; 7 U.S.C. 601–674)

Dated: March 23, 1964.

PAUL A. NICHOLSON,
*Deputy Director, Fruit and Vegetable Division, Agricultural Marketing Service.*

[F.R. Doc. 64–2917; Filed, Mar. 25, 1964; 8:50 a.m.]

## Chapter XIV—Commodity Credit Corporation, Department of Agriculture

### SUBCHAPTER B—LOANS, PURCHASES, AND OTHER OPERATIONS

[Amdt. 6]

## PART 1468—MOHAIR

### Subpart—Payment Program for Mohair

NO PAYMENTS FOR 1963 MARKETING YEAR

The regulations issued by Commodity Credit Corporation containing the requirements with respect to the Payment Program for Mohair, as amended (27 F.R. 7417; 28 F.R. 579, 1033, 6532, 10289, 12160, 12735), are further amended by adding the following new paragraph (c) at the end of § 1468.205:

**§ 1468.205 Rate of payment.**

* * * * *

(c) No payments will be made on mohair sold in the 1963 marketing year (i.e., the period from April 1 through December 31, 1963) because the national average price of 88.1 cents a pound, grease basis, received by producers for mohair marketed during that period exceeded the support price of 76 cents a pound (§ 1468.202(c)).

* * * * *

(Sec. 4, 62 Stat. 1070, as amended; 15 U.S.C. 714b. Interprets or applies sec. 5, 62 Stat. 1072, secs. 702–709, 68 Stat. 910–912, secs. 401–403, 72 Stat. 994–995, sec. 151, 75 Stat. 306; 15 U.S.C. 714e, 7 U.S.C. 1781–1787, 1446)

Effective date: Date of signature.

Signed at Washington, D.C., on March 19, 1964.

H. D. GODFREY,
*Executive Vice President, Commodity Credit Corporation.*

[F.R. Doc. 64–2889; Filed, Mar. 25, 1964; 8:47 a.m.]

[Amdt. 7]

## PART 1472—WOOL

### Subpart—Payment Program for Shorn Wool and Unshorn Lambs (Pulled Wool)

PAYMENT AND DEDUCTION RATES FOR 1963 MARKETING YEAR

The regulations issued by Commodity Credit Corporation containing the requirements with respect to the Payment Program for Shorn Wool and Unshorn Lambs (Pulled Wool), as amended (27 F.R. 933, 9714; 28 F.R. 579, 1034, 6532, 10290, 12160, 12735), are further amended as follows:

1. At the end of § 1472.1105 the following new paragraph (c) is added:

**§ 1472.1105 Rate of incentive payment.**

* * * * *

(c) The national average price received by producers for shorn wool marketed during the 1963 marketing year (i.e., the period from April 1 through December 31, 1963) was 48.5 cents a pound, grease basis, which was 13.5 cents a pound below the incentive price of 62 cents. Therefore, the rate of incentive payment for the 1963 marketing year is 27.8 percent.

2. At the end of § 1472.1121 the following new paragraph (c) is added:

**§ 1472.1121 Rate of payment.**

* * * * *

(c) The rate of payment on unshorn lambs sold during the 1963 marketing year is 54 cents per hundredweight of live animals based on a difference of 13.5 cents a pound between the incentive price of 62 cents and the national average price of 48.5 cents a pound received by producers for shorn wool during the 1963 marketing year (§ 1472.1105(c)).

3. At the end of § 1472.1148 the following new paragraph (c) is added:

**§ 1472.1148 Deductions for promotion.**

(c) For the 1963 marketing year, a deduction will be made from each shorn wool payment at the rate of 1 cent a pound of wool, grease basis, and from each unshorn lamb payment at the rate of 5 cents per hundredweight of live animals, as announced in the Department's press release issued November 21, 1963. Those funds will be used to finance the advertising and sales promotion program approved by the Department of Agriculture pursuant to section 708 of the National Wool Act of 1954, as amended.

(Sec. 4, 62 Stat. 1070, as amended; 15 U.S.C. 714b. Interpret or apply sec. 5, 62 Stat. 1072,

secs. 702–709, 68 Stat. 910–912, secs. 401–403, 72 Stat. 994–995, sec. 151, 75 Stat. 306; 15 U.S.C. 714c, 7 U.S.C. 1781–1787, 1446)

Effective date: Date of signature.

Signed at Washington, D.C., on March 19, 1964.

H. D. GODFREY,
*Executive Vice President,*
*Commodity Credit Corporation.*

[F.R. Doc. 64-2890; Filed, Mar. 25, 1964; 8:48 a.m.]

# Title 9—ANIMALS AND ANIMAL PRODUCTS

## Chapter I—Agricultural Research Service, Department of Agriculture

### SUBCHAPTER C—INTERSTATE TRANSPORTATION OF ANIMALS AND POULTRY

### PART 74—SCABIES IN SHEEP

#### Interstate Movement

Pursuant to the provisions of sections 1 through 4 of the Act of March 3, 1905, as amended, sections 1 and 2 of the Act of February 2, 1903, as amended, and sections 4 through 7 of the Act of May 29, 1884, as amended (21 U.S.C. 111–113, 115, 117, 120, 121, 123–126), §§ 74.2 and 74.3 of Part 74, Subchapter C, Chapter I, Title 9, Code of Federal Regulations, as amended, are hereby amended to read, respectively, as follows:

**§ 74.2 Designation of free and infected areas.**

(a) Notice is hereby given that sheep in the following states, territories, and district, or parts thereof as specified, are not known to be infected with scabies, and such states, territories, district, and parts thereof, are hereby designated as free areas:

(1) Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Hawaii, Idaho, Louisiana, Maine, Maryland, Massachusetts, Michigan, Mississippi, Montana, Nevada, New Hampshire, New Jersey, New York, North Carolina, North Dakota, Oklahoma, Oregon, Pennsylvania, Puerto Rico, Rhode Island, South Carolina, South Dakota, Texas, Utah, Vermont, Virgin Islands of the United States, Washington, Wisconsin, and Wyoming;

(2) The following counties in Illinois: Bond, Clay, Clinton, Lawrence, Madison, Marion, and Richland; and all counties in the state of Illinois lying south thereof;

(3) All counties in Kansas except Cloud, Ellsworth, Harper, Jewell, and Sedgewick;

(4) All counties in Minnesota except Lincoln, and Rock;

(5) The following counties in Missouri: Cole, Cooper, Franklin, Gasconade, Jackson, Lafayette, Moniteau, Osage, St. Louis, and Saline; and all counties in the state of Missouri lying south thereof;

(6) The following counties in Nebraska: Arthur, Banner, Blaine, Brown, Chase, Cherry, Cheyenne, Deuel, Dundy, Garden, Grant, Hooker, Keith, Keya Paha, Kimball, Loup, Perkins, Rock, Scotts Bluff, Sheridan, and Thomas;

(7) All counties in New Mexico except those portions of Lincoln County and Socorro County lying within the area bounded by a line beginning at a point on U.S. Highway No. 54 where said highway crosses the Lincoln-Torrance County line at the town of Corona, New Mexico, and thence, running in a westerly direction along the Lincoln-Torrance County line and the Socorro-Torrance County line to New Mexico State Highway No. 10; thence, running in a southerly and southeasterly direction along New Mexico State Highway No. 10 to its intersection with U.S. Highway No. 54; thence, running in a southerly direction along U.S. Highway No. 54 to its intersection with U.S. Highway No. 380 at the town of Carrizozo, New Mexico; thence, running in a southeasterly direction along U.S. Highway No. 380 to its intersection with New Mexico State Highway No. 48 at the town of Capitan, New Mexico; thence, running in an easterly direction along New Mexico State Highway No. 48 to its intersection with the Lincoln-Chaves County line; thence, running northward along the Lincoln-Chaves County line and the Lincoln-DeBaca County line to the northeast corner of Lincoln County; thence, running westerly along the Lincoln-Guadalupe County line to its intersection with the Lincoln-Torrance County line; thence, running southerly along the Lincoln-Torrance County line to the southeast corner of Torrance County; thence, running westerly along the Lincoln-Torrance County line to the point of beginning at the town of Corona, New Mexico;

(8) All counties in Virginia except Augusta and Highland.

(b) Notice is hereby given also that sheep scabies exists in all states and territories and parts of states not designated as free areas in paragraph (a) of this section, and they are hereby designated as infected areas.

**§ 74.3 Designation of eradication areas.**

(a) Notice is hereby given that sheep in the following states, or parts thereof as specified, are being handled systematically to eradicate scabies in sheep, and such states, and parts thereof, are hereby designated as eradication areas:

(1) Iowa, Kentucky, Ohio, Tennessee, and West Virginia;

(2) All counties in Illinois except Bond, Clay, Clinton, Lawrence, Madison, Marion, and Richland; and all counties in the state of Illinois lying south thereof;

(3) The following counties in Kansas: Cloud, Ellsworth, Harper, Jewell, and Sedgewick;

(4) The following counties in Minnesota: Lincoln and Rock;

(5) All counties in Missouri except Cole, Cooper, Franklin, Gasconade, Jackson, Lafayette, Moniteau, Osage, St. Louis, and Saline; and all counties in the state of Missouri lying south thereof;

(6) All counties in Nebraska except Arthur, Banner, Blaine, Brown, Chase, Cherry, Cheyenne, Deuel, Dundy, Garden, Grant, Hooker, Keith, Keya Paha, Kimball, Loup, Perkins, Rock, Scotts Bluff, Sheridan, and Thomas;

(7) The designated parts of the following counties in New Mexico: Those portions of Lincoln County and Socorro County lying within the area bounded by a line beginning at a point on U.S. Highway No. 54 where said highway crosses the Lincoln-Torrance County line at the town of Corona, New Mexico; and thence, running in a westerly direction along the Lincoln-Torrance County line and the Socorro-Torrance County line to New Mexico State Highway No. 10; thence, running in a southerly and southeasterly direction along New Mexico State Highway No. 10 to its intersection with U.S. Highway No. 54; thence, running in a southerly direction along U.S. Highway No. 54 to its intersection with U.S. Highway No. 380 at the town of Carrizozo, New Mexico; thence, running in a southeasterly direction along U.S. Highway No. 380 to its intersection with New Mexico State Highway No. 48 at the town of Capitan, New Mexico; thence, running in an easterly direction along New Mexico State Highway No. 48 to its intersection with the Lincoln-Chaves County line; thence, running northward along the Lincoln-Chaves County line and the Lincoln-DeBaca County line to the northeast corner of Lincoln County; thence, running westerly along the Lincoln-Guadalupe County line to its intersection with the Lincoln-Torrance County line; thence, running southerly along the Lincoln-Torrance County line to the southeast corner of Torrance County; thence, running westerly along the Lincoln-Torrance County line to the point of beginning at the town of Corona, New Mexico;

(8) The following counties in Virginia: Augusta and Highland.

(Secs. 4–7, 23 Stat. 32, as amended, secs. 1, 2, 32 Stat. 791–792, as amended, secs. 1–4, 33 Stat. 1264, as amended, 1265, as amended; 21 U.S.C. 111–113, 115, 117, 120, 121, 123–126; 19 F.R. 74, as amended)

*Effective date.* The foregoing amendment shall become effective upon issuance.

The amendment adds Jackson County in Minnesota and Saint Croix County in Wisconsin to the free areas, and deletes such counties from the infected and eradication areas as sheep scabies is no longer known to exist in these counties. The entire state of Wisconsin has now been designated as a free area. Hereafter, the restrictions pertaining to the interstate movement of sheep from or into infected and eradication areas, as contained in 9 CFR Part 74, as amended, will not apply to Jackson County in Minnesota or to the State of Wisconsin. However, the restrictions in said Part 74 pertaining to the interstate movement of sheep from or into free areas will apply to such county and state.

The amendment relieves certain restrictions presently imposed and must be made effective immediately to be of maximum benefit to persons subject to the restrictions which are relieved. Accordingly, under section 4 of the Administrative Procedure Act (5 U.S.C. 1003), it is found upon good cause that notice and

other public procedure with respect to the amendment are impracticable and contrary to the public interest, and the amendment may be made effective less than 30 days after publication in the FEDERAL REGISTER.

Done at Washington, D.C., this 20th day of March 1964.

M. R. CLARKSON,
*Acting Administrator,*
*Agricultural Research Service.*

[F.R. Doc. 64-2891; Filed, Mar. 25, 1964; 8:48 a.m.]

# Title 14—AERONAUTICS AND SPACE

## Chapter I—Federal Aviation Agency

### SUBCHAPTER E—AIRSPACE [NEW]

[Airspace Docket No. 63-CE-123]

### PART 71—DESIGNATION OF FEDERAL AIRWAYS, CONTROLLED AIRSPACE, AND REPORTING POINTS [NEW]

#### Alteration of Federal Airway

On December 27, 1963, a notice of proposed rule making was published in the FEDERAL REGISTER (28 F.R. 14336) stating that the Federal Aviation Agency (FAA) proposed to extend VOR Federal airway No. 47 from Nabb, Ind., via the intersection of the Nabb VOR 252° and the Evansville, Ind., VOR 065° True radials to Evansville.

Interested persons were afforded an opportunity to participate in the rule making through submission of comments. All comments received were favorable.

The substance of the proposed amendment having been published and for the reason stated in the notice, § 71.123 (29 F.R. 1009) is amended as follows:

In V-47 "From Nabb, Ind., via" is deleted and "From Evansville, Ind., via INT of Evansville 065° and Nabb, Ind., 252° radials; Nabb;" is substituted therefor.

This amendment shall become effective 0001 e.s.t., May 28, 1964.

(Sec. 307(a), 72 Stat. 749; 49 U.S.C. 1348)

Issued in Washington, D.C. on March 19, 1964.

DANIEL E. BARROW,
*Acting Chief, Airspace Regulations and Procedures Division.*

[F.R. Doc. 64-2861; Filed, Mar. 25, 1964; 8:45 a.m.]

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[Airspace Docket No. 63-EA-73]

### PART 71—DESIGNATION OF FEDERAL AIRWAYS, CONTROLLED AIRSPACE, AND REPORTING POINTS [NEW]

#### Alteration of Federal Register Document

On January 23, 1964, Federal Register Document 64-586 was published in the FEDERAL REGISTER (29 F.R. 556) and amended Part 71 [New] by realigning VOR Federal airway No. 251 from Sparta, N.J., via the intersection of Sparta 081° and Trinity, N.Y., 232° True radials, Trinity; to Hartford. This action was taken to provide separation between aircraft en route on Victor 251 and aircraft executing holding procedures up to 8,000 feet MSL at the Peekskill, N.Y., Intersection (intersection of Poughkeepsie, N.Y., 218° and Trinity 286° magnetic radials). Subsequent to publication of the document, a determination has been made to hold aircraft at the Peekskill Intersection up to 10,000 feet MSL. To provide separation between aircraft en route on Victor 251 and aircraft executing holding procedures at this altitude, it is necessary to realign Victor 251 via the Sparta 082° True radial in lieu of the 081° True radial. Such action is taken herein.

Since this change is minor in nature, notice and public procedure hereon are unnecessary and the effective date of the rule as initially adopted may be retained.

In consideration of the foregoing, effective immediately, the amendment in Federal Register Document 64-586 (29 F.R. 556) is altered to read as follows:

Section 71.123 (29 F.R. 1009) is amended as follows: In V-251 "to Hartford, Conn." is deleted and "INT of Sparta 082° and Trinity, N.Y. 232° radials; Trinity; to Hartford, Conn." is substituted therefor.

(Sec. 307(a), 72 Stat. 749; 49 U.S.C. 1348).

Issued in Washington, D.C., on March 19, 1964.

DANIEL E. BARROW,
*Acting Chief, Airspace Regulations and Procedures Division.*

[F.R. Doc. 64-2862; Filed, Mar. 25, 1964; 8:45 a.m.]

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[Airspace Docket No. 63-LAX-6]

### PART 71—DESIGNATION OF FEDERAL AIRWAYS, CONTROLLED AIRSPACE, AND REPORTING POINTS [NEW]

#### Revocation of Federal Airway Segment

On December 27, 1963, a notice of proposed rule making was published in the FEDERAL REGISTER (28 F.R. 14336) stating that the Federal Aviation Agency proposed to revoke the south alternate segment of VOR Federal airway No. 12 from Winslow, Arizona, to Zuni, New Mexico.

Interested persons were afforded an opportunity to participate in the rule making through submission of comments. No adverse comments were received.

The substance of the proposal having been published and for the reason stated in the notice § 71.123 (29 F.R. 1009) is amended as follows: In V-12 "including an S alternate via INT of Winslow 109° and Zuni 252° radials" is deleted.

This amendment shall become effective 0001 e.s.t., May 28, 1964.

(Sec. 307(a), 72 Stat. 749; 29 U.S.C. 1348)

Issued in Washington, D.C. on March 19, 1964.

DANIEL E. BARROW,
*Acting Chief, Airspace Regulations and Procedures Division.*

[F.R. Doc. 64-2863; Filed, Mar. 25, 1964; 8:45 a.m.]

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[Airspace Docket No. 63-WE-73]

### PART 71—DESIGNATION OF FEDERAL AIRWAYS, CONTROLLED AIRSPACE, AND REPORTING POINTS [NEW]

#### Revocation of Federal Airway Segment

On December 5, 1963, a notice of proposed rule making was published in the FEDERAL REGISTER (28 F.R. 12944) stating that the Federal Aviation Agency proposed to revoke the north alternate segments of VOR Federal airway No. 32 from Battle Mountain, Nev., to Elko, Nev., and from Elko via Wells, Nev., to Bonneville, Utah.

Interested persons were afforded an opportunity to participate in the rule making through submission of comments. All comments received were favorable.

Subsequent to the publication of the notice, the FAA has determined that a continual need exists for the north alternate segment of V-32 between Elko and Bonneville as it is frequently utilized as a transition route between VOR Federal airway Nos. 6/854 and Nos. 32/810. Accordingly, actions is taken herein to revoke only the north alternate segment of V-32 from Battle Mountain to Elko.

The substance of the proposed amendment having been published and for the reasons stated herein and in the notice, § 71.123 (29 F.R. 1009) is amended as follows: In V-32 "via Elko, Nev., including an N alternate via Battle Mountain 062° and Elko 273° radials;" is deleted and "via Elko, Nev.;" is substituted therefor.

This amendment shall become effective 0001 e.s.t., May 28, 1964.

(Sec. 307(a), 72 Stat. 749; 49 U.S.C. 1348)

Issued in Washington, D.C. on March 19, 1964.

DANIEL E. BARROW,
*Acting Chief, Airspace Regulations and Procedures Division.*

[F.R. Doc. 64-2864; Filed, Mar. 25, 1964; 8:45 a.m.]

# Title 26—INTERNAL REVENUE

## Chapter I—Internal Revenue Service, Department of the Treasury

### SUBCHAPTER B—ESTATE AND GIFT TAXES

[T.D. 6716]

### PART 20—ESTATE TAX; ESTATES OF DECEDENTS DYING AFTER AUGUST 16, 1954

### PART 25—GIFT TAX; GIFTS MADE AFTER DECEMBER 31, 1954

### PART 81—REGULATIONS RELATING TO ESTATE TAX

#### Liens for Taxes; Extension of Time for Payment of Estate Tax on Value of Reversionary or Remainder Interest in Property

In order to conform the Estate Tax Regulations (26 CFR Part 20) and the

Gift Tax Regulations (26 CFR Part 25) under sections 6323 and 6324 of the Internal Revenue Code of 1954 to section 236 of the Revenue Act of 1964 (78 Stat. 127), and to conform the Estate Tax Regulations (26 CFR Part 20) under section 6163 of the Internal Revenue Code of 1954 and Regulations 105—1939 Code, relating to estate tax, 26 CFR (1939), Part 81, under section 925 of the Internal Revenue Code of 1939 to section 240 of the Revenue Act of 1964 (78 Stat. 129), such regulations are amended as follows:

PARAGRAPH 1. Section 20.6163 (Estate Tax Regulations (26 CFR Part 20)) is amended by revising section 6163(b) and the historical note to read as follows:

**§ 20.6163 Statutory provisions; extension of time for payment of estate tax on value of reversionary or remainder interest in property.**

SEC. 6163. *Extension of time for payment of estate tax on value of reversionary or remainder interest in property.* * * *

(b) *Extension to prevent undue hardship.* If the Secretary or his delegate finds that the payment of the tax at the expiration of the period of postponement provided for in subsection (a) would result in undue hardship to the estate, he may extend the time for payment for a reasonable period or periods not in excess of 3 years from the expiration of such period of postponement.

* * * * *

[Sec. 6163 as amended by sec. 66(b)(1), Technical Amendments Act 1958 (72 Stat. 1658); sec. 240, Revenue Act 1964 (78 Stat. 129)]

PAR. 2. Paragraph (a) of § 20.6163–1 is amended to read as follows:

**§ 20.6163–1 Extension of time for payment of estate tax on value of reversionary or remainder interest in property.**

(a)(1) In case there is included in the gross estate a reversionary or remainder interest in property, the payment of the part of the tax attributable to that interest may, at the election of the executor, be postponed until six months after the termination of the precedent interest or interests in the property. The provisions of this section are limited to cases in which the reversionary or remainder interest is included in the decedent's gross estate as such and do not extend to cases in which the decedent creates future interests by his own testamentary act.

(2) If the district director finds that the payment of the tax at the expiration of the period of postponement described in subparagraph (1) of this paragraph would result in undue hardship to the estate, he may—

(i) After September 2, 1958, and before February 27, 1964, extend the time for payment for a reasonable period or periods not to exceed in all 2 years from the expiration of the period of postponement, but only if the precedent interest or interests in the property terminated after March 2, 1958, or

(ii) After February 26, 1964, extend the time for payment for a reasonable period or periods not to exceed in all 3 years from the expiration of the period of postponement, but only if the time for payment of the tax, including any extensions thereof, did not expire before February 26, 1964.



See paragraph (b) of § 20.6161–1 for the meaning of the term "undue hardship". An example of undue hardship is a case where, by reason of the time required to settle the complex issues involved in a trust, the decedent's heirs or beneficiaries cannot reasonably expect to receive the decedent's remainder interest in the trust before the expiration of the period of postponement. The extension will be granted only in the manner provided in paragraph (c) of § 20.6161–1, and the amount of the tax for which the extension is granted, with the additions thereto, shall be paid on or before the expiration of the period of extension without the necessity of notice and demand from the district director.

* * * * *

PAR. 3. Section 20.6323 is amended by revising so much of section 6323(a) as precedes paragraph (1), by redesignating section 6323(d) as section 6323(e), by inserting after section 6323(c) a new section 6323(d), and by adding a historical note. These amended and added provisions read as follows:

**§ 20.6323 Statutory provisions; validity against mortgagees, pledgees, purchasers, and judgment creditors.**

SEC. 6323. *Validity against mortgagees, pledgees, purchasers, and judgment creditors*—(a) *Invalidity of lien without notice.* Except as otherwise provided in subsections (c) and (d), the lien imposed by section 6321 shall not be valid as against any mortgagee, pledgee, purchaser, or judgment creditor until notice thereof has been filed by the Secretary or his delegate—

* * * * *

(d) *Exception in case of motor vehicles*—(1) *Exception.* Even though notice of a lien provided in section 6321 has been filed in the manner prescribed in subsection (a) of this section, the lien shall not be valid with respect to a motor vehicle, as defined in paragraph (2) of this subsection, as against any purchaser of such motor vehicle for an adequate and full consideration in money or money's worth if—

(A) At the time of the purchase the purchaser is without notice or knowledge of the existence of such lien, and

(B) Before the purchaser obtains such notice or knowledge, he has acquired possession of such motor vehicle and has not thereafter relinquished possession of such motor vehicle to the seller or his agent.

(2) *Definition of motor vehicle.* As used in this subsection, the term "motor vehicle" means a self-propelled vehicle which is registered for highway use under the laws of any State or foreign country.

(e) *Disclosure of amount of outstanding lien.* * * *

(Sec. 6323 as amended by sec. 236, Revenue Act 1964 (78 Stat. 127))

PAR. 4. Section 20.6324 is amended by revising so much of section 6324(a) as precedes paragraph (1), by adding a section 6324(d), and by adding a historical note. These amended and added provisions read as follows:

**§ 20.6324 Statutory provisions; special liens for estate and gift taxes.**

SEC. 6324. *Special liens for estate and gift taxes*—(a) *Liens for estate tax.* Except as otherwise provided in subsection (c) (relating to transfers of securities) and subsection (d) (relating to purchases of motor vehicles)—

* * * * *

(d) *Exception in case of motor vehicles.* The lien imposed by subsection (a) or (b) shall not be valid with respect to a motor vehicle, as defined in section 6323(d)(2), as against any purchaser of such motor vehicle for an adequate and full consideration in money or money's worth if—

(1) At the time of the purchase the purchaser is without notice or knowledge of the existence of such lien, and

(2) Before the purchaser obtains such notice or knowledge, he has acquired possession of such motor vehicle and has not thereafter relinquished possession of such motor vehicle to the seller or his agent.

[Sec. 6324 as amended by sec. 236, Revenue Act 1964 (78 Stat. 127)]

PAR. 5. Section 25.6323 (Gift Tax Regulations (26 CFR Part 25)) is amended by revising so much of section 6323(a) as precedes paragraph (1), by redesignating section 6323(d) as section 6323(e), by inserting after section 6323(c) a new section 6323(d), and by adding a historical note. These amended and added provisions read as follows:

**§ 25.6323 Statutory provisions; validity against mortgagees, pledgees, purchasers, and judgment creditors.**

SEC. 6323. *Validity against mortgages, pledgees, purchasers, and judgement creditors*—(a) *Invalidity of lien without notice.* Except as otherwise provided in subsections (c) and (d), the lien imposed by section 6321 shall not be valid as against any mortgagee, pledgee, purchaser, or judgment creditor until notice thereof has been filed by the Secretary or his delegate—

* * * * *

(d) *Exception in case of motor vehicles*—(1) *Exception.* Even though notice of a lien provided in section 6321 has been filed in the manner prescribed in subsection (a) of this section, the lien shall not be valid with respect to a motor vehicle, as defined in paragraph (2) of this subsection, as against any purchaser of such motor vehicle for an adequate and full consideration in money or money's worth if—

(A) At the time of the purchase the purchaser is without notice or knowledge of the existence of such lien, and

(B) Before the purchaser obtains such notice or knowledge, he has acquired possession of such motor vehicle and has not thereafter relinquished possession of such motor vehicle to the seller or his agent.

(2) *Definition of motor vehicle.* As used in this subsection, the term "motor vehicle" means a self-propelled vehicle which is registered for highway use under the laws of any State or foreign country.

(e) *Disclosure of amount of outstanding lien.* * * *

(Sec. 6323 as amended by sec. 236, Revenue Act 1964 (78 Stat. 127))

PAR. 6. Section 25.6324 is amended by revising section 6324(b), by adding a section 6324(d), and by adding a historical note. These amended and added provisions read as follows:

**§ 25.6324 Statutory provisions; special liens for estate and gift taxes.**

SEC. 6324. *Special liens for estate and gift taxes.* * * *

(b) *Lien for gift tax.* Except as otherwise provided in subsection (c) (relating to transfers of securities) and subsection (d) (relating to purchases of motor vehicles), the gift tax imposed by chapter 12 shall be a lien upon all gifts made during the calendar year, for 10 years from the time the gifts are made. If the tax is not paid when due, the donee of any gift shall be personally liable

for such tax to the extent of the value of such gift. Any part of the property comprised in the gift transferred by the donee (or by a transferee of the donee) to a bona fide purchaser, mortgagee, or pledgee for an adequate and full consideration in money or money's worth shall be divested of the lien herein imposed and the lien, to the extent of the value of such gift, shall attach to all the property (including after-acquired property) of the donee (or the transferee) except any part transferred to a bona fide purchaser, mortgagee, or pledgee for an adequate and full consideration in money or money's worth.

* * * * *

(d) *Exception in case of motor vehicles.* The lien imposed by subsection (a) or (b) shall not be valid with respect to a motor vehicle, as defined in section 6323(d)(2), as against any purchaser of such motor vehicle for an adequate and full consideration in money or money's worth if—

(1) At the time of the purchase the purchaser is without notice or knowledge of the existence of such lien, and

(2) Before the purchaser obtains such notice or knowledge, he has acquired possession of such motor vehicle and has not thereafter relinquished possession of such motor vehicle to the seller or his agent.

[Sec. 6324 as amended by sec. 236, Revenue Act 1964 (78 Stat. 127)]

PAR. 7. There is inserted immediately preceding § 81.79 (Regulations 105—1939 Code (26 CFR (1939), Part 81)) the following:

SEC. 240. *Extension of time for payment of estate tax on value of reversionary or remainder interest in property [Revenue Act of 1964, approved February 26, 1964].*

* * * * *

(b) *Extension under 1939 Code.* Section 925 of the Internal Revenue Code of 1939 (relating to periods of extension of time for paying estate tax attributable to future interests) is amended by striking out "not in excess of 2" and inserting in lieu thereof "or periods not in excess of 3".

(c) *Effective date.*

* * * * *

(2) The amendment made by subsection (b) shall apply in the case of any reversionary or remainder interest only if the time for payment of the tax under chapter 3 of the Internal Revenue Code of 1939 attributable to such interest, including any extensions thereof, has not expired on the date of the enactment of this Act.

PAR. 8. Section 81.79, as amended by Treasury Decision 6529, is further amended by revising the first undesignated paragraph (26 CFR (1939) 81.79 (b)(1) of paragraph (b) to read as follows:

(b) *For payment of tax attributable to a reversionary or remainder interest.* (1) In case there is included in the gross estate a reversionary or remainder interest in property, the payment of the part of the tax attributable to that interest may, at the election of the executor, be postponed until six months after the termination of the precedent interest or interests in the property. In addition, if the district director finds that the payment of the tax at the expiration of the period of postponement described in the preceding sentence would result in undue hardship to the estate, as such term is described in paragraph (a) of this section, he may, under conditions the same as those under which extensions of time for payment of tax are granted under paragraph (a) of this section—

(i) After September 2, 1958, and before February 27, 1964, extend the time for payment for a reasonable period or periods not to exceed in all 2 years from the expiration of the period of postponement, but only if the precedent interest or interests in the property terminated after March 2, 1958, or

(ii) After February 26, 1964, extend the time for payment for a reasonable period or periods not to exceed in all 3 years from the expiration of the period of postponement, but only if the time for payment of the tax, including any extensions thereof, did not expire before February 26, 1964.

The above provisions are limited to cases in which the reversionary or remainder interest is included in the decedent's gross estate as such and do not extend to cases in which the decedent creates future interests by his own testamentary act.

Because the amendments made by this Treasury decision merely conform the regulations to the provisions of section 236 (78 Stat. 127) and section 240 (78 Stat. 129) of the Revenue Act of 1964 and are favorable to taxpayers, it is hereby found that it is unnecessary to issue this Treasury decision with notice and public procedure thereon under section 4(a) of the Administrative Procedure Act, approved June 11, 1946, or subject to the effective date limitation of section 4(c) of that Act.

This Treasury decision is issued under the authority contained in section 7805 of the Internal Revenue Code of 1954 (68A Stat. 917; 26 U.S.C. 7805) and section 3791 of the Internal Revenue Code of 1939 (53 Stat. 467; 26 U.S.C. 3791).

[SEAL] BERTRAND M. HARDING,
*Acting Commissioner of Internal Revenue.*

Approved: March 20, 1964.

STANLEY S. SURREY,
*Assistant Secretary of the Treasury.*

[F.R. Doc. 64-2903; Filed, Mar. 25, 1964; 8:49 a.m.]

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## SUBCHAPTER D—MISCELLANEOUS EXCISE TAXES

[T.D. 73]

## PART 152—REGULATORY TAXES ON MARIHUANA

The following regulations are prescribed under chapter 39, subchapter A, parts II and III of the Internal Revenue Code of 1954.

This Treasury decision shall be effective upon filing for publication in the FEDERAL REGISTER.

SUBPART A—INTRODUCTORY



SUBPART B—DEFINITIONS



SUBPART C—SPECIAL TAXES

REGISTRATION



CLASSIFICATION



PARTICULAR SITUATIONS



DELINQUENT AND FALSE RETURNS



CHANGES AFTER TAX PAYMENT



SPECIAL TAX STAMPS



SUBPART D—TRANSFER TAXES

RATES OF TAX



ORDER FORMS



EXCEPTIONS

AUTHORITY: §§ 152.1 to 152.134, issued under sec. 7805, I.R.C. 1954; 68A Stat. 917; 26 U.S.C. 7805.

## SUBPART A—INTRODUCTORY

### § 152.1 Scope of regulations.

The regulations in this part deal with the tax computation, procedure, forms of records and returns, and similar matters, pertaining to the special (occupational) taxes upon persons engaged in activities involving marihuana, as well as with the stamp (transfer) tax upon the transfer of marihuana to any person within the United States.

### § 152.2 Laws applicable.

The provisions of law which are applicable in respect of the taxes specified in § 152.1 are those set forth in parts II and III, subchapter A, chapter 39, of the Internal Revenue Code of 1954, together with all other provisions of law which, by reference or otherwise, are applicable to such taxes.

### § 152.3 Arrangement and numbering.

Unless otherwise indicated, references in these regulations to the "Internal Revenue Code" or "the Code" are references to the Internal Revenue Code of 1954, as amended. Where the word "section" is followed by a number as, for example "section 4751", the reference is to a section of the Internal Revenue Code of 1954, as amended. The sections of the regulations in this part are preceded by a section symbol and the part number, arabic number 152, followed by a decimal point and a number as, for example "§ 152.11".

## SUBPART B—DEFINITIONS

### § 152.11 Meaning of terms.

As used in this part:

(a) The term "United States" shall include the several States, the District of Columbia, and the insular possessions of the United States except Puerto Rico and the Virgin Islands. It does not include the Canal Zone.

(b) The terms "manufacturer" and "compounder" shall include any person who subjects marihuana to any process of separation, extraction, mixing, compounding, or other manufacturing operation. They shall not include one who merely gathers and destroys the plant, one who merely threshes out the seeds on the premises where produced, or one who in the conduct of a legitimate business merely subjects seeds to a cleaning process.

(c) The term "producer" means any person who induces in any way the growth of marihuana; and any person who harvests it, either in a cultivated or wild state, from his own or any other land, and transfers or makes use of it, including one who subjects the marihuana which he harvests to any processes rendering him liable also as a manufacturer or compounder. Generally all persons are included who gather marihuana for any purpose other than to destroy it. The term does not include one who merely plows under or otherwise destroys marihuana with or without harvesting. It does not include one who grows marihuana for use in his own laboratory for the purpose of research, instruction, or analysis and who does not use it for any other purpose or transfer it.

(d) The term "miller" means any person who at a mill manufactures or produces from the plant Cannabis sativa L. any fiber or fiber products.

(e) The term "special tax" is used to include any of the taxes, pertaining to the several occupations or activities covered by section 4751, imposed upon persons who import, manufacture, produce, compound, sell, deal in, dispense, prescribe, administer, or give away marihuana.

(f) The term "person" occurring in the regulations in this part is used to include an individual, partnership, trust, association, company, or corporation; also a hospital, college or pharmacy, medical or dental clinic, sanatorium, or other institution or entity.

(g) Words importing the singular may include the plural; words importing the masculine gender may be applied to the feminine or the neuter.

(h) The definitions contained in this section shall not be deemed exclusive.

## SUBPART C—SPECIAL TAXES

REGISTRATION

### § 152.19 Persons liable.

Liability to payment of special tax and registration attaches to every person who imports, manufactures, produces, compounds, sells, deals in, dispenses, prescribes, administers, or gives away marihuana. As to the liability of a person engaged in one or more of the foregoing activities to several taxes see § 152.29.

### § 152.20 Manner and time of registration.

Every person required to register pursuant to section 4753 shall execute and file, with the district director for the internal revenue district in which he proposes to engage in any activity mentioned in § 152.19, an application for registration on Form 678 and pay the special tax or taxes enumerated in § 152.29. Form 678 shall be executed by new applicants and approved by the district director before the activity is commenced. Renewal applications shall be executed and filed on or before the succeeding July 1, and annually thereafter as long as liability is incurred. Form 678 may be obtained from the district director. For the purpose of the special tax imposed by section 4751, Form 678 shall be considered a return.

### § 152.21 Investigation of millers' applications.

(a) All applications filed by millers on Form 678 shall be referred by the district director to the appropriate narcotic district supervisor for investigation, report, and recommendation. Applications on Form 678 for reregistration shall also be referred by the district director to the appropriate narcotic district supervisor for investigation, report, and recommendation, if the district director is in doubt as to the applicant's qualifications to engage in the activity for which he seeks registration.

(b) In the case of applications which have been so referred, the district director shall not issue a special tax stamp in connection with any registration until information has been submitted to him

by the narcotic district supervisor, that the applicant is lawfully entitled to engage in the activity in the internal revenue district in which he seeks registration.

(c) Upon receipt of such application for registration or reregistration, the narcotic district supervisor shall immediately cause an investigation to be made of the applicant to determine whether he meets the qualifications set forth in section 4753(b) of the Internal Revenue Code of 1954. Particularly, in the case of a new applicant, the investigation shall include a comprehensive inquiry to determine whether the applicant is equipped with technical facilities and technical skill adequate to establish and maintain the proposed milling operation with a reasonable degree of efficiency; whether the applicant has a market for the prospective fiber products; and whether there are or will be appropriate safeguards against diversion of marihuana while en route to, or at, the mill premises. The narcotic district supervisor shall make a complete report of the result of the investigation, with a statement of his findings and his recommendation, to the Commissioner of Narcotics who will notify the district supervisor of his approval or disapproval of the application or direct that more information be furnished or that additional investigation be made before decision of approval or disapproval is made.

(d) Upon receipt of said notification, the narcotic district supervisor shall return the application to the district director with a statement that it has been approved or disapproved by the Commissioner of Narcotics including, in case of disapproval, representation of the points wherein the applicant lacks statutory qualification. The application together with the statement shall be returned to the district director within 20 days from date of receipt of the application by the district supervisor, unless a longer time shall be required within which to complete an investigation and report. In the latter event the district supervisor shall, upon or before the expiration of the said 20 days, notify the district director stating the estimated additional time required.

(e) If the application is returned disapproved, the district director shall so notify the applicant with a statement of the points wherein he lacks the necessary qualifications, and shall deny him registration.

(f) If the narcotic district supervisor shall find, after investigation, that a miller already registered has not complied or is not complying with the requirements of section 4753(b) or that grounds exist which would justify the refusal to permit the original registration of such person under said section, he shall report the result of his investigation, with a statement of his findings and his recommendation, to the Commissioner of Narcotics whether or not an application by the miller for reregistration (renewal) has been submitted or is pending. The Commissioner of Narcotics may direct that more information be furnished or that additional investigation be made before decision is made in the case. The final decision of the Commissioner of Narcotics shall be communicated to the narcotic district supervisor and if adverse to the registrant, will include a statement showing wherein said registrant is deemed to be disqualified.

(1) The district director shall immediately notify the registrant of an adverse decision with the included statement of disqualification, and that his current registration is canceled and that reregistration will be denied, or if application is pending that it will be denied. Since the public health, interest and safety require otherwise, the registrant shall not be accorded opportunity to demonstrate or achieve compliance with the lawful requirements before cancellation of registration or denial of reregistration.

(2) Within 15 days from the date of the district director's notification of cancellation of existing registration or denial of reregistration, the registrant so notified may request a hearing by letter addressed and mailed to the Commissioner of Narcotics, Washington, D.C., 20226. Upon receipt of timely application, the Commissioner of Narcotics shall arrange a hearing at a time and place convenient to the parties, but effort will be made to hold such hearing within 30 days, before a hearing officer to be designated by said Commissioner and pursuant to such rules as the Commissioner may deem necessary to secure the efficient and expeditious conduct of the hearing.

**§ 152.22 Investigation of applicants other than millers.**

(a) All new applications on Form 678 shall be referred by the district director to the appropriate narcotic district supervisor for investigation, report, and recommendation. Renewal applications on Form 678 shall also be referred by the district director to the appropriate narcotic district supervisor for investigation, report, and recommendation, if the district director is in doubt as to the applicant's being lawfully entitled to engage in the activity for which he seeks registration. The provisions of this section shall not apply in the case of any application to which the provisions of § 152.21 apply.

(b) In the case of applications which have been so referred, the district director shall not issue a special tax stamp in connection with any registration until information has been submitted to him, by the narcotic district supervisor, that the applicant is properly licensed or otherwise lawfully entitled to engage in the activity in the internal revenue district in which he seeks registration.

(c) All applications for registration that are referred to the narcotic district supervisor shall be returned by him to the district director with recommendation for approval or disapproval and, in case of disapproval, with a statement annexed concerning applicant's lack of license or qualification, to lawfully engage in the activity for which registration is sought. The application together with any required statement shall be returned to the district director within 10 days from date of receipt of the application by the supervisor, unless a longer time shall be required within which to complete an investigation. In the latter event the district supervisor shall, upon or before the expiration of the said 10-day period, so notify the district director stating the estimated additional time required.

**§ 152.23 Evidence of qualification.**

The application of every person shall show that, under the laws of the jurisdiction in which he is operating or proposes to operate, he is legally qualified or lawfully entitled to engage in the activities for which registration is sought.

**§ 152.24 False applications.**

The false or fraudulent execution or signing of any application for registration or any supporting statement required shall subject the offending person to the liabilities imposed by section 7206.

**§ 152.25 Signatures.**

(a) *Individuals.* The application must be signed by the person desiring registration.

(b) *Firms and corporations.* The application of a firm must be signed by a member, that of a corporation by an officer duly authorized to act. The names of the real owners must be disclosed if the business is being carried on under an assumed or trade name or that of a former owner. If owned by a partnership, the name of each partner must appear. In the case of a corporation, the names of the principal officers must be shown.

(c) *Institutions.* When an institution is subject to tax the head thereof or of the department wherein marihuana is used shall sign the application for registration.

**§ 152.26 Inventory required.**

Every person, making application for registry or reregistry in Class III who is not required to render returns on Form 961 and its supplements or on Form 810 and its supplements, or in Class IV or V, shall prepare, in duplicate, an inventory of all marihuana and preparations thereof on hand. Persons making application for registry or reregistry shall prepare the inventory as of December 31 preceding the date of the application or any date between December 31 and the date of the application. The inventories shall be prepared on Form 678 (used by registrants under the provisions of § 151.27 of this chapter for submitting inventories of narcotic drugs on hand), copies of which may be obtained from district directors upon request. If the taxpayer is engaged in more than one of these classes of business, a separate inventory must be prepared for each class. The original inventory shall be forwarded to the district director with the application for registration, and the duplicate must be kept on file by the maker for a period of 2 years. Persons also applying for registration under the provisions of section 4722 and Subpart C of Part 151 of this chapter in any one of the classes with respect to which they are required to submit inventories, on Form 678, of narcotic drugs and preparations on hand, may include the marihuana inventory on this same form.

§ 152.27 Registry numbers.

Upon approval of the application the district director will assign a registry number to the applicant. The numbers are issued serially without regard to classes. The same number shall be retained throughout all the consecutive periods for which the applicant may be registered. In the case of one engaged in business at two or more places or registered in two or more classes at the same place a separate number will be assigned for each place or class. The registry number of a person who discontinues operations will not be assigned to any other person for any portion of the same fiscal year.

§ 152.28 Employer identification numbers.

(a) Except as provided in paragraph (b) of this section, an application on Form SS–4 for an employer identification number shall be made by every person who, at any time after September 30, 1962, performs any act with respect to which a tax is imposed by section 4751, but who prior to such time neither has been assigned an employer identification number nor has applied therefor.

(b) The provisions of this section shall not apply in respect of those employees and officials referred to in section 4772.

(c) The application on Form SS–4, together with any supplementary statement, shall be prepared in accordance with the form, instructions, and regulations applicable thereto, and shall set forth fully and clearly the data therein called for. Form SS–4 may be obtained from any district director. The application on Form SS–4 shall be filed with any district director with whom a return on Form 678 will be filed by the person who is required to make the application. The application shall be filed on or before the seventh day after the first date, after September 30, 1962, on which occurs any act with respect to which a tax is imposed by section 4751. The application shall be signed by (1) the individual, if the person is an individual; (2) the president, vice president, or other principal officer if the person is a corporation; (3) a responsible and duly authorized member or officer having knowledge of its affairs, if the person is a partnership or other unincorporated organization; or (4) the fiduciary, if the person is a trust or estate. An employer identification number will be assigned to the person in due course upon the basis of the information reported on the application required under this section.

(d) The employer identification number assigned to a person liable for the tax imposed by section 4751 shall be shown in any return, statement, or other document made by such person for any period commencing after June 30, 1963.

(e) Each taxpayer shall make application for, and shall be assigned, only one employer identification number, regardless of the number of places of business for which the taxpayer is required to file Form 678.

(f) For the definition of the term "employer identification number", see § 301.7701–12 of this chapter (Regulations on Procedure and Administration). For provisions relating to the penalty for failure to include the employer identification number in a return, statement, or other document, see § 301.6676–1 of this chapter (Regulations on Procedure and Administration).

CLASSIFICATION

§ 152.29 Rates of tax.

(a) Persons subject to tax are divided into classes as shown by the table below:

| Class | Annual tax rate | Persons liable |
|---|---|---|
| I | $24 | Importers, manufacturers, and compounders. |
| II | 1 | Producers, except those included in class V. |
| III | 3 | Dealers, other than physicians, dentists, veterinary surgeons, or other practitioners. |
| IV | 1 | Physicians, dentists, veterinary surgeons, and other practitioners. |
| V | 1 | Producers and other persons, other than importers, manufacturers, producers, and compounders, who use marihuana in a laboratory for the purpose of research, instruction, or analysis. |
| VI | 1 | Millers. |

(b) Persons registering in Classes I or III shall pay the entire tax if business is commenced in July, but if business is commenced after the month of July the amount due is to be reckoned proportionately from the first day of the month in which business is begun to July 1 following. Persons registering in Classes II, IV, V, or VI, shall pay the tax of $1 a year or for any fractional part thereof, regardless of when business is commenced.

§ 152.30 Importers.

Every person who imports marihuana is subject to tax as an importer at the rate of $24 per annum in Class I. A manufacturer or compounder who is also an importer is not thereby required to pay more than one tax.

§ 152.31 Manufacturers and compounders.

Every person coming within the definition set out in § 152.11(b) is subject to tax as a manufacturer or compounder at the rate of $24 per annum in Class I.

§ 152.32 Producers.

Every person coming within the definition set out in § 152.11(c) is subject to tax as a producer at the rate of $1 per annum or fraction thereof in Class II.

§ 152.33 Dealers.

Generally, one who sells, gives away, or dispenses marihuana in any form, is subject to tax as a dealer at the rate of $3 per annum in Class III. However, liability as a dealer does not attach to a physician, dentist, veterinary surgeon, or other practitioner who, incidentally to the legitimate practice of his profession, dispenses marihuana. A physician, dentist, veterinary surgeon, or other practitioner who sells or dispenses marihuana apart from the legitimate practice of his profession incurs liability as a dealer. A manufacturer, compounder, or producer, who has paid special tax in such capacity does not incur additional liability on account of sales of his own products at the place of production, or in the case of an importer at his principal place of business. As to the limited right of a manufacturer or producer to sell free from payment of additional special tax away from the factory or place of production, see § 152.37. Except as indicated, liability for additional tax as a dealer is incurred at each additional place where sales are made. Retail druggists who have paid tax as dealers do not incur liability as manufacturers or compounders on account of compounding marihuana preparations to fill legitimate prescriptions even though the preparations are compounded in advance of receipt of prescriptions, so long as they are used for prescription purposes only.

§ 152.34 Practitioners and interdistrict practice.

(a) Physicians, dentists, veterinary surgeons, and other practitioners, including institutions, who prescribe, distribute, dispense, give away, or administer marihuana, and who are entitled to do so under the laws of the jurisdiction in which they practice, are subject to tax at the rate of $1 per annum or fraction thereof in Class IV.

(b) A practitioner maintaining an office where he is duly registered with the district director of the internal revenue district in which the office is located, and where his complete stock of marihuana and marihuana records are kept, may distribute, dispense, give away, administer, or prescribe marihuana in other internal revenue districts in which he may be lawfully engaged in the practice of his profession, within the United States, in the course of his professional practice only, without incurring additional tax liability.

§ 152.35 Laboratory use.

Chemists occupying an independent status and not that of employees, in other words, in business for themselves, who, being lawfully entitled so to do, make analyses of marihuana or use marihuana in analyzing other substances in a laboratory, and persons who produce or obtain and use in a laboratory any marihuana for the purpose of research, instruction, or analysis, if not registered as an importer, manufacturer, compounder, or producer, are subject to tax at the rate of $1 per annum or fraction thereof in Class V, provided no marihuana is manufactured or compounded for sale or for removal for consumption or sale.

§ 152.36 Millers.

Every person who at a mill manufactures or produces from the marihuana plant any fiber or fiber products is subject to tax as a miller at the rate of $1 per annum or fraction thereof in Class VI.

PARTICULAR SITUATIONS

§ 152.37 Several places of business.

Generally a taxpayer must pay as many special taxes as he has places of business. Thus, if a concern has one or more separate branches where any

of the various taxable businesses is carried on, tax must be paid for each branch separately. However, a manufacturer or producer upon a single payment of special tax may sell products of his own manufacture or production at both the place of manufacture or production and his principal office or place of business, provided no products, except samples, are kept at said offce or place of business. Tax does not attach with respect to a warehouse where marihuana is stored provided no sales are made at such place.

**§ 152.38 Itinerant vendors.**

No person is permitted to deal in marihuana except upon orders received or engagements made at, with respect to, or by reason of, a fixed address. A peddler of marihuana will be regarded as incurring a separate tax liability and committing an additional offense at each place where a sale is made.

**§ 152.39 Partnerships.**

A partnership is subject to the same tax liability as an individual. Should either of the partners also individually engage in a taxable activity, he will incur additional liability with respect to such activity.

**§ 152.40 Institutions.**

Hospitals, colleges, medical and dental clinics, sanatoriums, and other institutions not exempt as public institutions are subject to the same special tax liability as other persons dealing in or handling marihuana in the same manner.

**§ 152.41 Principals.**

Principals, rather than agents, are liable to the taxes imposed. Employers and other principals will be regarded as responsible for the acts of employees and other agents within the scope of their employment.

**§ 152.42 Employees.**

An employee of a person who has registered and paid tax will not himself incur liability to tax so long as he acts solely within the scope of his employment. However, an employee who, within or without the scope of his employment, does any unlawful act, will be held personally liable.

**§ 152.43 Nurses.**

Nurses are regarded as agents of the practitioners of institutions under whose direction or supervision their duties are performed, and they are not permitted to register, nor are they permitted to be in possession of marihuana except as such agents, or as patients. Marihuana left by a practitioner with a nurse, to be administered during his absence, upon discharge of the nurse must be returned to the practitioner, who will account for the marihuana on his records. Any marihuana found in the possession of a nurse not at the time under the supervision of a practitioner shall be forfeited to the Government.

**§ 152.44 Traveling salesmen.**

Traveling salesmen who merely solicit orders and forward them to their respective principals are not required to register or pay any tax.

**§ 152.45 Operation of State laws.**

Payment of special tax under Federal law confers no right or privilege to conduct business contrary to State law. The holder of a special-tax stamp issued by the Federal Government may still be punishable under a State law prohibiting or regulating the production, manufacture, or sale of marihuana. On the other hand, compliance with State law affords no immunity under Federal law. Persons who engage in business in violation of the law of a State are, nevertheless, required to pay special tax as imposed under the internal-revenue laws of the United States.

DELINQUENT AND FALSE RETURNS

**§ 152.46 Delinquent returns.**

(a) Every person from whom a special-tax return is required who, without reasonable cause, fails to file such return on or before the date prescribed for filing (determined with regard to any extensions granted) is subject to certain penalties. Under section 6651 (a), the penalty for delinquency is 5 percent of the amount of tax required to be shown on the return if the failure is for not more than 1 month, and an additional 5 percent for each additional month or fraction thereof, during which the delinquency continues, not to exceed 25 percent in the aggregate.

(b) A taxpayer who wishes to avoid the addition to the tax for delinquency must make an affirmative showing on all the facts alleged as reasonable cause for failure to file the return on time. Such showing should be made in the form of a written statement containing a declaration that it is made under penalties of perjury. The statement should be filed with the district director with whom the return is required to be filed. If the district director or the director of the regional service center determines that the delinquency was due to a reasonable cause, and not to willful neglect, the addition to the tax will not be assessed. If the taxpayer exercised ordinary business care and prudence and was nevertheless unable to file the returns within the prescribed time, then the delay is due to reasonable cause.

(c) The addition to the tax under section 6651 is not applicable where a 50 percent addition to the tax for fraud is assessed under the provisions of section 6653(b). See § 152.50.

**§ 152.47 Sickness or absence.**

If the district director is satisfied that failure to file a return is due to sickness or absence, he may extend the time for filing for not more than 30 days. Since any member of a firm may make the return, sickness or absence of less than all the members of a firm will not relieve from liability to the penalty for failure to make return, nor afford ground for extension of time.

**§ 152.48 Failure of agent.**

If an attorney or agent is delegated to make a return and pay special tax, the principal will incur the penalty if the return is not filed within the time prescribed by law.

**§ 152.49 Delinquent payment.**

(a) Under section 6601 interest at the rate of 6 percent per annum shall be paid on any unpaid amount of tax (special or transfer) from the last date prescribed for payment of the tax (determined without regard to any extension of time for payment) to the date on which payment is received.

(b) If by reason of jeopardy, a notice and demand for payment of any tax is issued before the last date otherwise prescribed for payment, such last date shall, nevertheless, be used for the purpose of the interest computation, and no interest shall be imposed for the period commencing with the date of the issuance of the notice and demand and ending on such last date. If the tax is not paid on or before such last date, interest will automatically accrue from such last date to the date on which payment is received.

(c) Interest shall be assessed and collected in the same manner as tax and shall be paid upon notice and demand by the district director or the director of the regional service center. Interest on tax may be assessed and collected at any time within the period of limitation on collection after assessment of the tax on which it relates.

(d) No interest under section 6601 shall be payable on any interest provided by such section.

(e) Interest shall not be imposed on any assessable penalty, unless such assessable penalty is not paid within 10 days from the date of notice and demand therefor. If interest is imposed it shall be imposed only for the period from the date of notice and demand to the date on which payment is received.

(f) If notice and demand is made for any amount and such amount is paid within 10 days after the date of such notice and demand, interest shall not be imposed for the period after the date of such notice and demand.

**§ 152.50 False returns.**

For making a false or fraudulent return, additional liability amounting to 50 percent of the underpayment of the tax is incurred. If a penalty for fraud is assessed, the penalty for failure to file a return will not be assessed with respect to the same underpayment.

**§ 152.51 When penalty accrues.**

In view of the positive language of section 4901(a), all persons engaging in activities specified in section 4751 will be regarded as delinquent and the penalties and interest provided are applicable unless applications are filed not later than July 1 of each year or on or before the date upon which liability is incurred.

CHANGES AFTER TAX PAYMENT

**§ 152.52 Change of control.**

(a) Certain persons other than the taxpayer may, without incurring additional liability, carry on the business at the same address and for the remainder of the period for which special tax was paid. To secure such right the party or parties continuing the business must

execute, within 30 days, a return on Form 678, showing the basis of the right. As to liability for failure to register change, see § 152.57. Under the conditions indicated the parties having such right include the following:

(1) The relict, children, or other legal representatives of a deceased taxpayer.

(2) A receiver or referee in bankruptcy, or an assignee for the benefit of creditors.

(3) The partner or partners remaining after death or withdrawal of a member.

(b) Special tax, reckoned from the first day of the month in which the change occurs, is incurred and must be paid by the parties indicated under the following conditions:

(1) Where additional partners are taken into a firm operating under the old or a new firm name.

(2) Where a corporation is formed to continue the business of a partnership, or an existing corporation is reincorporated.

(3) Where a stockholder or other party continues a business previously conducted by a corporation, whether or not the corporation is dissolved.

**§ 152.53 Change of name or location.**

The name of an individual, firm, or corporation that has paid special tax may be changed, or a special-tax payer may relocate his place of business, without incurring additional tax liability, provided the change is registered with the district director.

**§ 152.54 Registration.**

A special-tax payer who changes his name or relocates his place of business shall within 30 days execute a new return on Form 678, marked "Revised Registry". The return shall set forth the date of change and the new name or address. The return shall be forwarded with the special-tax stamp to the district director who issued the stamp for recording the change.

**§ 152.55 Removal within district.**

Where a taxpayer removes his business to another address within the internal revenue district the district director will enter on his Record 10 the new address and the date of removal, and will note the change on the face of the special-tax stamp which he will return to the taxpayer.

**§ 152.56 Removal to another district.**

Where a taxpayer removes his business to another internal revenue district the district director who issued the stamp will enter on his Record 10 the new address and date of removal, and will transmit the stamp to the district director of the district to which the taxpayer removed. The district director of that district will then make entry on his Record 10, as in the case of a new registrant, and note the taxpayer's new address and the district director's name, title, and the internal revenue district, and the date on the stamp, which he will return to the taxpayer.

**§ 152.57 Liability for failure to register change.**

A person succeeding to a business for which tax has been paid, or a taxpayer who relocates his business without registering the change within 30 days, as required by §§ 152.52 and 152.54, respectively, will be liable for the tax, or the penalty set forth in § 152.46 for failure to make a return and also for the penalty for carrying on a business without payment of tax.

SPECIAL TAX STAMPS

**§ 152.58 Issuance of stamps.**

District directors will distinctly write or print on the stamp, before it is issued, the taxpayer's name, address, and registry number, and the number of the class in which registered.

**§ 152.59 Posting of stamps.**

Every special-tax stamp issued to a taxpayer must be kept posted conspicuously on the premises where the business is operated. One who fails so to post a stamp thereby incurs liability to a penalty, equal to and in additon to the tax, but in no case shall the penalty be less than $10. Where the failure is willful the penalty is doubled. This liability is additional to any and all liability otherwise incurred.

**§ 152.60 Certificates in lieu of stamps lost or destroyed.**

The regulations in this part shall apply to certificates on Form 785 issued in lieu of special-tax stamps lost or destroyed.

SUBPART D—TRANSFER TAXES

RATES OF TAX

**§ 152.61 Scope of tax.**

Except as otherwise provided, each transfer of marihuana to a person within the United States is subject to tax, to be paid in the manner hereinafter indicated. The tax is due whether the transferor be located within the United States or elsewhere. The tax applies to every transfer, no matter how often the same material may be transferred. It is no basis of exemption that a transferred article was produced from material on the transfer of which tax was paid.

**152.62 Amount of tax.**

Where the transfer is to a taxable person who has duly registered and paid special tax, the transfer tax is at the rate of $1 per ounce or fraction thereof. If the transfer is to a person who has not registered and paid the special tax under this act, tax at the rate of $100 per ounce or fraction thereof is due.

**§ 152.63 Method of payment.**

The tax is paid by attachment of adhesive stamps to order forms as hereinafter shown. Stamps of various denominations are available. Payment for the stamps shall be made when application for the order form is submitted.

**§ 152.64 Affixing and canceling of stamps.**

The proper stamp, evidencing the payment of the transfer tax, shall be affixed to the original order form by the district director or his representative, and the person so affixing the stamp shall cancel it by writing or stamping thereon, in ink, his initials, and the day, month, and year, or shall, by cutting with a machine or punch affix his initials and the date as aforesaid, in such manner as to render it unfit for reuse. The cancellation shall not so deface the stamp as to prevent its denomination and genuineness from being readily determined.

**§ 152.65 Reuse of stamps prohibited.**

A stamp once affixed to one order form cannot lawfully be removed and affixed to another. As to refunds for amounts paid for stamps, see § 152.124.

ORDER FORMS

**§ 152.66 Written order required for transfer of marihuana.**

Except as otherwise provided, every person seeking to obtain marihuana shall make application on Form 679a (Marihuana) to the district director of internal revenue for the district in which the transferee is located for the purchase of an order form. The application shall show (a) the transferee's name, address, and, if registered, the registration number, (b) the name and address of the transferor, and (c) a description, including quantities, of the desired articles or materials to be transferred. The application must be accompanied by a check, cash, or money order in payment of the transfer tax (see § 152.62), plus 2 cents in payment for the order form.

**§ 152.67 Signing of application.**

Generally, applications for order forms shall be signed by the same person or persons signing the application for registration (see § 152.25). However, when it is impracticable for the person signing the aplication for registration to sign the applications for order forms they may be signed by another person, provided a power of attorney authorizing such other person to sign the applications for order forms has previously been filed with and approved by the district director. The power of attorney shall be executed on Form 1315, or a substantially similar form, in the same manner as applications for registration, shall show the signature of the person thereby authorized to sign applications for order forms, and shall affirm that the signature so shown is his signature.

**§ 152.68 Signatures to be compared.**

Upon receipt by the district director of an application for an order form the signature on such application shall be compared with that appearing on the application for registration or in the power of attorney (see § 152.67). Unless the district director is satisfied that the application is authentic it will not be honored.

**§ 152.69 Procedure regarding order forms.**

Upon receipt of a properly executed application, accompained by a sum sufficient to cover the transfer tax and the price of the order form, the district director will issue the order form in

triplicate. There shall be shown on each of the three copies the date of issuance, the name and address of the proposed transferor, the name and address of the transferee, and a description, including quantities, of the desired articles or materials. As to affixing of the tax stamp to the original order form, see § 152.64. The duplicate and triplicate shall show the date the stamp was purchased and canceled. The original and duplicate shall be delivered the the transferee, who shall in turn submit the original to the transferor. The triplicate shall be retained by the district director. The transferor shall preserve the original, and the transferee shall preserve the duplicate, for a period of 2 years so as to be readily accessible for inspection by any officer, agent, or employee mentioned in section 4773.

**§ 152.70 Applications to be filed.**

The district director will stamp each application with the date when the order form is issued, enter thereon the serial number of the order form sold in pursuance thereof, and file all applications numerically according to such serial numbers.

**§ 152.71 Importations.**

A district director of internal revenue issuing an order form for the procurement of marihuana from a foreign country shall prepare and issue to the transferee (importer) a document reciting that an order form has been issued. The document shall show the serial number of the order form, the name and address of the transferee, the name and address of the transferor, and the kind and quantity of marihuana covered by the order form. The transferee, in order to obtain release of the marihuana from customs' custody, shall present the document to the collector of customs at the port of entry. No importation of marihuana shall be released from customs' custody until the aforesaid document has been presented to the collector of customs. Seeds may be imported by a registered importer without payment of transfer tax or procurement of order forms (see section 4742(b)(5)). A registered importer desiring to import seeds without the use of order forms shall obtain from the district director of internal revenue for the district in which he is registered a certificate of registration (see § 152.88), and no importation of seeds shall be released from customs' custody without evidence of issuance of an order form or presentation of a certificate of registration.

EXCEPTIONS

**§ 152.72 When order forms not required.**

The use of order forms in effecting transfers of marihuana is not required:

(a) For dispositions of patients or for use of animals by duly qualified and registered practitioners in the course of their professional practice only.

(b) For dispositions by registered dealers pursuant to properly executed prescriptions of registered practitioners.

(c) For lawful exportations.

(d) For dispositions to exempt officials.

(e) For transfers of any seeds of the plant Cannabis sativa L. to any person registered under section 4753.

(f) For transfers of the plant Cannabis sativa L. or any parts thereof (including seeds of the plant), from any person registered under section 4753 to a person who is also registered under section 4753 as a taxpayer required to pay the tax imposed by section 4751.

**§152.73 Dispensing by practitioners.**

(a) Practitioners may dispense marihuana to bona fide patients pursuant to the legitimate practice of their professions without prescriptions or order forms.

(b) All persons and institutions registered as members of Class IV (practitioners, see § 152.34), whether they be physicians, dentists, veterinary surgeons, hospitals, sanatoriums, medical schools, or colleges, dispensaries not connected with a Federal, State, county, or municipal institution, welfare bureaus, or charitable institutions, must keep a daily record showing the kind and quantity of marihuana dispensed or administered, the name and address of each person to whom dispensed or administered, the name and address of the person upon whose authority the marihuana is dispensed or administered, and the purpose for which it is dispensed or administered. Such records shall be kept for a period of 2 years in such manner as to be readily accessible to inspection by investigating officers.

**§ 152.74 Form of record.**

No special record form will be furnished by the Government for the use of those registered as practitioners. Hospitals and institutions should keep records in the manner best calculated to meet the conditions existing therein. The record that is kept, however, should enable an inspecting officer quickly to ascertain the quantity and kind of marihuana used daily. The initials of the practitioner giving directions for the administering of marihuana should appear on the patient's record chart, or a separate prescription giving the name and address of the patient, the date, and the physician's signature or initials should be filed with the pharmacist in charge of the drug room before the marihuana leaves his charge. If both chart and prescription are used, reference to the prescription should be made on the chart.

**§ 152.75 Who may issue prescriptions.**

A prescription for marihuana may be used only by a physician, dentist, veterinary surgeon, or other practitioner who has duly registered, or an exempt official.

**§ 152.76 Who may fill prescriptions.**

A prescription for marihuana may only be filled by a dealer registered in Class III or by an exempt official, or by a member of Class I who is qualified to sell marihuana at retail.

**§ 152.77 Purpose of issue.**

A prescription, in order to be effective in legalizing the possession of marihuana and eliminating the necessity for use of order forms, must be issued for legitimate medical purposes.

**§ 152.78 Responsibility for issue.**

The duty of properly preparing prescriptions is upon the practitioner, and he is liable for the penalties for failure to insert the information required by law. A prescription may be prepared by a secretary or agent for the signature of a practitioner, but the practitioner will be held responsible in case the prescription does not conform in all essential respects to the law and regulations. A corresponding liability rests upon the dealer who fills a prescription not prepared in the form prescribed by law.

**§ 152.79 Manner of execution.**

All prescriptions for marihuana must be dated as of and signed on the day when issued and must bear the full name and address of the patient and the name, address, and registry number of the practitioner. A practitioner may sign a prescription in the same manner as he would sign a check or legal document, as, for instance, J. H. Doe, John H. Doe, or John Henry Doe. Prescriptions should be written with ink or indelible pencil or typewritten; if typewritten, they should be signed by the practitioner.

**§ 152.80 Refilling.**

The refilling of a prescription for marihuana is prohibited.

**§ 152.81 Partial filling.**

As a general rule, the partial filling of marihuana prescriptions is unlawful. If, however, a dealer is unable to supply the full quantity called for in a prescription, he may, if an emergency exists, and he later advises the issuing practitioner, supply a portion of the marihuana called for by the prescription, provided he makes a suitable notation on the face of the prescription of the quantity furnished and a suitable explanation of the reason for not supplying the full quantity on the back of the prescription. No further quantity will be supplied except upon a new prescription.

**§ 152.82 Telephone orders.**

Except as hereinafter provided, the furnishing of marihuana pursuant to telephone advice of practitioners is prohibited whether prescriptions covering such orders are subsequently received or not. In an emergency a dealer may deliver marihuana through his employee or responsible agent pursuant to a telephone order, provided the employee or agent is supplied with a properly prepared prescription before delivery is made, such prescription to be turned over to the dealer and filed by him as required by law within a reasonable time after delivery.

**§ 152.83 Form to be used.**

The Government does not furnish prescription forms. Any prescription form may be used, provided it is properly executed and shows the required information.

**§ 152.84 Filing.**

Dealers who fill marihuana prescriptions are required to keep them in a separate file for a period of 2 years in such manner as to be readily accessible

to inspection by investigating officers. However, if the dealer is registered under the provisions of section 4722 and § 151.46 of this chapter (Narcotic Tax Regulations) as a retail dealer, and keeps marihuana prescriptions on the narcotic prescription file, it will be deemed a compliance with this section.

**§ 152.85 Labels on containers.**

The dealer filling a prescription must affix to the container a label showing the name and registry number of the dealer, the serial number of the prescription, the name and address of the patient, and the name, address, and registry number of the person writing the prescription.

**§ 152.86 Exportations.**

Any person desiring to export marihuana to a country which regulates importations thereof shall present to the nearest collector of customs an application on Form 161a, for authorization to make such exportation, which application shall be accompanied by an import permit issued by the government of the country of destination or other evidence which shall be satisfactory to the Commissioner of Narcotics that the applicant has complied with the requirements of the laws and regulations of the country of destination with respect to such proposed exportation thereto. Such application will be forwarded by the collector of customs to the Commissioner of Narcotics who, if satisfied that the applicant has complied with such laws and regulations of the country of destination, shall approve the application, which approval will authorize the collector of customs at the port of export to clear the shipment for exportation without the use of order forms or payment of the transfer tax.

**§ 152.87 Orders and prescriptions.**

Persons registered under section 4753 may transfer marihuana to exempt officials pursuant to orders and prescriptions issued by such exempt officials. Such orders and prescriptions should be prepared on official blanks if such blanks are provided, or otherwise on official stationery, and must show the name, title, and official address of the person by whom executed. No order may be filled unless it is accompanied by a certificate of exemption which has been issued by the district director (see §§ 152.111–152.119).

**§ 152.88 Transfer of seeds.**

Before making transfers of unsterilized seeds, the transferor must receive from the transferee a certificate of registration showing him (the transferee) to be qualified under the Internal Revenue Code to acquire such seeds. Certificates of registration will be issued by the district director for the internal revenue district in which the transferee is registered, upon request of the transferee. Records covering receipts and dispositions of such seeds must be kept in the same manner as records of other transactions in marihuana (see § 152.98).



**§ 152.89 Transfer of the plant Cannabis sativa L.**

Before making transfers of the plant Cannabis sativa L., the transferor must receive from the transferee a certificate of registration showing such person to be qualified under the Internal Revenue Code to acquire such plant. Certificates of registration will be issued by the district director for the district in which the transferee is registered, upon request of the transferee. Records covering receipt and disposition of such plant must be kept in the same manner as records of other transactions in marihuana (see § 152.98).

## Subpart E—Information Returns and Records

### Returns

**§ 152.91 Returns required of importers for other than medicinal use.**

Every person registered as an importer, who imports marihuana in any form for any purpose other than the manufacture of medicinal products or the distribution through wholesale or retail drug channels for medicinal use, shall render a quarterly return on Form 961, and its supplement Form 961a, to the district director for the district on or before the fifteenth day of April, July, October, and January, for the quarterly periods ending March 31, June 30, September 30, and December 31, respectively. Each such return shall account for all marihuana on hand and imported, in whatever form, and all sales, exports, or other dispositions of marihuana.

**§ 152.92 Returns required of manufacturers and compounders for other than medicinal use.**

Every person registered as a manufacturer or compounder, who uses marihuana in any form in the manufacture or compounding of other than medicinal products, shall render a quarterly return on Form 961, and its supplement, Form 961a, to the district director for the district on or before the fifteenth day of April, July, October, and January, for the quarterly periods ending March 31, June 30, September 30, and December 31, respectively. Each such return shall account for all marihuana, and all marihuana products other than those specifically excepted by section 4742(b), which are on hand, purchased, or otherwise acquired, all manufacture or compounding thereof, and all sales, exports, or other dispositions of marihuana or its products.

**§ 152.93 Returns required of importers, manufacturers, and compounders for medicinal use.**

(a) Every person registered as an importer, manufacturer, or compounder, in Class I under section 4753, who imports, purchases, or otherwise acquires marihuana or preparations containing marihuana for use in the manufacture or compounding of medicinal products or for distribution through wholesale or retail drug channels or direct to practitioners for medicinal use, shall render a monthly return on Form 810 and its supplements, Forms 810a, 810b, 810c, 810d, and 811c to the district director of internal revenue for the district on or before the fifteenth day of the month succeeding that for which the return is rendered. Returns for marihuana and its medicinal products will be rendered on these forms in accordance with instructions appearing thereon relating to opium and coca leaves and their derivatives. All receipts of marihuana for medicinal distribution or manufacture or compounding will be reported on Form 810a, all dispositions on Form 810b, all manufacturing or compounding operations on Form 810c, all packaging operations on Form 810d, and a semiannual inventory of marihuana and preparations on hand will be rendered as of June 30 and December 31, and will be made a part of the June and December returns, respectively.

(b) Where a person required by this section to render a return for marihuana on Form 810 and its supplements is also registered in Class I under the provisions of section 4722 and §§ 151.42 to 151.44, inclusive, of this chapter (Narcotic Tax Regulations) and renders a return under the provisions of § 151.261 of such regulations on these same forms, the marihuana return may be made a part of such monthly narcotic return, but separate detail sheets, Forms 810a, 810b, 810c, 810d, and 811c, must be used to report marihuana transactions. The totals of the various detail sheets of marihuana transactions will be carried to the "Other opium alkaloids" column of the summary, Form 810.

**§ 152.94 Returns required of producers.**

(a) Every person registered as a producer of marihuana in Class II under section 4753, shall render an annual return on Form 960, to the district director of internal revenue for the district on or before the fifteenth day of January, for the annual period ending December 31 of the preceding year. Each such return shall show, both by the number of plots or fields and their total area, all marihuana under cultivation at the beginning of the period, planted or brought under cultivation during the period, harvested or otherwise disposed of during the period and under cultivation at the close of the period. Each such return shall also account for all bulk marihuana on hand and produced during the period, in whatever form, and all sales, exports, or other dispositions of marihuana during the period.

(b) Farmers producing hemp for fiber by retting the entire crop in the field where grown, removing only the matured hemp stalks and no other part of the plant from the field will report either the quantities of such matured stalks gathered or the total fiber yield in the space provided therefor at the bottom of summary No. 1. No further accounting for such matured stalks need be made. If any part of the plant, other than such matured stalks, is removed from the field such material must be fully accounted for in summary No. 2. Producers who are also registered as manufacturers, compounders, or dealers will also render returns on the forms prescribed for manufacturers, compounders, or dealers to cover transactions entered into under such registration.

**§ 152.95 Returns required of dealers for other than medicinal use.**

Every person registered as a dealer in Class III under section 4753, who purchases and sells or otherwise acquires and disposes of marihuana or its products for other than distribution through wholesale or retail drug channels, shall render a quarterly return on Form 961, and its supplement Form 961a, to the district director of internal revenue for the district on or before the fifteenth day of April, July, October, and January for the quarterly periods ending March 31, June 30, September 30, and December 31, respectively. Each such return shall account for all marihuana on hand and purchased, or otherwise acquired, in whatever form, and all sales, exports, or other dispositions of marihuana.

**§ 152.96 Returns required of dealers for medicinal use.**

(a) Every wholesale or retail druggist, pharmacist, or other person registered as a dealer in Class III under section 4753, who purchases or otherwise acquires and sells or otherwise transfers marihuana or its preparations exclusively for medicinal purposes in any manner except pursuant to prescriptions of registered practitioners, as elsewhere authorized in these regulations, shall render a monthly return on Form 810 and its supplements Forms 810a, 810b, and 811c to the district director of internal revenue for the district or or before the fifteenth day of the month succeeding that for which the return is rendered. Returns for marihuana and its medicinal products will be rendered on these forms in accordance with instructions appearing thereon relating to opium and coca leaves and their derivatives. All receipts of marihuana for medicinal distribution will be reported on Form 810a, and all transfers or other dispositions on Form 810b, and a semiannual inventory of marihuana and preparations on hand will be rendered as of June 30 and December 31, and will be made a part of the June and December returns, respectively.

(b) Where a person required by this section to render a return for marihuana on Form 810 and its supplements is also registered in Class I under the provisions of section 4722 and §§ 151.42 to 151.44, inclusive, of this chapter (Narcotic Tax Regulations) and renders a return under the provisions of § 151.261 of such regulations on these same forms, the marihuana return may be made a part of such monthly narcotic return, but separate detail sheets, Forms 810a and 810b, must be used to report marihuana transactions. The totals of the various detail sheets of marihuana transactions will be carried to the "Other opium alkaloids" column of the summary, Form 810.

**§ 152.97 Returns required of millers.**

(a) Every person registered as a miller who receives Cannabis sativa L. plants or parts thereof for the purpose of manufacturing or producing any fiber or fiber products, shall render a quarterly return on Form 961, and its supplement, Form 961a. The return shall be submitted to the district director of internal revenue for the district on or before the 15th day of April, July, October, and January, for the quarterly periods ending March 31, June 30, September 30, and December 31, respectively. Each such return shall account for all Cannabis sativa L. plants or parts thereof on hand, purchased, or otherwise acquired, all manufacture or producing of fiber or fiber products, and all sales, exports, or other dispositions of such plants or parts thereof, or their products.

(b) All marihuana yield of such Cannabis sativa L. plants or parts thereof (green or dried flowering tops, foliage and seed) shall be destroyed on the miller's premises, and each return shall bear a written statement of the approximate weight of marihuana, or the approximate weight of marihuana and other commingled plant waste material, destroyed during the quarterly period and the method of destruction.

**§ 152.98 General requirements regarding records required of registrants.**

(a) The details of all marihuana imported, purchased, received, compounded, or manufactured, and all marihuana exported, sold, used in compounding or manufacture, or otherwise disposed of as reported on Form 961 shall be reported in supplemental detail sheets, Form 961a, which shall be affixed to and become a part of such return. Detail sheets will be fully identified and numbered to correspond with the numbers of the summaries and lines to which they relate. The detailed report of imports shall show for each importation the name and address of the foreign consignor, the foreign port of export, the American port of import, and the kind and quantity of marihuana imported. Producers will report the details of all seeds purchased or received for planting and all marihuana exported, sold or otherwise disposed of on page 3, Form 960. The detailed report of purchases shall show for each purchase the name and address of the seller, and the kind and quantity of marihuana purchased. The detailed report of other receipts shall show for each entry full information as to the circumstances of such receipt, the name and address of the person from whom acquired, and the kind and quantity of marihuana received. The detailed report of nonmedicinal marihuana products manufactured or compounded will show the date of completed manufacture or compounding and the kind and quantity of the product.

(b) The detailed report of exports shall show in each instance the name and address of the foreign consignee, the kind and quantity of marihuana exported, the American port of export, and the foreign port of import. The detailed report of sales shall show for each sale the name, address, internal revenue district, and registry number of the purchaser, the kind and quantity of marihuana sold, and the value of tax stamps affixed to the order form pursuant to which the sale was made. The detailed report of other dispositions shall show for each entry full information as to the disposition made of such marihuana and the kind and quantity of marihuana so disposed of. The detailed report of marihuana used in manufacture or compounding will show the kind and quantity so used, the date placed into process and the name of the product to be manufactured or compounded therefrom. Returns shall be prepared in duplicate and the duplicate retained by the registrant.

**§ 152.99 Signing and verifying returns.**

All returns required by the regulations in this part shall be rendered under penalties of perjury, and shall be signed by the registrant, if an individual, by a member of the firm, if a partnership, or by a principal officer, if a corporation. Where it is impracticable for the person interested to execute returns, they may be executed by another person pursuant to power of attorney prepared and filed as outlined in § 152.67.

RECORDS

**§ 152.100 Laboratory use.**

Persons who have registered and paid the tax to obtain and use in a laboratory any marihuana for the purpose of research, instruction, or analysis, are required to keep complete records relating to the receipt, disposal, and stock on hand, of all marihuana. A special record shall also be kept showing the date, the quantity and kind of marihuana used, the particular purpose or object of such use, and also showing as to the resulting product or residue, the date, quantity and kind, and manner of disposition. The Government does not furnish blanks for the keeping of this record, but it should be in a form substantially as follows:

| Marihuana used | | | | Identification and disposition of marihuana or resulting products and residues | | | |
|---|---|---|---|---|---|---|---|
| Date | Detailed description | Quantity | Purpose | Date | Products or residues | Quantity | Disposition |
| | | | | | | | |

**§ 152.101 Processing by millers.**

Persons who have registered and paid the tax to process the Cannabis sativa L. plants and parts thereof, for the purpose of extracting any fiber or fiber products therefrom, are required to keep complete records relating to the receipt, disposal, and stock on hand, of all such plants and parts thereof and products therefrom. The Government does not furnish blanks for the keeping of this record, but it should be in a form substantially as follows:

| Date | Cannabis sativa L. plants and parts | | Disposed of | | On hand | | | Remarks |
|---|---|---|---|---|---|---|---|---|
| | Received (lbs.) | Processed (lbs.) | Fiber (lbs.) | Fiber products (lbs.) | Plants (lbs.) | Fiber (lbs.) | Products (lbs.) | |
| | | | | | | | | |

GENERAL PROVISIONS

**§ 152.102 Records and returns to be retained.**

All order forms, duplicate forms, prescription records, returns, and inventories required to be kept on file by the taxpayer shall be retained and available for inspection for a period of not less than 2 years.

**§ 152.103 Special reports.**

Statements pursuant to section 4754 (a) shall be rendered on Form 680 in the manner and at the time requested by the district director of internal revenue.

**§ 152.104 Examining records.**

Any officer, agent, or employee of the Treasury Department authorized to enforce the provisions of subchapter A, chapter 39 relating to marihuana, and any officer of any State, Territory, the District of Columbia, or insular possession of the United States charged with the enforcement of any law or municipal ordinance relating to the traffic in marihuana, shall have authority to examine the books, papers, and records kept pursuant to the regulations in this part, and may require the production thereof.

**§ 152.105 Records open to inspection.**

All order forms, duplicate forms, prescription records, returns, and inventories required under the provisions of subchapter A, chapter 39, relating to marihuana, or the regulations in this part to be kept on file shall be kept so that they can be readily inspected.

SUBPART F—SPECIAL EXEMPTIONS

EXEMPT OFFICIALS

**§ 152.111 Exempt officials.**

Officials of the United States, the District of Columbia, any State, Territory, or insular possession of the United States, or of any county, municipality, or other political subdivision therein, who, in the exercise of their official duties, acquire, dispense, or handle marihuana, are not thereby required to register or pay special tax, but their right to such exemption shall be evidenced as provided in this subpart.

**§ 152.112 Military and naval officers.**

Each official of the Army, Navy, Air Force, Public Health Service, or National Guard, who is authorized to procure or purchase marihuana for official use shall file with the district director for the internal revenue district in which he is located a certificate from a superior official showing the name, official address and official status of the person claiming exemption. Each such certificate shall be renewed on or before July 1 of each year. With respect to procurement of marihuana by officials of the character indicated, see § 152.114. No exemption certificate shall be required under this section for officials who only prescribe, dispense, or administer marihuana in the course of their official duties.

**§ 152.113 Civil officers.**

Each civil officer of the United States, or the District of Columbia, or of any State, Territory, or insular possession of the United States, or any county, municipality, or other political subdivision, claiming exemption from registration and tax under section 4772(b), shall file with the district director for the district in which he is located a certificate from a superior official showing the official status and official address of the person claiming exemption and (a) whether he is to purchase the marihuana or obtain it from official stocks, and (b) whether or not the officer is to administer or dispense marihuana. Each such statement must be renewed on or before July 1 of each year.

**§ 152.114 Procurement of marihuana.**

(a( Each order for the purchase of marihuana by an exempt official must be accompanied by a certificate, issued by the district director for the district in which the purchasing official is located, on official stationery in the following form:

---
(Name)

---
(Rank or official capacity)

---
(Post of duty or official address)

has evidenced his exemption from registration and payment of taxes under section 4772 (b) of the Internal Revenue Code, in the manner prescribed by the Commissioner of Narcotics, with the approval of the Secretary of the Treasury, and is entitled to purchase marihuana without the use of official order forms for the use of

---
(Name of government and department thereof)

Certificates in accordance with the foregoing form will be issued by the district director upon request but no certificate may be issued for any officer or official unless the list or statement on file indicates that such officer or official is required to purchase marihuana.

(b) If an official is engaged in a private business or privately practices a profession in which marihuana is imported, manufactured, produced, compounded, sold, dealt in, dispensed, prescribed, administered, or given away, such official must register and pay the special tax for such private activity, and the marihuana for such private purposes must be secured upon regular order forms.

**§ 152.115 Enforcement officers.**

(a) Special agents and customs agents, for the establishment of a drawback under customs laws and regulations, inspectors of the Food and Drug Administration, Department of Health, Education, and Welfare, in connection with their duties in enforcing the Federal Food, Drug, and Cosmetic Act (52 Stat. 1040; 21 U.S.C. Chapter 1) and State or Federal officials engaged in their duties in enforcing any State or Federal marihuana law are entitled to procure from any person registered under the provisions of section 4753, samples of marihuana, and registrants may lawfully furnish to any such persons for the purposes stated, the required samples, taking a receipt therefor, which shall be filed with their official order forms and records.

(b) For drawback regulations of the Bureau of Customs, see 19 CFR Part 22. For regulations under the Federal Food, Drug, and Cosmetic Act, see 21 CFR Part 1.

TRANSFER PROCEDURE BY OFFICIALS

**§ 152.116 Orders and prescriptions.**

Orders and prescriptions issued by exempt officials as such for marihuana should be prepared on official blanks if such blanks are provided, or otherwise on official stationery, and must show the name, title, and official address of the person by whom executed.

**§ 152.117 Filling and filing orders and prescriptions.**

An order issued for marihuana by an exempt official as such may be filled only by a person registered as an importer, manufacturer, compounder, producer, or dealer. Prescriptions of like issue may be filled only by retail druggists registered as dealers or by manufacturers supplying thereon marihuana of their own manufacture or compounding. Any registrant who fills an improperly prepared order or prescription may be charged with violation of section 4742. Orders and prescriptions of exempt officials should, when filled, be filed with the regular marihuana orders and prescriptions otherwise required.

TRANSFERS TO PUERTO RICO AND THE VIRGIN ISLANDS

**§ 152.118 Transfers to be made pursuant to orders.**

No person in the United States may transfer marihuana to a person in Puerto Rico or in the Virgin Islands, except pursuant to an order form, bearing appropriate transfer tax stamp, issued by the appropriate officers in those islands. The transfer or other disposition of marihuana by any person in the United States to any person in Puerto Rico or in the Virgin Islands otherwise than as above described, shall subject the offending party or parties to the penalties provided for illegal transfer of marihuana.

**§ 152.119 Record of transfers required.**

Each transfer or other disposition of marihuana to persons in Puerto Rico or the Virgin Islands shall be recorded and reported by the transferor in the same

manner as a transfer within the United States.

SUBPART G—ADMINISTRATIVE PROVISIONS

ASSESSMENT OF TAX

**§ 152.121 Assessment of taxes not paid by stamp.**

Tax due on the transfer of marihuana not paid by attachment of stamps to order forms shall be reported for assessment. Special tax which the taxpayer refuses or fails to pay may likewise be reported for assessment. The district director is authorized and required, and the director of the regional service center is authorized, to make all assessments of all taxes imposed by the Internal Revenue Code of 1954 or any prior internal revenue law.

**§ 152.122 Jeopardy assessment.**

(a) If the district director believes that the collection of any tax will be jeopardized by delay, he shall, whether or not the time otherwise prescribed by law for filing the return or paying such tax has expired, immediately assess such tax, together with all interest, additional amounts and additions to the tax provided by law.

(b) The tax, interest, additional amounts, and additions to tax will, upon assessment, become immediately due and payable, and the district director shall, without delay, issue a notice and demand for payment thereof in full. Upon failure or refusal to pay the amount demanded, collection thereof by levy shall be lawful without regard to the 10-day period provided in section 6331(a).

(c) The collection of a jeopardy assessment of any tax may be stayed by filing with the district director a bond on the form to be furnished by the district director upon request. The bond may be filed at any time before the time collection by levy is authorized under section 6331(a), or after collection by levy is authorized and before levy is made on any property or rights to property, or in the discretion of the district director, after any such levy has been made and before the expiration of the period of limitations on collection. The bond must be in an amount equal to the portion (including interest thereon to the date of payment as calculated by the district director) of the jeopardy assessment collection of which is sought to be stayed. The bond shall be conditioned upon the payment of the amount (together with interest thereon), the collection of which is stayed, at the time which, but for the making of the jeopardy assessment, such amount would be due. See section 7101 and the regulations thereunder, relating to the form of bond and the sureties thereon. Upon the filing of a bond in accordance with this section, the collection of so much of the assessment as is covered by the bond will be stayed. The taxpayer may at any time waive the stay of collection of the whole or any part of the amount covered by the bond. If as a result of such waiver any part of the amount covered by the bond is paid, or if any portion of the jeopardy assessment is abated by the district director, then the bond shall at the request of the taxpayer be proportionately reduced.

(d) For Public Debt Service regulations relating to bonds, notes, and other obligations of the United States, see 31 CFR Chapter II.

**§ 152.123 Payment by check, etc.**

(a) District directors may accept checks drawn on any bank or trust company incorporated under the laws of the United States or under the laws of any State, territory, or possession of the United States, or money orders in payment for the special tax and for stamps provided such checks or money orders are collectible in United States currency at par. A check or money order is payable at par only if the full amount thereof is payable without any deduction for exchange or other charges. As used in this section, the term "money order" means: (1) United States postal, bank, express, or telegraph money order; (2) money order issued by a domestic building and loan association (as defined in section 7701(a)(19)) or by a similar association incorporated under the laws of a possession of the United States; and (3) a money order issued by such other organization as the Commissioner may designate. However, the district director may refuse to accept any personal check whenever he has good reason to believe that the check will not be honored upon presentment.

(b) The person who tenders any check or money order in payment for taxes or stamps is not released from his liability until the check or money order is paid; and, if the check or money order is not duly paid, he shall also be liable for all legal penalties and additions, to the same extent as if such check or money order had not been tendered.

(c) If a taxpayer gives a check or money order as payment for stamps but the check or money order is not paid upon presentment, then the district director or the director of the regional service center shall assess the amount of the check or money order against the taxpayer as if it were a tax due at the time the check or money order was received by the district director.

(d) If a check or money order is tendered in the payment for the special tax or for stamps, and such check or money order is not paid upon presentment, a penalty of 1 percent of the amount of the check or money order, in addition to any other penalties provided by law, shall be paid by the person who tendered such check or money order. If, however, the amount of the check or money order is less than $500, the penalty shall be $5 or the amount of the check or money order, whichever amount is the lesser. Such penalty shall be paid in the same manner as tax upon the issuance of a notice and demand therefor. The penalty set forth in this paragraph shall not apply if the person tendered such check or money order in good faith and with reasonable cause to believe that it would be duly paid.

**§ 152.124 Claims.**

(a) Stamps which have been spoiled, destroyed, or rendered useless or unfit for the purpose intended, or for which the owner may have no use, may be redeemed, or an allowance may be made for such stamps, upon a claim properly presented to the district director.

(b) All claims for the redemption of or an allowance for stamps described in paragraph (a) of this section must be made on Form 843, and must be filed with the district director within 3 years after the purchase of the stamps from the Government. Such stamps must be submitted with the claim, or if it is impracticable to remove the stamps from the instruments or articles to which they are attached they must be presented to an internal revenue officer who shall write on the face of the stamps the words "Claim for refund filed" and attach to the claim a statement showing that such endorsement has been made. In any case where the date of purchase of the stamps from the Government cannot be given, it must be shown definitely in the claim that they were so purchased within 3 years prior to the date of filing the claim.

If an overpayment occurs because—

(a) The rates represented by stamps, including special-tax stamps, or

(b) The amounts paid in respect of assessments of the transfer and the special taxes

are excessive in amount, paid in error, or in any manner wrongfully collected, a refund may be allowed for the overpayment pursuant to section 6402 upon a claim therefor on Form 843 properly presented to the district director. Such a claim is not valid unless it is presented within 3 years next after payment of the taxes. The amount of refund shall not exceed the portion of the tax paid within 3 years immediately preceding the filing of the claim.

MISCELLANEOUS

**§ 152.126 Safeguarding of marihuana.**

Marihuana must at all times be securely kept and properly safeguarded where it will be available for inspection by properly authorized officers, agents, and employees of the Treasury Department.

**§ 152.127 Procedure in case of loss.**

(a) Where, through breakage of the container or other accident, otherwise than in transit, marihuana is lost or destroyed, the person having title thereto shall make a signed statement as to the kinds and quantities of the marihuana items lost or destroyed and the circumstances involved, and immediately forward the statement to the narcotic district supervisor. A copy of such statement shall be retained and filed with the other marihuana records.

(b) Where marihuana is lost by theft, or otherwise lost or destroyed in transit, a signed statement of the facts, including a list of marihuana items stolen, lost, or destroyed, and documentary evidence that the local authorities were notified, shall immediately upon ascertainment of the occurrence be filed with the narcotic district supervisor by the consignee. A copy of the statement shall be retained and filed with the other marihuana records of the consignee.

(c) In case of loss in transit the transferor is not authorized to make good the loss by duplicating the shipment on the same order form. A separate order form

covering each and every shipment of marihuana is required. But see § 152.124 as to claims for redemption of stamps unnecessarily used.

§ 152.128 Procedure on discontinuance of business.

(a) Where it is desired to discontinue business the taxpayer shall, before the discontinuance, dispose of all marihuana on hand. Where the discontinuance occurs on any date other than June 30 the special-tax stamp or stamps should be returned to the district director who will mark each such stamp "Business discontinued" with the date, and return the stamp to the taxpayer who shall file it with his marihuana records and retain it for a period of 2 years. The rendering of returns subsequent to the date of discontinuance will not be demanded, provided all marihuana has been accounted for and a signed statement is submitted in duplicate to the district director certifying that no further transactions of that class will be consummated. One copy of this signed statement will be forwarded to the Commissioner of Narcotics. Before business is discontinued the marihuana on hand may be disposed of either pursuant to an order form or to an exempt official, or by shipment to the narcotic district supervisor of the district, as provided in paragraphs (b) and (c) of this section for the disposition of excess, undesirable, or useless stock.

(b) Excess, undesirable, or useless marihuana in the possession of a registered person may be disposed of by shipment, charges prepaid, to the narcotic district supervisor of the district. If the person has paid tax in a class under which returns are required to be rendered and the marihuana to be disposed of is a part of the stock for such class, an inventory of the marihuana shipped must be prepared in triplicate on the form used for detailed reporting of dispositions. The original inventory must be filed with the return for such class for the period in which the disposition takes place, the duplicate copy to be made a part of the retained copy of the return and the triplicate copy to be forwarded with the marihuana when shipped for disposition. If the marihuana is stock with respect to which returns are not required, an inventory shall be prepared in quadruplicate on Form 142, the duplicate of which shall be forwarded with the marihuana when shipped and the triplicate retained on file by the taxpayer for a period of 2 years. The shipper shall notify the narcotic district supervisor, advising of the size and description of the container in which the marihuana is being forwarded, and enclosing the original and quadruplicate copy of the inventory which has been prepared.

(c) The narcotic district supervisor will retain the quadruplicate copy of Form 142 in his file and forward the original to the Commissioner of Narcotics.

FORFEITURES AND PENALTIES

§ 152.129 Disposition of forfeited marihuana.

Marihuana forfeited to the United States under these provisions of the law may be delivered to any department, bureau, or other agency of the United States Government upon proper application addressed to the Commissioner of Narcotics. The application shall show the name, address, and official title, bureau or agency, and department, of the person to whom the marihuana is to be delivered, the kind and quantity of marihuana desired, and the purpose for which intended. The delivery of such marihuana shall be ordered by the Commissioner of Narcotics if, in his opinion, there exists a medical or scientific need therefor. The order will be filled by the Drugs Disposal Committee which will obtain a receipt for marihuana delivered.

§ 152.130 Court sales.

Court officers in making sales of marihuana under judicial proceedings shall require the purchaser thereof, if other than an exempt official, who must be a registered person, to furnish order forms for such sales or transfers.

§ 152.131 List of taxpayers.

The list of marihuana special-tax payers required by section 6107, shall be kept on Record 10, and may be inspected and copied in the district director's office at such reasonable and proper times as not to interfere with the district director's use of it, or exclude other persons from inspecting it.

§ 152.132 Specific penalty.

Persons who violate or fail to fulfill the provisions of law set forth in subchapter A, chapter 39, relating to marihuana, are liable to punishment as provided in section 7237.

GENERAL

§ 152.133 Correspondence.

Correspondence relative to interpretation of the provisions of subchapter A of chapter 39, relating to marihuana tax, and the regulations in this part may be addressed to the Commissioner of Narcotics, Washington, D.C., 20226. Inquiries relative to registration and requests for blank forms should be addressed to the district director of internal revenue. All remittances should be sent to the district director of internal revenue. Correspondence regarding charges of violations of the law or regulations should be addressed to the narcotic district supervisor in charge of the proper district.

§ 152.134 Effective date.

The regulations in this part shall be effective upon filing for publication in the FEDERAL REGISTER and shall supersede all regulations heretofore made and promulgated which relate to the subject matter in this part.

Because the principal purpose of this Treasury decision is to conform prior regulations, Regulations 1, to the provisions of chapter 39, subchapter A, parts II and III, of the Internal Revenue Code of 1954, it is hereby found unnecessary to issue this Treasury decision with notice and public procedure under section 4(a) of the Administrative Procedure Act, approved June 11, 1946, or subject to the effective date limitation of section 4(c) of said Act.

[SEAL] MORTIMER M. CAPLIN,
*Commissioner of Internal Revenue.*

HENRY L. GIORDANO,
*Commissioner of Narcotics.*

Approved: March 20, 1964.

STANLEY S. SURREY,
*Assistant Secretary of the Treasury.*

[F.R. Doc. 64-2942; Filed, Mar. 25, 1964; 8:50 a.m.]

# Title 49—TRANSPORTATION

## Chapter I—Interstate Commerce Commission

SUBCHAPTER B—CARRIER BY MOTOR VEHICLE

[No. MC-C-3 (Sub-No. 1)]

## PART 170—COMMERCIAL ZONES AND TERMINAL AREAS

### Chicago, Ill., Commercial Zone Extension—Sag Area

At a session of the Interstate Commerce Commission, Division 1, Acting as an Appellate Division, held at its office in Washington, D.C., on the 12th day of March A.D. 1964.

It appearing, that the Commission has made and filed its report, 1 M.C.C. 673, and 86 M.C.C. 735, under No. MC-C-3, Chicago, Ill., Commercial Zone, describing the zone adjacent to and commercially a part of Chicago, Ill., contemplated by section 203(b)(8) of the Interstate Commerce Act (49 U.S.C. 303(b)(8));

It further appearing, that by petition filed November 5, 1962, UBS Chemical Division of A. E. Staley Manufacturing Company and North American Car Corporation seek modification so as to include certain additional territory within the limits of the commercial zone of Chicago, Ill.;

It further appearing, that on November 26, 1963, the Commission, division 1, entered its report and order in the above-entitled proceeding, denying the petition;

It further appearing, that upon consideration of the record and of a petition for reconsideration filed January 3, 1964, by petitioners, and of a reply by Chicago Suburban Motor Carriers Association, Inc., and 37 member carriers thereof, protestants, filed January 27, 1964, and for good cause shown, by order of February 11, 1964, the proceeding was reopened for reconsideration on the present record;

And it further appearing, that reconsideration of the matters and things involved in the above-entitled proceeding has been given, and that the Commission, Division 1, acting as an Appellate Division, on the date hereof, has made and filed a report on reconsideration herein containing its findings of fact and conclusions thereon, which report and the said report and order of November 26, 1963, are hereby referred to and made a part hereof:

*It is ordered*, That the said report and order of November 26, 1963, be, and it is hereby, vacated and set aside.

*It is further ordered*, That the proceeding in No. MC–C–3, Chicago, Ill., Commercial Zone, be, and it is hereby, reopened for further consideration.

*It is further ordered*, That the order entered in No. MC–C–3, Chicago, Ill., Commercial Zone, on September 18, 1961 (49 CFR 170.2), be, and it is hereby, vacated and set aside, and the following is hereby substituted in lieu thereof:

**§ 170.2 Chicago, Ill.**

The zone adjacent to and commercially a part of Chicago, Ill., within which transportation by motor vehicle, in interstate or foreign commerce, not under a common control, management, or arrangement for a continuous carriage or shipment to or from a point beyond the zone is partially exempt from regulation under section 203(b)(8) of the Interstate Commerce Act (49 U.S.C. 303 (b)(8)), includes and is comprised of all points as follows:

The area within the corporate limits of Chicago, Evanston, Oak Park, Cicero, Berwyn, River Forest, Willow Springs, Bridgeview, Hickory Hills, Worth, Homewood, and Lansing, Ill.; the area within the township limits of Niles, Maine, Leyden, Norwood Park, Proviso, Lyons, Riverside, Stickney, Worth, Calumet, Bremen, and Thornton Townships, Cook County, Ill.; the area comprised of that part of Lemont Township, Cook County, and that part of Downers Grove Township, DuPage County, Ill., bounded by a line beginning at the intersection of Archer Avenue and the southern corporate limits of Willow Springs, Ill., and extending in a southwesterly direction along Archer Avenue to its junction with Chicago Joliet Road (Sag Lemont Highway), thence in a westerly direction over Chicago Joliet Road to its junction with Walker Road, thence directly north along an imaginary line to the southern shore line of the Chicago Sanitary and Ship Canal, thence in a northeasterly direction along said shore line to the corporate limits of Willow Springs, including points on the indicated portions of the highways specified; and the area within the corporate limits of Hammond, Whiting, East Chicago, and Gary, Ind.

(49 Stat. 546, as amended; 49 U.S.C. 304. Interprets or applies 49 Stat. 543, as amended, 544, as amended; 49 U.S.C. 302, 303)

*It is further ordered*, That this order shall become effective May 18, 1964, and shall continue in effect until the further order of the Commission.

*And it is further ordered*, That notice of this order shall be given to the general public by depositing a copy thereof in the office of the Secretary of the Commission at Washington, D.C., and by filing a copy with the Director, Office of the Federal Register.

By the Commission, Division 1, Acting as an Appellate Division.

[SEAL] HAROLD D. McCOY,
*Secretary.*

[F.R. Doc. 64–2901; Filed, Mar. 25, 1964; 8:49 a.m.]

# Proposed Rule Making

## DEPARTMENT OF AGRICULTURE

### Agricultural Stabilization and Conservation Service

[ 7 CFR Part 728 ]

### WHEAT

### Notice of Determinations To Be Made With Respect to Marketing Quotas, National, State and County Acreage Allotments, Commercial Wheat-Producing Area, County Normal Yields, Date of Referendum, Land Use Program Diversion Factor, Wheat Marketing Allocation, and National Allocation Percentage for 1965 Crop

Pursuant to the authority contained in applicable provisions of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1301, 1332, 1333, 1334, 1334a, 1335, 1336, 1339, 1379b), including amendments contained in the Food and Agriculture Act of 1962, the Secretary of Agriculture is preparing to determine whether marketing quotas are required to be proclaimed for the 1965–66 marketing year; and if marketing quotas are so required to be proclaimed, to determine and proclaim the national acreage allotment for the 1965 crop of wheat, to apportion among States and counties the national acreage allotment for the 1965 crop of wheat, to designate the 1965 commercial wheat-producing area, to formulate regulations for establishing county normal yields for the 1965 crop of wheat, to establish the date of the referendum for marketing quotas for the 1965 crop of wheat, and to determine the land use program diversion factor, wheat marketing allocation and the national allocation percentage for the 1965–66 marketing year. In the event marketing quotas are proclaimed for the 1965–66 marketing year, the Secretary will also determine and declare whether marketing quotas shall also be in effect for the 1966–67 marketing year or for the 1966–67 and 1967–68 marketing years as necessary to effectuate the policy of the Act.

Subsections (a) and (b) of section 332 of the Act, as amended by section 311 of the Food and Agriculture Act of 1962, reads as follows:

SEC. 332. (a) Whenever prior to April 15 in any calendar year the Secretary determines that the total supply of wheat in the marketing year beginning in the next succeeding calendar year will, in the absence of a marketing quota program, likely be excessive, the Secretary shall proclaim that a national marketing quota for wheat shall be in effect for such marketing year and for either the following marketing year or the following two marketing years, if the Secretary determines and declares in such proclamation that a two- or three-year marketing quota program is necessary to effectuate the policy of the Act.

(b) If a national marketing quota for wheat has been proclaimed for any marketing year, the Secretary shall determine and proclaim the amount of the national marketing quota for such marketing year not earlier than January 1 or later than April 15 of the calendar year preceding the year in which such marketing year begins. The amount of the national marketing quota for wheat for any marketing year shall be an amount of wheat which the Secretary estimates (i) will be utilized during such marketing year for human consumption in the United States as food, food products, and beverages, composed wholly or partly of wheat, (ii) will be utilized during such marketing year in the United States for seed, (iii) will be exported in the form of wheat or products thereof, and (iv) as the average amount which was utilized as livestock (including poultry) feed in the marketing years beginning in 1959 and 1960; less (A) an amount of wheat equal to the estimated imports of wheat into the United States during such marketing year and, (B) if the stocks of wheat owned by the Commodity Credit Corporation are determined by the Secretary to be excessive, an amount of wheat determined by the Secretary to be a desirable reduction in such marketing year in such stocks to achieve the policy of the Act: *Provided*, That if the Secretary determines that the total stocks of wheat in the Nation are insufficient to assure an adequate carryover for the next succeeding marketing year, the national marketing quota otherwise determined shall be increased by the amount the Secretary determines to be necessary to assure an adequate carryover: *And provided further*, That the national marketing quota for wheat for any marketing year shall be not less than one billion bushels.

Section 333 of the Act, as amended by section 312 of the Food and Agriculture Act of 1962, reads as follows:

SEC. 333. Whenever the amount of the national marketing quota for wheat is proclaimed for any marketing year, the Secretary at the same time shall proclaim a national acreage allotment for the crop of wheat planted for harvest in the calendar year in which such marketing year begins. The amount of the national acerage allotment for any crop of wheat shall be the number of acres which the Secretary determines on the basis of expected yields and expected underplantings of farm acreage allotments will together with (1) the expected production on the increases in acreage allotments for farms based upon small-farm base acreages pursuant to section 335, and (2) the expected production on increased acreages resulting from the small-farm exemption pursuant to section 335, make available a supply of wheat equal to the national marketing quota for wheat for such marketing year.

Section 334(a) of the Act, as amended, requires that the national acerage allotment of wheat for the 1965 crop, less a reserve of not to exceed one per centum thereof, be apportioned among the several States on the basis of the acreage seeded for the production of wheat during the ten calendar years 1954–63 (plus, in applicable years, the acreage diverted under agricultral adjustment, conservation, and soil bank programs), with adjustments for abnormal weather conditions and trends in acreage during such period. Section 334(b) of the Act requires that the State acreage allotment of wheat for the 1965 crop, less a reserve of not to exceed 3 per centum thereof, be apportioned among the counties in the State on the basis of the acreage seeded for the production of wheat during the ten calendar years 1954–1963 (plus, in applicable years, the acreage diverted under agricultural adjustment, conservation, and soil bank programs), with adjustment for abnormal weather conditions and trends in acreage during such period and for the promotion of soil conservation practices.

Section 106(a) of the Soil Bank Act (7 U.S.C. 1824(a)) provides that in the establishment of State, county and farm acreage allotments under the Agricultural Adjustment Act of 1938, as amended, reserve acreages applicable to any commodity shall be credited to the State, county, and farm as though such acreage has actually been devoted to the production of the commodity. Section 106 (b) of the Soil Bank Act (7 U.S.C. 1824 (b)) provides that in applying the provisions of paragraph (6) of Public Law 74, 77th Congress, relating to reduction of the storage amounts of wheat, the reserve acreage of wheat on any farm shall be regarded as wheat acreage.

Section 377 of the Act provides that in any case in which, during any year within the period 1956 to 1959 inclusive, for which acreage planted to wheat on any farm is less than the wheat acreage allotment for such farm, the entire wheat acreage allotment for such farm shall be considered for purposes of future State, county and farm acreage allotments to have been planted to such commodity in such year, except that for 1956, the entire allotment shall be considered as planted to wheat for such purposes only if the owner or operator of such farm notifies the county committee prior to the sixtieth day preceding the beginning of the marketing year for wheat of his desire to preserve such allotment. This section is not applicable in any case in which the amount of wheat required to be stored to postpone or avoid payment of penalty has been reduced because the allotment was not fully planted.

Subsections (a) and (b) of section 334 of the Act, as amended, provide that in establishing State and county acreage allotments the acreage seeded plus acreage diverted for 1959 and subsequent years for a farm on which the entire farm marketing excess is delivered to the Secretary or stored to avoid or postpone penalty shall be the farm base acreage determined for such year, but if such stored excess is subsequently depleted, resulting in penalty, the seeded plus diverted acreage for the farm for the year for which the excess was produced shall be reduced to the farm acreage allotment for such year. Section 334(d) of the Act, as amended, provides that effective with the 1959 and subsequent crops of wheat, for the purposes of establishing

State, county, and farm acreage allotments for 1961 and future years, any farm (other than a farm to which an exemption has been granted for the 1961, 1962 or 1963 crop under the feed wheat exemption provisions of section 335(b) of the Act prior to its repeal by the Food and Agriculture Act of 1962) for which a wheat marketing quota is applicable, on which the acreage of wheat exceeds the farm allotment, and on which the farm marketing excess is zero shall be regarded as a farm on which the entire amount of the farm marketing excess has been delivered to the Secretary or stored in accordance with regulations to avoid or postpone penalty.

Section 334(i) of the Act, as amended, redesignated as section 334(h) by section 313 of the Food and Agriculture Act of 1962, provides for increasing farm acreage allotments in the irrigable portion of the Tulelake division of the Klamath project in Modoc and Siskiyou Counties, California, for the years 1958 through 1963 to permit increased production of Durum Wheat (Class II) and provides that acreage planted to wheat pursuant to such increased farm allotments shall be taken into acount in establishing future State, county, and farm acreage allotments.

Public Law 86–793 provides that any acreage diverted from the production of wheat in order to carry out a contract under the Great Plains conservation program or Soil Bank program or in order to maintain for such period after expiration of such contract as is equal to the contract period any change in land use from cultivated cropland to permanent vegetation carried out under the contract shall be considered acreage devoted to wheat for the purposes of establishing future State, county, and farm acreage allotments.

Section 334(h) of the Act, as amended, redesignated as section 334(g) by section 313 of the Food and Agriculture Act of 1962, provides that notwithstanding any other provision of law, no acreage in the commercial wheat-producing area seeded to wheat for harvest as grain in 1958 or thereafter in excess of acreage allotments shall be considered in establishing future State and county acreage allotments except where the farm marketing excess is stored or delivered to the Secretary to avoid or postpone payment of the penalty.

Section 334a of the Act, as added by section 314 of the Food and Agriculture Act of 1962, provides that if the acreage allotment for any State for the 1965 crop of wheat is 25,000 acres or less, the Secretary, in order to promote efficient administration of the Agricultural Adjustment Act of 1938 and the Agricultural Act of 1949, may designate such State as outside the commercial wheat-producing area for the 1965–1966 marketing year. That section also provides that the acreage allotments in any State shall not be increased by reason of such designation and that if any State is so designated, acreage allotments for the 1965 crop of wheat and marketing quotas for the 1965–1966 marketing year shall not be applicable to any farm in such State.

Section 335 of the Act, as amended by the Food and Agriculture Act of 1962, provides for the determination of a small-farm base acreage for each farm for which a farm acreage allotment of less than 15 acres is determined. Such small-farm base acreage shall be the smaller of (1) 15 acres, and (2) the average acreage of wheat planted for harvest in a 3-year period. No farm marketing quota shall be applied to a farm if the acreage of wheat on the farm does not exceed the small-farm base acreage unless the operator of the farm elects in writing to be subject to the quota in which case the farm acreage allotment shall be the larger of (A) the small-farm base acreage, reduced by the same percentage by which the national acreage allotment for the crop is reduced below fifty-five million acres, or (B) the farm acreage allotment otherwise determined for the farm.

Section 336 of the Act, as amended by section 316 of the Food and Agriculture Act of 1962, provides that if a national marketing quota for wheat for one, two, or three marketing years is proclaimed, the Secretary shall, not later than sixty days after such proclamation is published in the FEDERAL REGISTER, conduct a referendum, by secret ballot, of farmers to determine whether they favor or oppose marketing quotas for the marketing year or years for which proclaimed; that the Secretary shall proclaim the results of any referendum within thirty days after the date of such referendum, and if he determines that more than one-third of the farmers voting in the referendum voted against marketing quotas, he shall proclaim that marketing quotas will not be in effect with respect to the crop of wheat produced for harvest in the calendar year following the calendar year in which the referendum is held. Section 336 of the Act also provides that if the Secretary determines that two-thirds or more of the farmers voting in a referendum approve marketing quotas for a period of two or three marketing years, no referendum shall be held for the subsequent year or years of such period.

Subparagraphs (D) and (F) of section 301(b)(13) of the Act, as amended by section 320 of the Food and Agriculture Act of 1962, provide for the determination of county normal yields of wheat on the basis of the average yields per acre of wheat for the county during the five calendar years immediately preceding the year in which such normal yield is determined, adjusted for abnormal weather conditions and trends in yields. Provision is also made that if for any year during such five year period the data are not available, or there is no actual yield, an appraised yield for such year shall be determined in accordance with regulations issued by the Secretary of Agriculture, taking into consideration the yields obtained in surrounding counties during such year and the yield in years for which data are available, and that such appraised yield shall be used as the actual yield for such year. Provision is further made that if on account of drought, flood, insect pests, plant disease, or other uncontrollable natural cause, the yield for any year of the 5-year period is less than 75 per centum of the average, 75 per centum of such average shall be substituted therefor in calculating the normal yield per acre; and if, on account of abnormally favorable weather conditions, the yield for any year of such five-year period is in excess of 125 per centum of the average, 125 per centum of such average shall be substituted therefor in calculating the normal yield per acre.

As defined in section 301 of the Act, for the purpose of these determinations, "total supply" for any marketing year is the carryover of wheat for such marketing year, plus the estimated production of wheat in the United States during the calendar year in which such marketing year begins and estimated imports of wheat into the United States during such marketing year; and "marketing year" for wheat is the period July 1–June 30.

Section 318 of the Food and Agriculture Act of 1962 added a new section 339 to the Agricultural Adjustment Act of 1938 which provides for a land use program during any year in which wheat marketing quotas are in effect under which the producers on any farm (except new farms) on which any crop is produced on acreage required to be diverted from the production of wheat shall be subject to penalty in addition to any marketing quota penalty, with certain exceptions. The acreage required to be diverted from wheat production on any farm shall be an acreage of cropland equal to the number of acres determined by multiplying the farm acreage allotment by the diversion factor determined by dividing the number of acres by which the national acreage allotment is reduced below fifty-five million acres by the number of acres in the national acreage allotment.

Section 324 of the Food and Agriculture Act of 1962 added a new subtitle, designated "Subtitle D—Wheat Marketing Allocation" to title III of the Agricultural Adjustment Act of 1938. Under the sections of the Act comprising this new subtitle (§§ 379a to 379j, inclusive), during any marketing year for which a national marketing quota is in effect for wheat, beginning with the 1964–1965 marketing year, a wheat marketing allocation program shall be in effect. Whenever such a program is in effect for any marketing year the Secretary is required to determine the wheat marketing allocation for such year, which shall be the amount of wheat which in determining the national marketing quota for such marketing year the Secretary estimated would be used during such year for human consumption in the United States as food, food products, and beverages, composed wholly or partly of wheat, and that portion of the amount of wheat which in determining such quota be estimated would be exported in the form of wheat or products thereof during such marketing year on which the Secretary determines that marketing certificates should be issued to producers in order to achieve, insofar as practicable, the price and income objectives of subtitle D. The Secretary is also required to determine the national allocation percentage which shall be the percentage

which the national marketing allocation is of the national marketing quota.

It is proposed that in connection with apportionment of the national wheat acreage allotment among States a reserve of not to exceed one per centum of the national acreage allotment shall be withheld for apportionment to counties on the basis of their relative needs for additional allotment because of reclamation or other new areas coming into the production of wheat during the preceding ten calendar years, as authorized by section 334(a) of the Act.

It is proposed that in connection with the apportionment of the State acreage allotments among counties of the State, the Agricultural Stabilization and Conservation Committee for each State with the approval of the Secretary of Agriculture shall determine the percentage of the State acreage allotment, not in excess of three per centum, which shall be reserved for apportionment to farms in the State on which wheat will be produced in 1965, but classified as new wheat farms in 1965, because such farms do not have wheat history acreages for any of the three years 1962, 1963 and 1964.

States with acreage allotments of 25,000 acres or less were designated as being outside the commercial wheat-producing area for each of the years 1955 through 1963. In view of the fact, however, that marketing certificates are required to be issued for farms both within and without the commercial wheat-producing area for 1965, it is proposed that each State for which a State wheat acreage allotment of 25,000 acres or less is determined, shall be designated within the commercial wheat-producing area.

Prior to making any of the foregoing determinations with respect to marketing quotas and national, State, and county acreage allotments, including the determination and allocation of reserves for the 1965 crop of wheat, the designation of the 1965 commercial wheat-producing area, the date of the referendum, the formulation of regulations for the establishment of county normal yields for the 1965 crop of wheat, the land use program diversion factor, the wheat marketing allocation, and the national allocation percentage for the 1965–66 marketing year, consideration will be given to data, views, and recommendations pertaining thereto which are submitted in writing to the Director, Policy and Program Appraisal Division, ASCS, United States Department of Agriculture, Washington 25, D.C. All written submissions must be postmarked not later than fifteen days after the date of publication of notice in the FEDERAL REGISTER.

Issued at Washington, D.C., this 24th day of March 1964.

CHARLES S. MURPHY,
*Acting Secretary.*

[F.R. Doc. 64-2984; Filed, Mar. 25, 1964; 8:50 a.m.]



# CIVIL AERONAUTICS BOARD

## [ 14 CFR Parts 207, 399 ]

[Economic Regs. Docket No. 14148]

## CHARTER TRIPS AND SPECIAL SERVICES AND STATEMENTS OF GENERAL POLICY

### Supplemental Notice of Proposed Rule Making

MARCH 23, 1964.

The Board in 29 F.R. 1476 and by circulation of a supplemental notice of proposed rule making, EDR–48B and a notice of proposed rule making PSDR–8, dated January 23, 1964, gave notice that it had under consideration revising Part 207 of the Board's Economic Regulations and Part 399 of its Policy Statements as set out in the proposed rules below. Interested persons were invited to participate in these rule making proceedings by the submission of ten (10) copies of written data, views, or arguments pertaining thereto to the Docket Section of the Board on or before February 28, 1964; and by the submission of ten (10) copies of comments responsive to the initial comments on or before March 15, 1964. The date for submission of comments addressed to the notice was subsequently extended to March 9, 1964, and the date for submission of comments addressed to the initial comments was extended to March 25, 1964.

The National Air Carrier Association has requested on behalf of its member supplemental air carriers that the date for submitting comments on initial communications be extended from March 25 to April 3, 1964. The Association states that the additional time is needed because: (1) About 85 interested persons have filed comments; (2) some of the persons preparing responses have not been served with the initial set of comments; and (3) the supplemental air carriers are preparing joint reply comments, which must be approved by the participating carriers. The undersigned finds that it is in the public interest to extend the date for filing reply communications from March 25 until April 3, 1964.

Accordingly, pursuant to authority delegated under § 7.3C of Public Notice PN–15, dated July 3, 1961, the undersigned hereby extends the date for reply comments until April 3, 1964. All relevant matter in communications received on or before that date will be considered by the Board before taking action on these proposals. Copies of these communications will be available for examination in the Docket Section, Room 711, Universal Building, 1825 Connecticut Avenue NW., Washington, D.C., upon receipt thereof, and shall also be served as provided in EDR–48D.

(Secs. 204(a) and 1001 of the Federal Aviation Act of 1958; 72 Stat. 743, 788; 49 U.S.C. 1324, 1481)

By the Civil Aeronautics Board.

[SEAL] ARTHUR H. SIMMS,
*Associate General Counsel, Rules and Special Counsel Division.*

[F.R. Doc. 64-2893; Filed, Mar. 25, 1964; 8:48 a.m.]

# FEDERAL AVIATION AGENCY

## [ 14 CFR Part 71 [New] ]

[Airspace Docket No. 63–EA–18]

## FEDERAL AIRWAYS AND CONTROLLED AIRSPACE

### Proposed Alteration of Control Zones and Designation of Transition Areas

In a notice of proposed rule making published in the FEDERAL REGISTER on January 23, 1964, (29 F.R. 571) it was stated that the Federal Aviation Agency proposed to alter control zones and designate transition areas in the Greater Providence/NAS Quonset Point, R.I., terminal area.

Subsequent to publication of the notice, it has been determined that a requirement exists for the retention of controlled airspace, with a floor of 700 feet above the surface, in the immediate vicinity of the Taunton, Mass., Municipal Airport, to provide protection for aircraft executing the instrument approach and departure procedure prescribed for the Taunton Municipal Airport.

Accordingly, the notice is hereby amended to propose, in addition to those actions stated therein, the designation of the Taunton transition area as that airspace extending upward from 700 feet above the surface within a 4-mile radius of the Taunton Municipal Airport (latitude 41°52'35'' N., longitude 71°01'00'' W.), and within 2 miles each side of the Whitman, Mass., VOR 187° True radial, extending from the 4-mile radius area to the Whitman VOR.

In order to provide interested persons time to adequately evaluate this proposal, as modified herein, and an opportunity to submit additional written data, views or arguments, the date for filing such material is extended to 30 days after the date of publication of this supplemental notice in the FEDERAL REGISTER.

Communications should be submitted to the Director, Eastern Region, Attn: Chief, Air Traffic Division, Federal Aviation Agency, Federal Building, New York International Airport, Jamaica, N.Y., 11430.

This amendment is proposed under section 307(a) of the Federal Aviation Act of 1958 (72 Stat. 749; 49 U.S.C. 1348).

Issued in Washington, D.C., on March 19, 1964.

D. E. BARROW,
*Acting Chief, Airspace Regulations and Procedures Division.*

[F.R. Doc. 64-2866; Filed, Mar. 25, 1964; 8:45 a.m.]

[ 14 CFR Part 71 [New] ]

[Airspace Docket No. 63–EA–87]

## FEDERAL AIRWAYS AND CONTROLLED AIRSPACE

### Proposed Alteration of Federal Airway

In consonance with ICAO International Standards and Recommended Practices, notice is hereby given that the Federal Aviation Agency is considering an amendment to Part 71 (New) of the Federal Aviation Regulations. This proposal relates to the designation of navigable airspace both within and outside the United States.

Applicability of International Standards and Recommended Practices by the Air Traffic Service, FAA, in areas outside domestic airspace of the United States is governed by Article 12 and Annex 11 to the Convention on International Civil Aviation (ICAO), which pertains to the establishment of air navigation facilities and services necessary to promoting safe, orderly and expeditious flow of civil air traffic. Its purpose is to insure that civil flying on international air routes is carried out under uniform conditions designed to improve the safety and efficiency of air operations.

The International Standards and Recommended Practices in Annex 11 apply in those parts of the airspace under the jurisdiction of a contracting state, derived from ICAO, wherein air traffic services are provided and also whenever a contracting state accepts the responsibility of providing air traffic services over high seas or in airspace of undetermined sovereignty. A contracting state accepting such responsibility may apply the International Standards and Recommended Practices to civil aircraft in a manner consistent with that adopted for airspace under its domestic jurisdiction.

In accordance with Article 3 of the Convention on International Civil Aviation, Chicago, 1944, state aircraft are exempt from the provisions of Annex 11 and its Standards and Recommended Practices. As a contracting state the United States agreed by Article 3(d) that its state aircraft will be operated in international airspace with due regard for the safety of civil aircraft.

Since this action involves the designation of navigable airspace outside the United States, the Administrator has consulted with the Secretary of State and the Secretary of Defense in accordance with the provisions of Executive Order 10854.

VOR Federal airway No. 139 is designated in part from Whitman, Mass., via the intersection of the Whitman VOR 041° and the Boston, Mass., VOR 133° True radials; to Boston. The Federal Aviation Agency is considering alteration and extension of this segment of V–139, from Whitman via the intersection of the Whitman VOR 041° and the Manchester, N.H., VOR 130° True radials; intersection of the Manchester VOR 130° and the Boston VOR 014° True radials; to the intersection of the Manchester VOR 117° and the Boston VOR 014° True radials (Ipswich, Mass.), at which point it would terminate. This airway realignment and extension would provide a bypass route east of the Boston terminal area for air traffic destined for terminals north of Boston.

Interested persons may submit such written data, views or arguments as they may desire. Communications should be submitted in triplicate to the Director, Eastern Region, Attn: Chief, Air Traffic Division, Federal Aviation Agency, Federal Building, New York International Airport, Jamaica, N.Y., 11430. All communications received within forty-five days after publication of this notice in the FEDERAL REGISTER will be considered before action is taken on the proposed amendment. No public hearing is contemplated at this time, but arrangements for informal conferences with Federal Aviation Agency officials may be made by contacting the Regional Air Traffic Division Chief, or the Chief, Airspace Regulations and Procedures Division, Federal Aviation Agency, Washington, D.C. Any data, views or arguments presented during such conferences must also be submitted in writing in accordance with this notice in order to become part of the record for consideration. The proposal contained in this notice may be changed in the light of comments received.

The official Docket will be available for examination by interested persons at the Federal Aviation Agency, Office of the General Counsel: Attention Rules Docket, 800 Independence Ave. SW., Washington, D.C. An informal docket will also be available for examination at the office of the Regional Air Traffic Division Chief.

This amendment is proposed under Secs. 307(a), and 1110, 72 Stat. 749 and 800; 49 U.S.C. 1348 and 1510, and Executive Order 10854, 24 F.R. 9565.

Issued in Washington, D.C., on March 19, 1964.

D. E. BARROW,
*Acting Chief, Airspace Regulations and Procedures Division.*

[F.R. Doc. 64–2867; Filed, Mar. 25, 1964; 8:46 a.m.]

# FEDERAL COMMUNICATIONS COMMISSION

[ 47 CFR Part 1 ]

[Docket No. 15381; FCC 64–220]

## EX PARTE COMMUNICATIONS IN HEARING PROCEEDINGS

### Notice of Proposed Rule Making

1. Notice is hereby given of rule making in the above-captioned matter. The text of the proposed rules is set forth below.

GENERAL

2. Need. The problem of ex parte communications in proceedings required to be decided on the basis of an exclusive record is one of preserving and enhancing public confidence in the proceedings of administrative agencies. Standards governing communications with respect to such proceedings have been considered extensively in agency and court decisions, and express prohibitions are set forth in section 409(c) of the Communications Act. The problem has nevertheless been a matter of continuing concern to all branches of the Government and, most recently, to the Administrative Conference of the United States. We now feel it is desirable to formulate more precise standards than those set forth in the Communications Act and specific cases, and to specify procedures designed to augment enforcement of those standards.

3. In its Final Report of December 15, 1962 (Recommendation 16), the Administrative Conference stated that it is "essential that the administrative process * * * be protected from improper influences," and recommended that "each agency promulgate a code of behavior governing ex parte contacts between persons outside and persons inside the agency which should be based upon the principles (set forth in the Report)." In formulating these proposed rules, we have been guided by the principles recommended by the Administrative Conference, though our proposal varies in detail and, to some extent, in approach from the Conference Recommendation. For example, the rules incorporate the separation of functions provisions of sections 409(c) of the Communications Act and 5(c) of the Administrative Procedure Act and, to that extent, exceed in scope the Conference Recommendation.[1]

4. Purpose. The proposed rules specify minimum standards of conduct in all adjudicative proceedings and in those rule making proceedings required by statute to be decided on the record after opportunity for hearing. They serve in this sense to particularize standards in the context of Commission proceedings which are widely known and accepted in their general application. To the fullest extent feasible, they identify the proceedings, the persons, and the communications governed by these standards, so that all persons may inform themselves as to the proper course of conduct. They specify procedures which provide for bringing communications addressed to those charged with the decision of hearing cases to the attention of parties to the proceeding, so that they may assess the nature of such communications and take such action as may be appropriate to protect their interests. They indicate, finally, the sanctions which may be imposed for violation of the prescribed standards. This combination—the specification of standards and sanctions and the requirement of disclosure—is intended to deter the making of improper communications and to maintain public confidence in the Commission's proceedings.

5. Scope. It should be emphasized that the proposed rules are addressed only to adjudicative or record rule making proceedings which have been designated for hearing—as recommended by the Administrative Conference. They have no application to other proceedings

[1] Administrative Conference Recommendation 19, concerning the separation of functions in record rule making proceedings, is under separate consideration.

and should not be construed as prohibiting or authorizing ex parte communications in such proceedings. Thus, for example, principles pertaining to ex parte communications in certain nonrecord rule making proceedings were set forth in Sangamon Valley Television Corp, v. United States, 269 F. 2d 221 (C.A.D.C. 1959), and rules pertaining to communications in such proceedings are pending consideration by the Commission in Docket 12947. Further, even where the proceeding had not as yet been designated for hearing, parties would obviously be precluded, for example, from making use of personal or financial relationships with decision making personnel in an effort to influence their decision. Cf Root Refining Co. v. Universal Oil Products Co., 169 F. 2d 514 (C.A. 3, 1948); WKAT, Inc., 29 F.C.C. 216 and 221.

6. It should also be emphasized that the proposed rules are directed only to communications involving decision making Commission personnel. They should not be construed as prohibiting communication with Commission personnel (such as Bureau Counsel or the Executive Director) who do not participate in the decision making process. This avenue for the submission of information pertaining to restricted proceedings has, in fact, been carefully preserved, so that information affecting the public interest may be brought to the attention of responsible Commission officials. Information submitted in this manner will be considered in the decision making process only if, and after, it is made a part of the record in accordance with the rules of evidence and procedure.

DISCUSSION OF SPECIFIC PROVISIONS

7. Section 1.1201. Section 1.1201 contains definitions of terms used throughout the proposed rules. The terms "restricted proceeding" and "decision making Commission personnel" are further defined in lists set forth in §§ 1.1203, 1.1205, 1.1207, and 1.1209.

8. Sections 1.1203 and 1.1207. We have endeavored, in these sections, to list all of the types of adjudicative and record rule making proceedings conducted by the Commission. The lists avoid uncertainty with respect to the proceedings listed. They are not necessarily complete, however, and additional proceedings which might be listed should be called to our attention in the comments. The rules, in any event, apply to all adjudicative and record rule making proceedings, even if some of those proceedings are not listed in these sections.

9. Sections 1.1205 and 1.209. These sections list the categories of Commission personnel who participate or may participate in the decision of adjudicative and record rule making proceedings. The categories are the same, except for the fact that the Common Carrier Bureau does not participate in the decision of adjudicative proceedings. The General Counsel and the Chief Engineer may be called upon to advise the Commission in either type of proceeding and therefore are included in these lists. It should be emphasized that the restrictions apply to categories of Commission personnel (e.g., all hearing examiners) rather than only to those persons who are actively engaged in deciding the case in question (e.g., the presiding officer). It should also be emphasized that the restrictions apply to all of the listed categories of personnel at every stage of the proceeding after designation for hearing. Thus, communication with a hearing examiner is prohibited, even though he has issued his initial decision and the proceeding is pending before the Commission. The only exception in this respect pertains to the General Counsel in his capacity as counsel for the Commission in matters pertaining to judicial review of a Commission order (§ 1.1225(c)).

10. Sections 1.1221, 1.1223, 1.1225 and 1.1227. Section 1.1221 defines the term "ex parte communication"; § 1.1223 specifies those ex parte communications which are prohibited; and § 1.1225 specifies those which are expressly authorized. Section 1.1227 prohibits any solicitation of ex parte communications, including communications by persons having no interest in the outcome of the proceeding.

11. Section 1.1229. Section 1.1229 provides that the parties should advise the Executive Director if they have reason to believe that an ex parte communication prohibited by the proposed rules has been solicited, attempted, or made. This section thus specifies an accepted course of action by which parties who believe such communications are being made may protect their interests. (They may also, of course, raise such questions on the record of the hearing proceeding.) In the past, persons who have made ex parte communications have alleged that they acted, in response to rumors, to "neutralize" the improper activities of other parties. WKAT, Inc., 29 F.C.C. 221, 231 (1958). Such a motive does not in any way excuse the making of improper communications, Id. at 232. Section 1.1229 specifically sets forth the proper course of action to be followed in such circumstances.

12. Sections 1.1241 and 1.1243. Sections 1.1241 and 1.1243 specify procedures under which ex parte communications are to be brought to the attention of the parties. Provision is made for the preparation and service of statements pertaining to oral ex parte communications, or for actual notice of such communications in lieu of service. Provision is made for the service of (or notice with respect to) written communications which have, in the judgment of the Executive Director, been submitted or solicited by persons having an interest in the outcome of the proceeding or which should, for any other reason, be brought specifically to the attention of the parties. Innocuous written communications from members of the general public who have no apparent connection with persons interested in the outcome of the proceeding are of little or no concern to the parties and will not be served. They will, of course, be available for inspection in the Commission's public files.

13. Sections 1.1251, 1.1253 and 1.1255. Sections 1.1251, 1.1253, and 1.1255 specify the administrative sanctions applicable to parties, attorneys, and Commission personnel found to have violated the provisions of the proposed rules.

14. Pursuant to the procedures set forth in § 1.415 of the rules and regulations, interested persons may file comments on or before April 30, 1964, and reply comments on or before May 11, 1964. All relevant and timely comments and reply comments will be considered by the Commission before final action is taken in this proceeding. In reaching its decision in this proceeding, the Commission may also take into account other relevant information before it, in addition to the specific comments invited by this notice.

15. Authority for the amendments herein proposed is contained in sections 4(i), 4(j), 303(r) and 409(c) of the Communications Act of 1934, as amended.

16. In accordance with the provisions of § 1.419 of the rules and regulations, an original and 14 copies of all comments, replies, pleadings, briefs, or other documents filed in this proceeding shall be furnished the Commissioned.

Adopted: March 18, 1964.

Released: March 23, 1964.

FEDERAL COMMUNICATIONS COMMISSION,[2]
[SEAL] BEN F. WAPLE,
*Secretary.*

## Subpart H—Ex Parte Communications

GENERAL

### § 1.1201 General definitions.

(a) *Restricted proceeding.* A proceeding in which the restrictions set forth in this subpart apply. See §§ 1.1203 and 1.1207.

(b) *Commission personnel.* All members, officers, and employees of the Commission.

(c) *Decision making Commission personnel.* All Commission personnel who decide restricted proceedings, or who render advice and assistance to those who decide such proceedings. Commission personnel in this category are listed in §§ 1.1205 and 1.1209.

(d) *Participating Commission personnel.* Commission personnel who have presented, or prepared for presentation, a Bureau's position in a restricted adjudicative proceeding, or who have engaged in investigative or prosecuting functions in that proceeding or in a factually related proceeding.

(Sec. 5, 60 Stat. 239, 5 U.S.C. 1004(c); sec. 16, 66 Stat. 721, as amended, 47 U.S.C. 409(c))

### § 1.1203 Restricted adjudicative proceedings.

All adjudicative proceedings, including the following, are "restricted" from the time they are designated for hearing until they are removed from hearing status or have been decided by the Commission and are no longer subject to reconsideration by the Commission or to review by any court:

(a) Any proceeding involving the issuance, renewal, modification, or assign-

[2] Commissioner Bartley absent.

ment of any instrument authorizing the construction or operation of radio facilities under Title III of the Communications Act of 1934, as amended.

(b) Any proceeding involving the transfer of control of a corporate licensee or permittee under section 310 of the Communications Act.

(c) Any revocation and/or cease and desist proceeding under section 312 of the Communications Act, unless and until the hearing is waived pursuant to the provisions of § 1.92.

(d) Any proceeding involving the issuance or suspension of an operator license or permit under section 303 (l) or (m) of the Communications Act.

(e) Any proceeding involving the establishment of "physical connections with other carriers" under section 201(a) of the Communications Act.

(f) Any proceeding conducted pursuant to the provisions of sections 206, 207, 212, 214, 221(a), or 222 (b), (c), (d), or (f) of the Communications Act.

(g) Any proceeding involving the reasonableness of present or past "charges, classifications, practices, regulations, and other terms and conditions" under section 201(c)(2) of the Communications Satellite Act of 1962.

(h) Any proceeding conducted pursuant to the provisions of section 201(c)(6), (7), (8), (9) or (10); section 304(b)(1); or section 304(f), of the Communications Satellite Act of 1962.

**§ 1.1205 Decision making Commission personnel (restricted adjudicative proceedings).**

The following categories of persons are designated as decision making Commission personnel in restricted adjudicative proceedings:

(a) The Commissioners and their personal office staffs.

(b) The Chief of the Office of Opinions and Review and his staff.

(c) The Review Board and its staff.

(d) The Chief Hearing Examiner, the hearing examiners, and the staff of the Office of Hearing Examiners.

(e) The General Counsel and his staff.

(f) The Chief Engineer and his staff.

**§ 1.1207 Restricted rule making proceedings.**

Rule making proceedings which are required by statute to be decided on the record after opportunity for hearing, including the following, are "restricted" from the time they are designated for hearing until they are removed from hearing status or have been decided by the Commission and are no longer subject to reconsideration by the Commission or to review by any court:

(a) Any proceeding conducted pursuant to the provisions of section 201(a) of the Communications Act of 1934, as amended, which does not involve the establishment of "physical connections with other carriers".

(b) Any proceeding conducted pursuant to the provisions of sections 204, 205, 213(a), 221(c), or 222(e) of the Communications Act.

(c) Any proceeding involving the establishment of "charges, classifications, practices, regulations, and other terms and conditions", or the allocation of available facilities and stations among users, conducted pursuant to the provisions of section 201(c)(2) of the Communications Satellite Act of 1962.

(d) Any proceeding conducted pursuant to the provisions of section 201(c)(5) of the Communications Satellite Act of 1962.

**§ 1.1209 Decision making Commission personnel (restricted rule making proceedings).**

The following categories of persons are designated as decision making Commission personnel in restricted rule making proceedings:

(a) The Commissioners and their personal office staffs.

(b) The Chief of the Office of Opinions and Review and his staff.

(c) The Review Board and its staff.

(d) The Chief Hearing Examiner, the hearing examiners, and the staff of the Office of Hearing Examiners.

(e) The Chief of the Common Carrier Bureau and his staff.

(f) The General Counsel and his staff.

(g) The Chief Engineer and his staff.

PROHIBITED COMMUNICATIONS

**§ 1.1221 Ex parte communication; definition.**

Communications in the following categories are ex parte communications:

(a) Any written communication concerning a restricted Commission proceeding, between decision making Commission personnel and persons not in this category, which is not served upon the parties to the proceeding. Service shall be made, on or before the day on which the communication is made, in accordance with the provisions of § 1.47.

(b) Any oral communication concerning a restricted Commission proceeding, between decision making Commission personnel and persons not in this category, which is made without advance notice to the parties to the proceeding and opportunity for them to be present.

**§ 1.1223 Prohibited ex parte communications.**

Except as provided in §1.1225, the following ex parte communications are prohibited:

(a) *Oral communication.* (1) No person outside the Commission shall, directly or indirectly, communicate or attempt to communicate orally with decision making Commission personnel concerning any restricted proceeding, except upon advance notice to the parties and opportunity for them to be present.

(2) In restricted adjudicative proceedings, participating Commission personnel shall not, directly or indirectly, communicate or attempt to communicate orally with decision making Commission personnel concerning that proceeding except upon advance notice to the parties and opportunity for them to be present.

(b) *Written communication.* No person having a direct or indirect interest in the outcome of a restricted proceeding shall, directly or indirectly, communicate or attempt to communicate in writing with decision making Commission personnel concerning that proceeding, unless the communication is served upon parties to the proceeding. The following, among others, are considered, for purposes of this subpart, to have a direct or indirect interest in the outcome of a restricted proceeding:

(1) Parties to a restricted proceeding.

(2) Attorneys or agents for parties to a restricted proceeding.

(3) Other persons who might be aggrieved or adversely affected by the outcome of the proceeding, or their agents.

(4) In restricted adjudicative proceedings, participating Commission personnel.

(c) *Communication initiated by decision making Commission personnel.* No written or oral ex parte communication concerning any restricted proceeding shall be made, directly or indirectly, by decision making Commission personnel to persons outside the Commission or, in restricted adjudicative proceedings, to participating Commission personnel.

**§ 1.1225 Ex parte communications expressly authorized.**

Nothing in this subpart shall be construed as prohibiting or restricting ex parte communications which fall in the following categories, and such communications are expressly authorized:

(a) Ex parte communications authorized by statute or by the Commission's rules. See, for example, § 1.333(d). (However, pleadings which are required to be served but which may be ruled on ex parte do not fall within this category (see, for example, §§ 1.296 and 1.298(a)); such pleadings may not be submitted ex parte.)

(b) Ex parte communications, directed by decision making Commission personnel to attorneys for parties to the proceeding or to participating Commission personnel, concerning procedural developments in the proceeding.

(c) Ex parte communications, directed by attorneys for parties to the proceeding or by participating Commission personnel to decision making personnel, limited to advising them of the need for unusually expeditious handling of a pleading or other document which is being, or has been, filed.

(d) Any communication made by or to the General Counsel of his staff concerning judicial review of any matter which has been decided by the Commission.

(e) Any communication from an agency of the Federal Government involving classified security information.

(f) Any request for information solely with respect to the status of a restricted proceeding.

**§ 1.1227 Solicitation of ex parte communications.**

(a) No person having a direct or indirect interest in the outcome of a restricted proceeding (see § 1.1223(b)) shall solicit or encourage other persons to communicate ex parte concerning that proceeding with decision making Commission personnel.

(b) Decision making Commission personnel shall not encourage or solicit ex parte communications from any person, and shall not entertain ex parte communications which are made to them,

except as such communications are expressly authorized by § 1.1225.

§ 1.1229 Disclosure of information concerning ex parte communications.

Any party to a restricted proceeding who has reason to believe that an ex parte communication prohibited by this subpart has been solicited, attempted or made, or who has information regarding such a communication, should promptly advise the Executive Director in writing of all the facts and circumstances concerning that communication which are known to him.

PROCEDURES FOR HANDLING EX PARTE COMMUNICATIONS

§ 1.1241 Written communications.

(a) To the extent possible, written ex parte communications not expressly authorized under § 1.1225 will be directed by the Mail and Files Division or by the secretarial staff to the Executive Director rather than to the addressee.

(b) Unauthorized written ex parte communications which reach decision making Commission personnel will be directed by them to the Executive Director. If the circumstances in which the communication was made are not apparent from the communication itself, a statement describing those circumstances shall be submitted to the Executive Director with the communication.

(c) Unauthorized written ex parte communications, and all statements and correspondence pertaining thereto, will be placed in a public file, which will be associated with the file of the restricted proceeding to which the communication pertains. But no such communication will be considered in determining the merits of the proceeding unless it has been received in evidence.

(d) (1) If in the judgment of the Executive Director the communication in question is prohibited by § 1.1223(b); or if in his judgment the communication was solicited or encouraged by persons having an interest in the outcome of the proceeding as prohibited by § 1.1227; or if in his judgment the communication should, for any other reason, be brought specifically to the attention of the parties, the Executive Director will serve copies of the communication, together with copies of any statement describing the circumstances in which it was made, upon the parties to the proceeding.

(2) If the written communication is voluminous or the parties numerous, or if other circumstances satisfy the Executive Director that service of the communication would be unduly burdensome, he may (in lieu of service) notify the parties to the proceeding that the communication has been made and that it is available for public inspection.

(e) A copy of any statement describing the circumstances in which any unauthorized written ex parte communication was submitted will be forwarded to the person who submitted the communication. Within 10 days after the statement is mailed to him, the person who submitted the communication may himself file with the Executive Director a notarized statement with regard to those circumstances, which the Executive Director may (if he deems service appropriate) serve upon parties to the proceeding.

§ 1.1243 Oral communications.

(a) If an oral communication prohibited by this subpart is made to decision making Commission personnel, they will advise the person making the communication that it is prohibited and terminate the discussion of such matters.

(b) As soon as practicable after any such oral communication, the person to whom the communication was made shall forward to the Executive Director a statement containing such of the following information as is known to him:

(1) The name of the restricted proceeding.

(2) The name and address of the person making the communication and his relationship (if any) to the parties to the proceeding or their attorneys.

(3) The date and time of the communication, its duration, and the circumstances (telephone, personal interview, casual meeting, etc.) under which it was made.

(4) A brief statement as to the substance of the matters discussed.

(5) Whether the person making the communication persisted in doing so after having been advised that the communication is prohibited.

(6) The date and time at which the statement was prepared.

(c) All statements submitted to the Executive Director pursuant to the provisions of this section, and all correspondence pertaining thereto, shall be placed in a public file, which will be associated with the file of the restricted proceeding to which the prohibited communication pertains. But no such statement will be considered in determining the merits of the proceeding unless it has been received into evidence.

(d) All statements submitted to the Executive Director pursuant to the provisions of this section shall be served by the Executive Director on the parties to the proceeding. If the parties are numerous, or if other circumstances satisfy the Executive Director that service of the statement would be unduly burdensome, he may (in lieu of service) notify the parties to the proceeding that the communication has been made and that a statement with respect to it is available for public inspection.

(e) The Executive Director will forward to the person who made the communication a copy of the statement prepared by the person to whom the communication was made. Within 10 days after that statement is mailed to him, the person who made the communication may himself file with the Executive Director a notarized statement with respect to the substance of the communication and the circumstances in which it was made, which the Executive Director may (if he deems service appropriate) serve upon parties to the proceeding.

SANCTIONS

§ 1.1251 Sanctions applicable to parties.

Any party to a restricted proceeding who directly or indirectly makes any ex parte communication prohibited by this subpart, or who encourages or solicits others to communicate ex parte with decision making Commission personnel, may be disqualified from further participation in that proceeding. Such alternative or additional sanctions as may be appropriate in the context of that proceeding may be imposed.

§ 1.1253 Sanctions applicable to attorneys or other persons who represent others before the Commission.

If it appears that any attorney or any other person who represents others before the Commission has made or solicited communications prohibited by this subpart, charges may be preferred against that person, and he may be censured, suspended, or barred from representing others before the Commission. See § 1.24.

§ 1.1255 Sanctions applicable to Commission personnel.

Violations of the provisions of this subpart by Commission personnel will be disposed of in accordance with the procedures set forth in Administrative Order No. 10 and the penalties therein specified.

[F.R. Doc. 64-2913; Filed, Mar. 25, 1964; 8:50 a.m.]

# SECURITIES AND EXCHANGE COMMISSION

## [ 17 CFR Part 270 ]

[Release 40-3931]

## REGISTERED INVESTMENT COMPANIES

### Disclosures Required in Proxy Statements

Notice is hereby given that the Securities and Exchange Commission has under consideration proposed amendments to 17 CFR § 270.20a-2 (Rule 20a-2 under the Investment Company Act of 1940 ("Act")). The proposed amendments relate to certain financial and other information to be disclosed in proxy statements of registered investment companies. Such amendments would be promulgated pursuant to authority conferred by sections 20(a) and 38(a) of the Act.

Section 20(a) of the Act makes it unlawful to solicit any proxy, consent or authorization in respect of any security of which a registered investment company is the issuer in contravention of such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors. Section 38(a) authorizes the Commission to make, issue, amend and rescind such rules and regulations as are necessary or appropriate to the exercise of the powers conferred upon the Commission by the Act.

Rules 20a-1, 20a-2 and 20a-3 (§§ 270.20a-1, 270.20a-2, and 270.20a-3) previously have been adopted under section 20(a). Rules 20a-1 (§ 270.20a-1) makes applicable to the aforementioned solicitations the Commission's proxy rules

adopted under section 14(a) of the Securities Exchange Act of 1934 and, in addition, provides for the furnishing of information with respect to the investment adviser or prospective investment adviser, and its affiliated persons.

Rule 20a–2 (§ 270.20a–2) presently requires that a proxy statement relating to a registered investment company include certain information with respect to, among other things, the investment advisory contract, ownership and control of the investment adviser, and interests of the management of the investment company in the investment adviser. Except where the investment adviser is a bank, a balance sheet of the investment adviser must be included, unless the Commission, for good cause shown, permits the omission of such balance sheet. Certain information also is required with respect to the relationship between the investment company or the investment adviser and the principal underwriter of the investment company's securities. Where action is to be taken by the security holders of the investment company with respect to an investment advisory contract, information is also to be included with respect to such contract and with respect to certain collateral arrangements or understandings in connection therewith.

Rule 20a–3 (§ 270.20a–3) calls for the disclosure in a proxy statement relating to an investment company of information with respect to the material interests of each officer, director and nominee for election as a director of the investment company in material transactions or material proposed transactions to which the investment adviser or any of its parents or subsidiaries was or is to be a party.

The effect of the proposed revision of Rule 20a–2 (§ 270.20a–2) would be to:

(1) Require information to be provided with respect to the principal underwriter, the prospective principal underwriter and the principal underwriting contract comparable to that presently required with respect to the investment adviser, the prospective investment adviser and the investment advisory contract; [1]

(2) Require disclosure of certain financial information concerning (a) the investment company, (b) the investment advisory contract, where action is to be taken by the security holders with respect thereto, and (c) the principal underwriting contract, where action is to be taken by the security holders with respect thereto; and

(3) Require the inclusion of such financial information with respect to both the investment advisory contract and the principal underwriting contract if action is to be taken by the security holders with respect to either, and the investment adviser and principal underwriter are the same person or one is an affiliated person of, or an affiliated person of an affiliated person of, the other.

The continuing experience of the Commission in the administration of the Act and its analysis of the data provided in the study of mutual funds prepared by the Wharton School of Finance and Commerce of the University of Pennsylvania indicate that disclosure of financial data with respect to the fundamental contracts pursuant to which the business of an investment company is conducted would be in the public interest and in the interest of investors. Accordingly, it appears to the Commission necessary and appropriate to consider whether Rule 20a–2 under the Act (§ 270.20a–2) should be amended in the respects indicated by the foregoing.

In addition to the consideration which the Commission is giving to the attached proposed amendment to § 270.20a–2, it appears to the Commission that it should also consider the appropriateness of amending the present provisions which relate to the disclosure of the remuneration which certain persons associated with investment companies derive from the investment company business. The Commission therefore intends as soon as practicable to issue a public notice inviting comments on proposed amendments of the provisions of its proxy rules which relate to such remuneration.

The text of § 270.20a–2 as it is proposed to be amended follows:

**§ 270.20a–2 Information pertaining to investment adviser, investment advisory contract, principal underwriter and principal underwriting contract.**

(a) If action is to be taken with respect to the election of directors of the investment company and the solicitation is made by or on behalf of the management of the investment company or by or on behalf of an investment adviser or a principal underwriter, the following information shall also be included in the proxy statement.

*Instructions.* 1. Information comparable to that required hereunder to be included in the proxy statement with respect to the investment adviser and the investment advisory contract shall also be provided with respect to the principal underwriter and the principal underwriting contract.

2. Information with respect to a prospective investment adviser or a prospective principal underwriter shall be furnished to the extent applicable.

(1) State the name and address of the investment adviser, the date of the existing investment advisory contract, the date on which it was last submitted to a vote of security holders of the investment company and the purpose of such submission. Briefly describe the terms of the contract, including the rate of compensation of the investment adviser. State the aggregate amount of the investment adviser's fee and the amount and purpose of any other material payments by the investment company to the investment adviser during the last fiscal year of the investment company. If any person is acting as an investment adviser of the investment company otherwise than pursuant to a written contract which has been approved by the security holders of such company, identify such person and describe the nature of the services and arrangements therefor.

(2) State the name, address and principal occupation of the principal executive officer and each director or general partner of the investment adviser.

(3) State the names and addresses of all parents of the investment adviser and show the basis of control of the investment adviser and each parent by its immediate parent.

*Instructions.* 1. If any person named is a corporation, include the percentage of its voting securities owned by its immediate parent.

2. If any person named is a partnership, the general partners having the three largest partnership interests (computed by whatever method is appropriate in the particular case) shall be named.

(4) If the investment adviser is a corporation and if, to the knowledge of the persons making the solicitation or the persons on whose behalf the solicitation is made, any person not named in answer to subparagraph (3) of this paragraph owns of record or beneficially 10 percent or more of the outstanding voting securities of the investment adviser, indicate that fact and state the name and address of each such person.

(5) Name each officer, director or nominee for election as a director of the investment company who is an officer, employee, director or general partner of the investment adviser. As to any officer, director or nominee for election as a director of the investment company who is not a director or general partner of the investment adviser and who owns any securities of or has any other material direct or indirect interest in the investment adviser or any person controlling, controlled by or under common control with the investment adviser, state the nature of such interest.

(6) Describe any action with respect to the investment advisory contract which has been taken since the beginning of the last fiscal year by the board of directors of the investment company, unless such action was described in the proxy statement for the last annual meeting for the election of directors. Identify any director of the investment company who, at the time of the action described, owned any securities of, or had any other material direct or indirect interest in, the investment adviser or any person controlling, controlled by or under common control with the investment adviser, and state the nature of such interest.

(7) Name each person employed as a broken by or on behalf of the investment company in which the investment adviser, any officer, director or general partner, any person controlling, controlled by or under common control with the investment adviser, or any officer, director or nominee for election as a director of the investment company has any material direct or indirect interest.

[1] For example: The first sentence of the present Rule 20a–2(a)(1) (§ 270.20a–2(a)(1)) reads, "State the name and address of the investment adviser, the date of the existing investment advisory contract, the date on which it was last submitted to a vote of security holders of the investment company and the purpose of such submission." Under the proposed amendment, the first instruction to Rule 20a–2(a)(1) would require that the proxy statement also state the name and address of the principal underwriter, the date of the existing principal underwriting contract, the date on which it was last submitted to a vote of security holders of the investment company and the purposes of such submission.

State the nature of such interest and amount of brokerage fees received by or participated in by each such broker from business originating with the investment company during its last fiscal year.

(8) If any officer, director or any nominee for election as a director of the investment company, any investment adviser, or any person named in response to subparagraph (2) or (3) of this paragraph purchased or sold any securities of the investment adviser or any of its parents, subsequent to the beginning of the last fiscal year of the investment company or is a party to any contract for the purchase or sale of any such securities, describe the transaction, identify the parties, state the consideration, the terms of payment and describe any arrangement or understanding with respect to the composition of the board of directors of the investment company or of the investment adviser, or with respect to the selection or appointment of any person to any office with either such company.

*Instruction.* Transactions involving securities in an amount not exceeding 1 per cent of the outstanding securities of any class of the investment adviser or any of its parents may be omitted.

(9) Unless the investment adviser is a bank, include a balance sheet of the investment adviser as of the end of its last fiscal year. Such balance sheet shall be certified by an independent public or certified public accountant. The Commission for good cause shown may, however, in its discretion permit (i) the omission of certification of such balance sheet, or (ii) the summarization or omission of such balance sheet if the investment adviser is primarily engaged in a business or businesses other than the underwriting or distribution of investment company securities or the performance of advisory services for registered investment companies.

*Instruction.* If during its last fiscal year the principal underwriter filed a certified statement of financial condition on Form X-17A-5, the balance sheet of the principal underwriter required by this item may be uncertified.

(10) If, since the beginning of the investment company's last fiscal year, any investment advisory contract was terminated for any reason, state the date of such termination, identify the investment adviser and describe the circumstances of such termination.

(b) If action is to be taken with respect to an investment advisory contract, the following information shall be included in the proxy statement:

(1) The information specified in paragraph (a). This information shall be furnished with respect to the existing investment adviser or any prospective investment adviser, whichever is appropriate.

(2) Describe (i) the nature of the action to be taken and the reasons therefor; (ii) the terms of the contract to be acted upon and any material differences between such contract and the arrangements then or previously existing; and (iii) if the action is to be taken because of the termination or prospective termination of a prior or existing contract, the circumstances giving rise to such termination.

(3) Describe any arrangement or understanding made in connection with the proposed investment advisory contract with respect to the composition of the board of directors of the investment company or the investment adviser or with respect to the selection or appointment of any person to any office with either such company.

(4) If the investment adviser acts as such with respect to any other management investment company, identify and state the size of each such other company and state the rate of the investment adviser's compensation.

(5) State for each of not less than the immediately preceding three fiscal years of the investment company the aggregate amount of the investment company's expenses, the aggregate amount of the investment company's average net assets, the aggregate amount of the investment company's investment income and the ratio of such expenses to its average net assets, and the ratio of such expenses to its investment income.

*Instruction.* If the contract being submitted for security holder approval provides for a change in the fees or expenses being paid by the investment company, the pro forma effect of such change for the last fiscal year of the investment company shall also be stated.

(6) State for each of not less than the immediately preceding three fiscal years of the investment adviser the following items of income received and expenses incurred by the investment adviser in acting pursuant to the advisory contract with the investment company: (i) the amount of the gross income received; (ii) the aggregate amount of the expenses incurred (showing separately the aggregate amount of the salaries or other compensation paid to officers, directors and persons who directly or indirectly own 5% or more of the equity of the investment adviser); (iii) the amount of the net income, both before and after provision for income taxes; and (iv) the ratio of net income, both before and after provision for income taxes, to gross income.

*Instructions.* 1. If the investment adviser acts as such for other registered management investment companies, the information required may be stated either in the aggregate as to all such companies, or separately for each such company and in the aggregate for all such companies.

2. If the contract being submitted for security holder approval provides for a change in the fees or expenses paid by the investment company, the pro forma effect of such change for the last fiscal year of the investment adviser shall also be stated.

3. So far as feasible, the information required shall be stated in tabular form.

(c) If action is to be taken with respect to a principal underwriting contract, the following information shall be included in the proxy statement:

(1) Information with respect to the principal underwriter and principal underwriting contract comparable to that required by paragraph (a) and subparagraphs (2), (3), (4) and (5) of paragraph (b) of this section.

(2) State for each of not less than the immediately preceding three fiscal years of the principal underwriter the amount and purpose of any material payments by the investment company to the principal underwriter.

(3) State for each of not less than the immediately preceding three fiscal years of the principal underwriter the following items of income received and expenses incurred by the principal underwriter in acting pursuant to the principal underwriting contract with the investment company: (i) The aggregate amount of the gross sales load received; (ii) the aggregate amount of the allowances to dealers; (iii) the aggregate amount of the net sales load retained; (iv) the amount of the expenses incurred other than allowances to dealers (showing separately the aggregate amount of the salaries or other compensation paid to officers, directors and persons who directly or indirectly own 5% or more of the equity of the principal underwriter); (v) the amount of the net income, both before and after provision for income taxes; and (vi) the ratio of net income, both before and after provision for income taxes, to net sales load.

*Instructions to subparagraphs (2) and (3).* 1. If the principal underwriter acts as such for other registered management investment companies, the information required may be stated either in the aggregate for all such companies, or separately for each such company and in the aggregate for all such companies.

2. If the contract being submitted for shareholder approval provides for a modification in the sales load charged on the purchase of securities issued by the investment company, or in the amount of any material payments by the investment company to the principal underwriter, the pro forma effect of such modification for the last fiscal year of the principal underwriter shall also be stated.

3. Where the distribution of shares of the investment company is effected through salesmen or sales representatives whose compensation is paid by the principal underwriter or an affiliated person of the principal underwriter, the net income ratio of the principal underwriter required by cause (vi) of subparagraph (3) shall be stated as a percent of gross sales load received by the principal underwriter and also as a percent of gross sales load less compensation paid to salesmen or sales representatives. If the distribution is effected through the principal underwriter and an affiliated person thereof, the data required by subparagraph (3) shall be shown on a combined or a consolidated basis as appropriate.

4. So far as feasible, the information required shall be stated in tabular form.

(d) The information required by both paragraph 2 (b) and (c) of this section (Rules 20a-2(b) and 20a-2(c)) shall be included in the proxy statement if action is to be taken with respect to either an investment advisory contract or a principal underwriting contract and the investment adviser and principal underwriter are the same person or one is an affiliated person of, or an affiliated person of an affiliated person of, the other.

(e) The definitions in § 270.8b-2 (Rule 8b-2) shall be applicable to the terms used in this section.

(Secs. 20(a), 38(a), 54 Stat. 822, 841, 15 U.S.C. 80a-20(a), 80a-37(a))

All interested persons are invited to submit their views and comments on the proposed amendment of § 270.20a–2, in writing, to the Securities and Exchange Commission, Washington, D.C., 20549, on or before May 4, 1964. All such communications should refer to Investment Company Act Release No. 3931 and will be available for public inspection.

By the Commission.

[SEAL] ORVAL L. DUBOIS,
*Secretary.*

MARCH 18, 1964.

[F.R. Doc. 64–2881; Filed, Mar. 25, 1964; 8:47 a.m.]

# SMALL BUSINESS ADMINISTRATION

## [ 13 CFR Part 121 ]

[Rev. 4]

## SMALL BUSINESS SIZE STANDARDS

### Definition of Small Business for the Motion Picture Production and Motion Picture Service Industries

*Correction*

In F.R. Doc. 64–2704, appearing at page 3584 of the issue for Friday, March 20, 1964, the following correction is made in § 121.3–8(e)(1), as proposed: The words "do not exceed $3 million." should read "do not exceed $1 million.".

# Notices

## DEPARTMENT OF THE TREASURY

### Office of the Secretary

[T.D. 167–61]

### COMMANDANT, U.S. COAST GUARD

### Delegation of Functions

By virtue of the authority vested in the Secretary of the Treasury by Reorganization Plan No. 26 of 1950 and 14 U.S.C. 631, and pursuant to the authority delegated to me by Treasury Department Order No. 190 (Revision 2), there are transferred to the Commandant, U.S. Coast Guard the functions of the Secretary contained in Bureau of the Budget Circular A–15 (Revised), dated May 11, 1962, concerning determinations as to the furnishings to be provided for housekeeping quarters for Government personnel.

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

Dated: March 19, 1964.

[SEAL] JAMES A. REED,
*Assistant Secretary of the Treasury.*

[F.R. Doc. 64–2904; Filed, Mar. 25, 1964; 8:49 a.m.]

## DEPARTMENT OF THE INTERIOR

### Bureau of Land Management

[W–0266519]

### WYOMING

### Notice of Proposed Withdrawal and Reservation of Lands; Correction

MARCH 20, 1964.

The notice of proposed withdrawal and reservation of lands published on page 2707 of the FEDERAL REGISTER, issued February 26, 1964, as F.R. Doc. 64–1797; filed Feb. 25, 1964; 8:47 a.m., is hereby corrected to include and show the NE¼ NW¼ sec. 31, T. 57 N., R. 94 W. Also, the number of acres is corrected by deleting 10,792.69 and replacing it with 10,832.69 acres.

ED PIERSON,
*State Director.*

[F.R. Doc. 64–2876; Filed, Mar. 25, 1964; 8:46 a.m.]

[Serial No. Idaho 015116]

### IDAHO

### Order Providing for Opening of Public Lands

MARCH 19, 1964.

1. In an exchange of lands made under the provisions of section 8 of the Act of June 28, 1934 (48 Stat. 1272), as amended by the Act of June 26, 1936 (49 Stat. 1976; 43 U.S.C. 315g), the following described lands have been reconveyed to the United States:

BOISE MERIDIAN, IDAHO

*Tract 1*

T. 2 N., R. 24 E.,
Sec. 4, lots 3, 6, SE¼NW¼, NE¼SW¼, S½SW¼, W½SE¼;
Sec. 9, lots 2, 3, 5, W½NE¼, E½NW¼, NW¼SE¼.

Totaling 582.89 acres.

*Tract 2*

T. 2 N., R. 24 E.,
Sec. 23, S½SW¼.

Totaling 80 acres.

*Tract 3*

T. 3 N., R. 25 E.,
Sec. 33, SW¼NE¼, E½SW¼, NW¼SE¼.

Totaling 160 acres.

*Tract 4*

T. 1 S., R. 28 E.,
Sec. 25, S½S½.
T. 1 S., R. 29 E.,
Sec. 31.

Totaling 800 acres.

The areas described aggregate 1622.89 acres.

2. All of the lands are located in Butte County. Tracts 1, 2, and 3 are located about 18 to 20 miles southwest of Arco, Idaho, and to the north of the Craters of the Moon National Monument. Tract 4 is located about 20 miles southeast of Arco and about 7½ miles southwest of Big Southern Butte. Tracts 1 and 2 are mountainous in character and have a sagebrush-grass type vegetative cover. Tracts 3 and 4 are desert in character and also have a sagebrush-grass type vegetative cover. The soils of these latter two tracts are generally of good quality for agricultural development under irrigation. However no surface irrigation water is available.

3. No application for these lands will be allowed under the homestead, desert land, or any other nonmineral public land law, unless the lands have already been classified as valuable, or suitable for such type of application or shall be so classified upon consideration of a petition-application. Any petition-application that is filed will be considered on its merits. The lands will not be subject to occupancy or disposition until they have been classified.

4. Subject to any existing valid rights and the requirements of applicable law, the lands described in paragraph 1 hereof, are hereby opened to the filing of petition-applications, selections, and locations in accordance with the following:

a. Petition-applications and selections under the nonmineral public land laws, except applications under the Small Tract Act, may be presented to the manager mentioned below, beginning on the date of this order. Such petition-applications and selections will be considered as filed on the hour and respective dates shown for the various classes enumerated in the following paragraphs:

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

(2) All valid petition-applications and selections under the nonmineral public land laws presented prior to 10:00 a.m. April 23, 1964, will be considered as simultaneously filed at that hour. Rights under such petition-applications and selections filed after that hour will be governed by the time of filing.

b. The minerals in the lands described in Tract 1 have been open to mining location and mineral leasing.

c. The lands described in Tracts 2, 3 and 4 will be open to mineral leasing and to location under the United States mining laws, beginning at 10:00 a.m. on April 23, 1964.

5. Persons claiming preference rights based upon valid settlement, statutory preference, or equitable claims must enclose properly corroborated statements in support of their applications, setting forth all facts relevant to their claims. Detailed rules and regulations governing petition-applications which may be filed pursuant to this notice can be found in Title 43 of the Code of Federal Regulations.

6. Inquiries concerning the lands should be addressed to the Manager, Idaho Land Office, P.O. Box 2237, Boise, Idaho.

ORVAL G. HADLEY,
*Acting Land Office Manager.*

[F.R. Doc. 64–2877; Filed, Mar. 25, 1964; 8:46 a.m.]

### ALASKA

### Small Tract Classification No. 39; Cancellation

MARCH 20, 1964.

1. Pursuant to the authority delegated to me from Bureau Order 684, dated August 28, 1961 (26 F.R. 6215), as amended by the Alaska State Director in delegation of authority (F.R. Doc. 64–2127) dated March 4, 1964, I hereby cancel Small Tract Classification No. 39 dated April 16, 1951, which classified the following described lands as suitable for lease and sale under the Small Tract Act of June 1, 1938 (52 Stat. 609, 43 U.S.C. Sec. 682a) as amended:

FAIRBANKS MERIDIAN

T. 5 S., R. 4 E.,
Sec. 22, lot 1;
Sec. 23, NW¼NW¼, lots 2 and 3.

2. The subject lands are located in a terminal area; therefore, it has been determined that this classification should

be cancelled to allow the state of Alaska to select the subject lands.

3. This cancellation should become effective immediately.

ROSS A. YOUNGBLOOD,
*District Manager.*

[F.R. Doc. 64-2878; Filed, Mar. 25, 1964; 8:46 a.m.]

## ALASKA

### Small Tract Classification No. 110; Cancellation

MARCH 20, 1964.

1. Pursuant to the authority delegated to me from Bureau Order 684, dated August 28, 1961 (26 F.R. 6215), as amended by the Alaska State Director in delegation of authority (F.R. Doc. 64-2127) dated March 4, 1964, I hereby cancel Small Tract Classification No. 110 dated April 9, 1956, which classified the following described lands as suitable for lease and sale for recreational purpose under the Small Tract Act of June 1, 1938 (52 Stat. 609, 43 U.S.C. 682a), as amended:

FAIRBANKS MERIDIAN

T. 7 S., R. 5 E.,
Sec. 13, SW¼SE¼.

Containing 40 acres.

2. The subject classification does not preclude state selection. Since the state of Alaska has selected the subject land, it is recommended this classification be cancelled so the lands can be conveyed to the state of Alaska.

3. This cancellation will take effect immediately.

ROSS A. YOUNGBLOOD,
*District Manager.*

[F.R. Doc. 64-2879; Filed, Mar. 25, 1964; 8:46 a.m.]

[BLM 077412]

## MINNESOTA

### Survey Group No. 92

MARCH 19, 1964.

The plat of survey of an island described below, accepted February 6, 1964, will be officially filed in this office effective 10 a.m. on April 27, 1964.

FIFTH PRINCIPAL MERIDIAN, MINNESOTA

T. 138 N., R. 43 W.,
Sec. 12, lot 3, containing 2.34 acres.

The survey of this island was undertaken as an administrative measure pursuant to notice of its existence. The plat represents the survey of an island in Cormorant Lake. The character of the island and the timber growth thereon attest to its existence in 1858, when Minnesota was admitted into the Union, and at all subsequent dates and has the status of public domain.

The formation of the island is in all regards similar to the opposing mainland, with an elevation ranging from 0 to 5 feet above mean-high-water line. The island is of rich loam, land rolling, which supports a growth of mature timber, ranging in size from 4 to 37 inches in diameter, of willow, birch, ash, elm, and butternut.

The island is well over 50 percent upland in character within the interpretation of the swamp land act.

The island above described is open to application, location, selection and petition under the public land laws; subject to valid existing rights, the provisions of existing withdrawals, and requirements of applicable laws, rules and regulations. The land will not be subject to occupancy or disposition until it has been classified.

All inquiries relating to the lands should be directed to the Manager, Land Office, Division of Field Services, Bureau of Land Management, Washington, D.C., 20240.

DORIS A. KOIVULA,
*Manager, Land Office.*

[F.R. Doc. 64-2880; Filed, Mar. 25, 1964; 8:47 a.m.]

# ATOMIC ENERGY COMMISSION

[Docket No. 50-138]

## CURTISS-WRIGHT CORP.

### Notice of Application for Utilization Facility Export License

Please take notice that Curtiss-Wright Corporation, Rockefeller Center, 1271 Avenue of the Americas, New York 20, New York, has submitted an application, dated March 4, 1964, for a license authorizing the export of the remaining parts of the 1000 kilowatt nuclear research reactor shipped to the Thai Atomic Energy Commission for Peace under previous AEC export licenses.

A copy of the application is on file in the AEC Public Document Room located at 1717 H Street NW., Washington, D.C.

Dated at Bethesda, Md., this 18th day of March, 1964.

For the Atomic Energy Commission.

R. LOWENSTEIN,
*Director, Division of Licensing and Regulation.*

[F.R. Doc. 64-2869; Filed, Mar. 25, 1964; 8:46 a.m.]

[Docket No. 50-217]

## GENERAL DYNAMICS CORP.

### Notice of Proposed Issuance of Facility Export License

Please take notice that, unless within fifteen days after the publication of this notice in the FEDERAL REGISTER a request for a formal hearing is filed with the United States Atomic Energy Commission by the applicant or an intervener as provided by the Commission's "Rules of Practice", 10 CFR Part 2, the Commission proposes to issue to General Dynamics Corporation a facility export license on Form AEC-250 containing the authority set forth in the text below authorizing the export of a 30 kilowatt TRIGA Mark II nuclear reactor to The Johannes Gutenberg University at Mainz in the State of Rheinland-Pfalz, Federal Republic of Germany.

Pursuant to Section 104 of the Atomic Energy Act of 1954, as amended, and Title 10 CFR, Chapter I, Part 50, "Licensing of Production and Utilization Facilities", the Commission has found that:

1. The application complies with the requirements of the Atomic Energy Act of 1954, as amended, and the Commission's regulations set forth in Title 10, Chapter I, CFR;

2. The reactor proposed to be exported is a utilization facility as defined in said Act and regulations;

3. The issuance of a license for the export thereof is within the scope of and is consistent with the terms of an Agreement for Cooperation between the Governments of the United States and the Federal Republic of Germany.

In its review of applications solely to authorize the export of production or utilization facilities, the Commission does not evaluate the health and safety characteristics of the subject reactor.

A copy of the application, dated December 20, 1963, is on file in the AEC Public Document Room located at 1717 H Street NW., Washington, D.C.

Dated at Bethesda, Md., this 24th day of March 1964.

For the Atomic Energy Commission.

R. LOWENSTEIN,
*Director, Division of Licensing and Regulations.*

PROPOSED EXPORT LICENSE

Pursuant to the Atomic Energy Act of 1954 and the regulations of the U.S. Atomic Energy Commission issued pursuant thereto, and in reliance on statements and representations heretofore made, General Dynamics Corporation, P.O. Box 608, San Diego, California, is authorized to export a 30 kilowatt TRIGA Mark II nuclear reactor to The Johannes Gutenberg University at Mainz in the State of Rheinland-Pfalz, Federal Republic of Germany, subject to the terms and provisions herein. The license to export extends to the licensee's duly authorized shipping agent.

Neither this license nor any right under this license shall be assigned or otherwise transferred in violation of the provisions of the Atomic Energy Act of 1954.

This license is subject to the right of recapture or control reserved by Section 108 of the Atomic Energy Act of 1954, and to all of the other provisions of said Act, now or hereafter in effect and to all valid rules and regulations of the U.S. Atomic Energy Commission.

This license is effective as of the date of issuance and shall expire on December 31, 1965.

For the Atomic Energy Commission.

[F.R. Doc. 64-2977; Filed, Mar. 25, 1964; 8:50 a.m.]

# FEDERAL COMMUNICATIONS COMMISSION

[Docket No. 15383]

## JERRY LEE GREEN

### Order To Show Cause

In the matter of Jerry Lee Green, Atlanta, Georgia, Docket No. 15383, order to show cause why there should not be revoked the license for radio station KDB-7499 in the Citizens Radio Service.

The Commission, by the Chief, Safety and Special Radio Services Bureau, under delegated authority, having under consideration the matter of certain alleged violations of the Commission's rules in connection with the operation of the above-captioned Citizens (Class D) radio station;

It appearing, that on January 6, April 11, and April 30, 1963, the licensee's Citizens radio station was used to communicate with units of other stations in the Citizens Radio Service other than when necessary for the exchange of substantive messages related to the business or personal activities of the individuals concerned, in violation of § 95.81(a) (formerly §19.61(a)) of the Commission's rules; and

It further appearing, that on January 6, and April 30, 1963, the licensee's Citizens radio station, after use for communications with other Citizens radio stations, was used to engage in other communications without observing two-minute silent periods, in violation of § 95.81(f) (formerly § 19.61(f)) of the Commission's rules; and

It further appearing, that in view of the foregoing, the licensee has repeatedly violated §§ 95.81(a) and 95.81(f) of the Commission's rules; and

It further appearing, that pursuant to § 1.89 (formerly § 1.76) of the Commission's rules written notices of violation, dated January 24, 1963, April 18, 1963, and May 9, 1963, calling attention to the foregoing violations and requiring explanatory responses, were served upon the licensee at his address of record.

*It is ordered,* This 19th day of March 1964, pursuant to section 312(a)(4) and (c) of the Communications Act of 1934, as amended, and § 0.331(b)(8) of the Commission's rules, that the said licensee show cause why the license for the above-captioned radio station should not be revoked, and appear and give evidence in respect thereto at a hearing to be held at a time and place to be specified by subsequent order; and

*It is further ordered,* That the Secretary send a copy of this order by certified mail—return receipt requested to the said licensee at his last known address of 1341 Avon Avenue, Atlanta, Georgia.

Released: March 19, 1964.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] BEN F. WAPLE,
*Secretary.*

[F.R. Doc. 64-2914; Filed, Mar. 25, 1964; 8:50 a.m.]

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[Docket No. 15382]

## EMANUEL CAMILO ZAVALA

### Order to Show Cause

In the matter of Emanuel Camilo Zavala, South San Gabriel, California, Docket No. 15382; order to show cause why the license for radio station KEJ-4583 in the Citizens Radio Service should not be revoked.

The Commission, by the Chief, Safety and Special Radio Services Bureau, under delegated authority, having under consideration the matter of certain alleged violations of the Commission's rules in connection with the operation of the above-captioned station;

It appearing, that, pursuant to § 1.89 of the Commission's rules, written notice of violation of the Commission's rules was served upon the above-named licensee at his address of record as follows: "Official communication dated October 11, 1963, alleging violation of § 19.33 (now § 95.45) of the Commission's rules."

It further appearing, that the licensee did not reply to that communication or to a follow-up letter dated December 6, 1963, also mailed to the licensee at his address of record; and

It further appearing, that the foregoing communications from the Commission called for responses by the licensee within 10 and 15 days, respectively; and

It further appearing, that, in view of the foregoing, the licensee has repeatedly violated § 1.89 of the Commission's rules; and

It further appearing, that the violations of § 1.89 of the Commission's rules and the related facts create apparent liability by the respondent to a monetary forfeiture of $100 under section 510 of the Communications Act of 1934, as amended, and § 1.80 of the Commission's rules; and also subject the license of the above-captioned station to revocation under the provisions of section 312 of the Communications Act of 1934, as amended; but further proceedings in this Docket should be limited to action looking toward a determination as to whether an order of revocation should be issued;

*It is ordered,* This 19th day of March 1964 pursuant to section 312(a)(4) and (c) of the Communications Act of 1934, as amended, and § 0.331(b)(8) of the Commission's rules, that licensee show cause why the license for the above-captioned radio station should not be revoked, and appear and give evidence in respect thereto at a hearing to be held at a time and place to be specified by subsequent order; and

*It is further ordered,* That the Secretary send a copy of this order by certified mail—return receipt requested to licensee at his last known address of 2502 Strathmore Street, South San Gabriel, California, and 500 East El Monte Street, San Gabriel, California.

Released: March 19, 1964.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] BEN F. WAPLE,
*Secretary.*

[F.R. Doc. 64-2915; Filed, Mar. 25, 1964; 8:50 a.m.]

# FEDERAL MARITIME COMMISSION

[Docket No. 1174]

## U.S. NORTH ATLANTIC—UNITED KINGDOM AND BALTIC TRADE

### Investigation of Freight Rates on Liquors and Distilled Spirits

Information before the Commission indicates that certain conference and non-conference common carriers by water operating between United States North Atlantic ports and United Kingdom and Baltic ports have established and are maintaining and applying freight rates which are substantially higher on liquors and/or distilled spirits moving outward from the United States than are the rates on liquors and/or distilled spirits moving inward to the United States North Atlantic ports.

It appears that such freight rates for liquors and/or distilled spirits may be so unreasonably high or low as to be detrimental to the commerce of the United States in violation of section 18(b)(5), of the Shipping Act, 1916, as amended.

It further appears that the North Atlantic United Kingdom Freight Conference, the North Atlantic Westbound Freight Association, the North Atlantic Baltic Freight Conference, and/or the Scandinavia Baltic/U.S. North Atlantic Westbound Freight Conference and/or the carriers comprising such conferences, in establishing and maintaining such rates on liquors and distilled spirits pursuant to their organic agreements (Nos. 7100, 5850, 7670, and 8450, respectively), approved pursuant to section 15 of the Act, may have carried out such agreements in a manner which is detrimental to the commerce of the United States, or contrary to the public interest.

The Commission has a duty under section 212(e) of the Merchant Marine Act, 1936 to investigate all discriminatory rates, charges, classifications, and practices whereby exporters and shippers of cargo originating in the United States are required by any common carrier by water in the foreign trade of the United States to pay a higher rate from any United States port to a foreign port than the rate charged by such carrier on similar cargo from such foreign port to such United States port, and recommended to Congress measures by which such discrimination may be corrected.

*Therefore, it is ordered,* That pursuant to sections 15, 18(b)(5), and 22 of the Shipping Act, 1916, as amended, and section 212(e) of the Merchant Marine Act, 1936, as amended, the Commission upon its own motion, enter upon a proceeding of investigation and hearing to determine (1) whether any of the rates on distilled spirits or liquors of any of the conferences and/or carriers named in Appendixes 1 and 2 should be disapproved pursuant to section 18(b)(5), of the Act, and (2) whether any of the agreements of the conference carriers named in Appendix No. 1 should be disapproved, modified, or canceled pursuant to section 15 of the Act, and

*It is further ordered,* That the conferences and carriers named in Appendixes 1 and 2 hereto be made respondents in this proceeding, and

*It is further ordered,* That this matter be assigned for hearing before an examiner of the Commission's Office of Hearing Examiners at a date and place to be determined and announced by the Chief Examiner, and

*It is further ordered,* That notice of this order be published in the FEDERAL REGISTER and that a copy thereof and

notice of hearing be served upon the respondents named in the aforesaid appendixes, and

*It is further ordered*, That any persons, other than respondents, who desire to become a party to this proceeding and to participate therein, shall file a petition to intervene with the Secretary, Federal Maritime Commission, Washington, D.C., on or before April 4, 1964, with copy to respondents, and

*It is further ordered*, That all future notices issued by or on behalf of the Commission in this proceeding, including notice of time and place of hearing or pre-hearing conference, shall be mailed directly to all parties of record.

By the order of the Commission, March 17, 1964.

THOMAS LISI,
*Secretary.*

APPENDIX 1

NORTH ATLANTIC BALTIC FREIGHT CONFERENCE (NO. 7670)

17 Battery Place, New York 4, N.Y.

Black Diamond Steamship Corp., 2 Broadway, New York 4, N.Y.
Compagnie Maritime Belge, S.A./Compagnie, Maritime Congolaise, SCRL, Belgian Line, 67 Broad St., New York 4, N.Y.
Den Norske Amerikinje A/S Oslo, Norwegian America Line, 24 State St., New York 4, N.Y.
Det Forenede Dampskibs-Selskab, Scandinavian American Line, 25 Broadway, New York 4, N.Y.
Hamburg American Line, United States Navigation Co., Inc., General Agents, 17 Battery Pl., New York 4, N.Y.
Meriviente Oy (Finnlines), Boise-Griffin Steamship Co., Inc., General Agents, 90 Broad St., New York 4, N.Y.
Moore-McCormack Lines, Inc., 2 Broadway, New York 4, N.Y.
North German Lloyd, United States Navigation Co., Inc., 17 Battery Pl., New York 4, N.Y.
N. V. Nederlandsch-Amerikaansche Stoomvaart - Maatschappij, Holland - America Line, Pier 40, North River, New York 14, N.Y.
Polish Ocean Lines, Stockard Shipping Co., Inc., 17 Battery Pl., New York, N.Y., 10004.
Swedish American Line (AB Svenska Amerika Linien), Transatlantic Steamship Co., Ltd. (Rederiaktiebolaget Transatlantic), 34 Whitehall St., New York 4, N.Y.
Thorden Lines A/B, 90 Broad St., New York 4, N.Y.
United States Lines Co., 1 Broadway, New York 4, N.Y.
Wilhelmsen Line, 17 Battery Pl., New York 4, N.Y.

SCANDINAVIA BALTIC/U.S. NORTH ATLANTIC WESTBOUND FREIGHT CONFERENCE (NO. 8550)

Packhusplatsen 6, Gothenburg, Sweden

Moore-McCormack Lines, Inc., 2 Broadway, New York 4, N.Y.
Swedish American Line, 34 Whitehall St., New York 4, N.Y.
Transatlantic Steamship Co., Ltd., 34 Whitehall St., New York, N.Y.
Thorden Lines AB, 90 Broad St., New York 4, N.Y.

NORTH ATLANTIC UNITED KINGDOM FREIGHT CONFERENCE (NO. 7100)

17 Battery Pl., New York 4, N.Y.

Anchor Line, Limited (Anchor Line), Cunard SS Co., Ltd., Agents, 25 Broadway, New York 4, N.Y.
Bristol City Line of Steamship, Ltd., Hill, Charles & Sons Inc., Agents, One Broadway, New York 4, N.Y.
Cunard Steam-Ship Company Limited, 25 Broadway, New York 4, N.Y.
Irish Shipping Limited, Oceanic Agencies, 2 Broadway, New York 4, N.Y.
Lamport & Holt Line, Ltd., 101 Royal Liver Bldg., Liverpool 3, England.
Manchester Liners Ltd., Furness, Withy & Co., Ltd., Agents, 34 Whitehall St., New York 4, N.Y.
Johnston Warren Lines Ltd. (Johnston Warren Lines), Furness, Withy & Co., Ltd., Agents, 34 Whitehall St., New York, N.Y.
N.V. Nederlandsch-Amerikaansche Stoomvaart-Maatschappij, Holland-Amerika Lijn, Pier 40 North River, New York 14, N.Y.
Ulster Steamship Company, Ltd., Ellerman's Wilson Line, Agents, 24 State St., New York 4, N.Y.
United States Lines Co., 1 Broadway, New York 4, N.Y.
American Export and Isbrandtsen Lines, 26 Broadway, New York 4, N.Y.
Compagnie Generale Transatlantique, French Line, 17 State St., New York 4, N.Y.

NORTH ATLANTIC WESTBOUND FREIGHT ASSOCIATION (NO. 5850)

McDiarmid & Co., Secretaries,
Cunard Building, Liverpool 3, England.

Americana Shipping Corporation (American Star Line), % American Hemisphere Marine Agencies, Inc., 26 Broadway, New York 4, N.Y.
Anchor Line, Ltd. (Anchor Line), Cunard SS Co., Ltd., Agents, 25 Broadway, New York 4, N.Y.
Armement Deppe S.A., Hansen & Tidemann Inc., Agents, 310 Sanlin Building, New Orleans, La.
Bristol City Line of Steamships, Ltd., Hill, Charles & Sons Inc., Agents, One Broadway, New York 4, N.Y.
Cunard Steam-Ship Co., Ltd., 25 Broadway, New York 4, N.Y.
Furness, Withy & Co., Ltd., 34 Whitehall St., New York, N.Y.
Hamburg-Amerika Linie, U.S. Navigation Inc., General Agents, 17 Battery Pl., New York 4, N.Y.
Irish Shipping Ltd., Oceanic Agencies, 2 Broadway, New York 4, N.Y.
Manchester Liners Limited, Furness, Withy & Co., Ltd., Agents, 34 Whitehall St., New York 4, N.Y.
Norddentscher Lloyd, U.S. Navigation Co., Inc., General Agents, 17 Battery Pl., New York 4, N.Y.
Ulster Steamship Co., Ltd. (Head Line and Lord Line), Ellerman's Wilson Line, Agents, 24 State St., New York 4, N.Y.
United States Lines Co., 1 Broadway, New York 4, N.Y.

APPENDIX 2

INDEPENDENT CARRIERS

States Marine Lines, Inc., 90 Broad St., New York 4, N.Y.
Global Bulk Transport Inc., 90 Broad St., New York 4, N.Y.
Isthmian Lines, Inc., 90 Broad St., New York 4, N.Y.

[F.R. Doc. 64-2894; Filed, Mar. 25, 1964; 8:48 a.m.]

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[Docket No. 1175]

## AGREEMENT 9306—NORTH ATLANTIC CONTINENTAL POOL

### Order of Investigation

On February 6, 1964, Agreement No. 9306 was filed with the Federal Maritime Commission for approval under section 15 (46 U.S.C. 814) of the Shipping Act.

The parties to Agreement No. 9306 are:

Meyer Line, P. Meyer (Independent Norwegian Line),

and the following lines which comprise some of the membership of the North Atlantic Continental Freight Conference and the Continental North Atlantic Westbound Freight Conference:

Black Diamond Steamship Corp.
Compagnie Maritime Belge/Compagnie Maritime Congolaise.
Cosmopolitan Line.
Hamburg-Amerika Linie.
Moore-McCormack Lines, Inc.
Norddeutscher Lloyd.
N.V. Nederlandsch Amerikaansche Stoomvaart-Maatschappij, Holland Amerika Lijn.
United States Lines Company.

Agreement No. 9306 purports to establish a freight revenue pool covering, with a few specific exceptions, all cargoes carried by the parties both eastbound and westbound between North Atlantic ports of the United States and ports in Belgium, Holland, and Germany (excluding German/Baltic ports). The agreement provides that the pool be divided into two sections, one covering the trade from North Atlantic ports and the other covering the trade to North Atlantic ports. Specified carrying deductions are provided for and Mayer Line, in each section, would be entitled to 16⅔ percent of all pool revenues while the other carriers, in each section, would be entitled to 83⅓ percent to be divided among themselves in the same ratio which each such member's contribution bears to the total pool revenue of all parties except Meyer Line.

The Commission has considered Agreement No. 9306 and is of the opinion that it warrants investigation. Therefore, the Commission, pursuant to section 15 (86 U.S.C. 814) and section 22 (46 U.S.C. 821) of the Shipping Act, hereby institutes an investigation to determine (1) whether Agreement No. 9306 represents the entire agreement between the parties, (2) whether any agreement with respect to carryings or sailings, or to the distribution of revenues, or to rates, have been carried out by the parties without the prior approval of the Commission with respect hereto, (3) whether approval of Agreement 9306 would be detrimental to the commerce of the United States, or contrary to the public interest in that among other things it may result in increased rates or may unjustly discriminate or be unfair as between carriers, shippers, exporters, importers, or ports, and (4) whether Agreement No. 9306 should be approved, disapproved, or modified.

All parties to Agreement No. 9306 are hereby made respondents in this proceeding and the matter is assigned for hearing before an Examiner of the Commission's Office of Hearing Examiners at a date and place to be announced by the Presiding Examiner. A copy of this order shall be served upon the respondents and published in the FEDERAL REGISTER.

Persons, other than respondents, who desire to become parties to this proceeding and to participate herein should promptly notify the Secretary, Federal

Maritime Commission, Washington, D.C., 20573, and shall file with the Secretary a Petition for Leave to Intervene in accordance with Rule 5(n) of the Commission's rules of practice and procedure on or before April 3, 1964.

All future notices issued by or on behalf of the Commission in this proceeding, including notice of time and place of hearing or prehearing conference, should be mailed directly to all parties of record.

By order of the Commission, March 19, 1964.

THOMAS LISI,
*Secretary.*

[F.R. Doc. 64-2895; Filed, Mar. 25, 1964; 8:48 a.m.]

## ALCOA STEAMSHIP COMPANY, INC. ET AL.

### Notice of Filing of Agreement

Notice is hereby given that the following described agreement has been filed with the Commission for approval pursuant to section 15 of the Shipping Act, 1916 (39 Stat. 733; 75 Stat 7.63; 46 U.S.C. 814):

Agreement 8086-4 between the Alcoa Steamship Company, Inc., American Export & Isbrandtsen Lines, American Export Lines, Inc., American President Lines, Ltd., American Union Transport Lines, Inc., Bloomfield Steamship Company, Central Gulf Steamship Corporation, Farrell Lines Incorporated, Grace Line Inc., Great Lakes Bengal Lines, Inc., Isthmian Lines, Inc., Lykes Bros. Steamship Co., Inc., Matson Navigation Company, Moore-McCormack Lines, Inc., Pacific Seafarers, Inc., Prudential Lines, Inc., States Marine Lines (joint service), Stevenson Lines, United States Lines Company, and Waterman Steamship Corporation, modifies approved agreement 8086, as amended, which provides for transportation and related services to and from United States Atlantic, Great Lakes and Gulf of Mexico ports, and to and from ports in territories and possessions of the United States, also between foreign ports, for and at the request of the Military Sea Transportation Service and related "Shipper Services". The purpose of this modification is to amend Article 2(b) of Agreement 8086, to provide that the Secretary shall be designated as the official agent of the parties for the purpose of filing schedules of rates, charges, and conditions of carriage negotiated between the parties and the M.S.T.S. and related "Shipper Services", as required by section 18(b) of the Shipping Act, 1916.

Interested parties may inspect this agreement and obtain copies thereof at the Bureau of Foreign Regulations, Federal Maritime Commission, Washington, D.C., or may inspect a copy at the offices of the District Managers of the Commission in New York, N.Y., New Orleans, La., and San Francisco, Calif., and may submit to the Secretary, Federal Maritime Commission, Washington, D.C., 20573 within 20 days after publication of this notice in the FEDERAL REGISTER, written statements with reference to the agreement and their position as to approval, disapproval, or modification, together with a request for hearing, should such hearing be desired.

Dated: March 23, 1964.

By order of the Federal Maritime Commission.

THOMAS LISI,
*Secretary.*

[F.R. Doc. 64-2896; Filed, Mar. 25, 1964; 8:48 a.m.]

## MEMBER LINES OF THE ASSOCIATED STEAMSHIP LINES (MANILA) CONFERENCE

### Notice of Filing of Agreement

Notice is hereby given that the following described agreement has been filed with the Commission for approval pursuant to section 15 of the Shipping Act, 1916 (39 Stat. 733; 75 Stat. 763; 46 U.S.C. 814):

Agreement 5600-25, between the member lines of the Associated Steamship Lines (Manila), modifies the approved agreement of that conference, which covers the trade from the Philippine Islands, direct to or with transhipment at, or via ports in the United States of America, Canada, Cuba, Mexico, Central America, Canal Zone, South America, Caribbean Sea ports, and the West Indies. The purpose of this modification is to (1) eliminate the reference to the trade from the Philippine Islands to Cuba, Mexico, Central America, Canal Zone, South America, Caribbean Sea ports, and the West Indies from the scope of the conference; (2) expand the scope of the conference to include the trade from the Philippine Islands to territories and possessions of the United States; and (3) provide that the jurisdiction of the Pan-American Group of conference carriers shall relate to the trade to ports in Puerto Rico and the U.S. Virgin Islands.

Interested parties may inspect this agreement and obtain copies thereof at the Bureau of Foreign Regulation, Federal Maritime Commission, Washington, D.C., or may inspect a copy at the offices of the District Managers of the Commission in New York, N.Y., New Orleans, La., and San Francisco, Calif., and may submit to the Secretary, Federal Maritime Commission, Washington, D.C., 20573, within 20 days after publication of this notice in the FEDERAL REGISTER, written statements with reference to the agreement and their position as to approval, disapproval, or modification, together with a request for hearing, should such hearing be desired.

Dated: March 23, 1964.

By order of the Federal Maritime Commission.

THOMAS LISI,
*Secretary.*

[F.R. Doc. 64-2897; Filed, Mar. 25, 1964; 8:48 a.m.]

## PARTIES TO COTTON POOL, AGREEMENT 8682

### Notice of Filing of Agreement

Notice is hereby given that the following described agreement has been filed with the Commission for approval pursuant to section 15 of the Shipping Act, 1916 (39 Stat. 733; 75 Stat. 763; 46 U.S.C. 814):

Agreement 8682-2 between certain carriers who are members of the Far East Conference engaged in the transportation of raw cotton from Gulf ports of the the United States to ports in Japan, modifies Agreement No. 8682, as amended, to provide for reapportionment of the percentage participation and minimum sailings of the Japanese companies parties to the agreement, because of merger of certain of the Japanese carriers with other Japanese lines.

Interested parties may inspect this agreement and obtain copies thereof at the Bureau of Foreign Regulation, Federal Maritime Commission, Washington, D.C., or may inspect a copy at the offices of the District Managers of the Commission in New York, N.Y., New Orleans, La., and San Francisco, Calif., and may submit to the Secretary, Federal Maritime Commission, Washington, D.C., 20573, within 5 days after publication of this notice in the FEDERAL REGISTER, written statements with reference to the agreement and their position as to approval, disapproval, or modification, together with a request for hearing, should such hearing be desired.

Dated: March 23, 1964.

By order of the Federal Maritime Commission.

THOMAS LISI,
*Secretary.*

[F.R. Doc. 64-2898; Filed, Mar. 25, 1964; 8:48 a.m.]

## PORT OF OAKLAND AND ENCINAL TERMINALS

### Notice of Agreement Filed for Approval

Notice is hereby given that the following described agreement has been filed with the Commission for approval pursuant to section 15 of the Shipping Act, 1916 (39 Stat. 733, 75 Stat. 763; 46 U.S.C. 814):

Agreement No. 8335-4, between the Port of Oakland and Encinal Terminals will (1) revise the cancellation provisions of the agreement to permit each party to cancel annually; (2) permit cancellation with respect to either the Outer Harbor or Ninth Avenue or both parcels; (3) fix adjusted minimum rentals in the event of cancellation as to one parcel only; and (4) provide for the rights of the parties to berth vessels and use the apron area near Berth 7, Outer Harbor.

Interested parties may inspect the agreement and obtain copies thereof at the Bureau of Domestic Regulation, Federal Maritime Commission, Washing-

ton, D.C., 20573, or may inspect a copy at the offices of the District Managers of the Commission in New York, N.Y., New Orleans, La., and San Francisco, Calif., and may submit to the Secretary, Federal Maritime Commission, Washington, D.C., 20573, within 10 days after publication of this notice in the FEDERAL REGISTER, written statements with reference to the agreement and their position as to approval, disapproval, or modification, together with a request for hearing, should a hearing be desired.

Dated: March 23, 1964.

By order of the Federal Maritime Commission.

THOMAS LISI,
*Secretary.*

[F.R. Doc. 64-2899; Filed, Mar. 25, 1964; 8:49 a.m.]

# FEDERAL POWER COMMISSION

[Docket No. CP61-274]

## MISSISSIPPI RIVER TRANSMISSION CORP.

### Notice of Application To Amend

MARCH 19, 1964.

Take notice that Mississippi River Transmission Corporation (Mississippi River), 9900 Clayton Road, St. Louis, Missouri, filed on February 3, 1964, in Docket No. CP61-274, an application, and a supplement thereto on February 7, 1964, to amend an order of the Commission issued July 21, 1961, in the above docket (last amended December 18, 1963), granting a certificate of public convenience and necessity authorizing among other things the transportation of natural gas through its system to provide cushion or base storage gas to Storage Corporation (Storage) for the development of a natural gas storage project in the St. Jacob Field near St. Jacob, Illinois, and the construction and operation of certain facilities to enable the transportation to, and the injection of natural gas into the storage reservoir, all as more fully set forth in the application and supplement on file with the Commission and open to public inspection.

The application to amend, as supplemented, states Mississippi River seeks authorization (1) to install and operate a 300 Hp field compressor unit in lieu of a 550 Hp compressor unit authorized, (2) to increase the volume limitations imposed in the order of April 19, 1961, to a total of 6,000,000 Mcf for the field rather than 3,000,000 Mcf, and to permit the injection of 2,000,000 Mcf yearly instead of 1,000,000 Mcf, and (3) to extend the time for installation of authorized facilities to March 31, 1965.

Protests, petitions to intervene or requests for hearing in this proceeding may be filed with the Federal Power Commission, Washington, D.C., 20426, in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before April 10, 1964.

JOSEPH H. GUTRIDE,
*Secretary.*

[F.R. Doc. 64-2873; Filed, Mar. 25, 1964; 8:46 a.m.]

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[Docket No. G-12244 etc.]

## TEXACO INC.

### Notice of Applications

MARCH 19, 1964.

Take notice that Texaco Inc. (Applicant), or its predecessor in interest, has filed applications pursuant to section 7 (c) of the Natural Gas Act for certificates of public convenience and necessity authorizing the sale of natural gas in interstate commerce for resale as set forth in the accompanying tabulation, all as more fully described in the respective applications, and any amendment thereto, which are on file with the Commission and open to public inspection.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington, D.C., 20426, in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before April 17, 1964.

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 without further notice before the Commission on all applications in which no protest or petition to intervene is filed within the time required herein, if the Commission on its own review of the matter believes that a grant of the certificates is required by the public convenience and necessity. Where a protest or petition for leave to intervene is timely filed, or where the Commission on its own motion believes that a formal hearing is required, further notice of such hearing will be duly given.

Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicants to appear or be represented at the hearing.

JOSEPH H. GUTRIDE,
*Secretary.*

| Docket No. and filing date | Field and location | Purchaser | Initial price per Mcf and psia pressure base | Related rate schedule | |
|---|---|---|---|---|---|
| | | | | Number | Supplement |
| G-12244 | Texaco Inc., N.E. Waynoka Field, Woods County, Okla. | Cities Service Gas Co. | 13.0 cents at 14.65 | 161 | 5 |
| (C-6/29/61) | | | | | |
| (C-3/26/62) | do | do | do | 161 | 6 |
| G-17378 | Texaco Inc., North Stratford Field, Sherman County, Tex. (District 10). | Transwestern Pipeline Co. | 17.0 cents at 14.65 | 215 | 1-3 |
| (A-12/19/58) | | | | | |
| (B-12/9/60) | Fields in Ochiltree, Lipscomb, Roberts, Hansford and Wheeler Counties, Tex. (District 10). | do | do | 215 | 4,5 |
| (B-3/30/61) | Dude Wilson Field, Ochiltree County, Tex. (District 10). | do | do | 215 | 6 |
| (B-4/12/62) | Deletes acreage in North Stratford Field, Sherman County, Tex. | do | do | 215 | 7 |
| G-17379 | Texaco Inc., S.E. Griggs Field Cimarron County, Okla. | do | 17.0 cents at 14.65 | 214 | 1-3 |
| (A-12/19/58) | | | | | |
| (B-11/21/60) | Fields in Ellis County, Okla. | do | do | 214 | 4 |
| (B-3/31/61) | Harper County, Okla., and Clark County, Kans. | do | 16.0 cents (in Kansas). | 214 | 5 |
| G-18887 | Texaco Inc., E. Mustang Island Field, Nueces County, Tex. (District 4). | Florida Gas Transmission Co. | 15.0 cents* at 14.65 | 279 | |
| (A-6/30/59) | | | | | |
| CI60-32 | Texaco Inc., LaBarge Field, Lincoln and Sublette Counties, Wyo. | El Paso Natural Gas Co. | 15.384 cents at 15.025. | 211 | 7 |
| (C-5/17/63) | | | | | |
| CI61-677 | Texaco Inc., N.E. Thompsonville Field, Jim Hogg County, Tex. (District 4). | Natural Gas Pipeline Co. of America. | 15.0 cents* at 14.65 | 228 | 1 |
| (A-10/28/60) | | | | | |
| CI61-895 | Texaco Inc., Dude Wilson Field, Ochiltree County, Tex. (District 10). | Transwestern Pipeline Co. | 17.0 cents at 14.65 | 286 | |
| (A-12/13/60) | | | | | |
| CI61-1078 | Texaco Inc., Nelsonville Field, Austin County, Tex. (District 3). | Tennessee Gas Transmission Co. | 16.0 cents* at 14.65 | 235 | 1,2 |
| (A-1/19/61) | | | | | |
| CI62-63 | Texaco Inc., Guiterrez Field, Jim Hogg County, Tex. (District 4). | South Texas Natural Gas Gathering Co. | 15.0 cents at 14.65 | 245 | |
| (A-7/21/61) | | | | | |
| CI62-1018 | Texaco Inc., Mocane Field, Beaver County, Okla. | Panhandle Eastern Pipe Line Co. | 17.0 cents at 14.65 | 289 | 1 |
| (C-12/17/62) | | | | | |
| CI62-1181 | Texaco Inc., Basin Dakota Field, San Juan County, N. Mex. | El Paso Natural Gas Co. | 13.0 cents* at 15.025 | 290 | 1 |
| (A-4/2/62) | | | | | |
| (B-10/1/62) | do | do | do* | 290 | 2 |
| (B-5/17/63) | do | do | do* | 290 | 3 |
| (B-7/17/63) | do | do | do* | 290 | 4 |
| (B-10/23/63) | do | do | do* | 290 | 6 |
| CI63-1196 | Texaco Inc., Table Rock Field, Sweetwater County, Wyo. | Colorado Interstate Gas Co. | 15.384 cents at 15.025. | 310 | 1-3 |
| (A-3/22/63) | | | | | |
| CI63-1206 | Texaco Inc., Alkali Butte Field, Fremont County, Wyo. | Kansas-Nebraska Natural Gas Co., Inc. | 15.384 cents at 15.025. | 321 | |
| (A-3/25/63) | | | | | |

Filing Code: A—Initial service certificate application.
B—Application to amend pending certificate application.
C—Application to amend certificate by adding acreage.
D—Application to amend certificate by deleting acreage.

*Agreed settlement price (less than initial contract price).

[F.R. Doc. 64-2874; Filed, Mar. 25, 1964; 8:46 a.m.]

[Docket No. CP63-163]

## CHATTAHOOCHEE VALLEY GAS DISTRICT

### Notice of Amendment to Application and Date of Hearing

MARCH 19, 1964.

Take notice that Chattahoochee Valley Gas District (Valley Gas), an Alabama municipal corporation with principal place of business at Clio, Alabama, filed on August 30, 1963, as supplemented November 6, 1963, an amendment to its original application filed December 10, 1962, in Docket No. CP63-163, pursuant to section 7(a) of the Natural Gas Act for an order requiring Southern Natural Gas Company (Southern) to establish physical connection of its transportation facilities with those proposed to be constructed by Valley Gas and to sell natural gas to the latter for distribution in six Alabama communities, all as hereinafter described, subject to the jurisdiction of the Commission, as more fully represented in the above-mentioned application, amendment, and supplements thereto which are on file with the Commission and open for public inspection.

By notice issued February 8, 1963, and published in the FEDERAL REGISTER on February 15, 1963, 28 F.R. 1491, Valley Gas' application was consolidated for purposes of hearing with other applications in Southern Natural Gas Co., et al., Docket Nos. CP63-26, et al. A further notice issued March 4, 1963, and published in the FEDERAL REGISTER on March 9, 1963, 28 F.R. 2317, stated that Valley Gas' application, as supplemented on February 18, 1963, was interdependent upon applications to be filed by South Georgia Natural Gas Company and the town of Ashford, Alabama. Since these interdependent applications had not been filed, Valley Gas' application was considered incomplete, pursuant to § 157.13(c) of the Commission's Regulations under the Natural Gas Act, and was therefore severed from the consolidated proceeding in Docket Nos. CP63-26, et al.

Valley Gas' amendment to its application, filed August 30, 1963, changes the scope of the natural-gas service originally proposed in Docket No. CP63-163 by eliminating Valley Gas' prior proposal to transport gas for South Georgia Natural Gas Company and the town of Ashford, Alabama, and by deleting Valley Gas' prior proposal to construct natural-gas distribution systems in the towns of Columbia and Cottonwood, Alabama. Consequently, Valley Gas' application in Docket No. CP63-163 now proposes service only to the six Alabama communities of Ariton, Clayton, Clio, Hurtsboro, Louisville, and Midway.

Valley Gas proposes to make an interconnection with Southern's system at a point approximately eight miles south of Opelika, Alabama, adjacent to Alabama Highway No. 37. Valley Gas' main transmission system would consist of approximately 81.2 miles of pipeline, ranging from 4½ to 2⅞ inches in diameter, extending southward into the counties of Russell, Bullock, Barbour, and Dale, Alabama. Valley Gas will also construct the distribution systems in all of the six communities it proposes to serve. The total estimated cost of its transmission and distribution systems is $1,725,000. Valley Gas proposes to finance its project by the issuance of 30-year 5 percent bonds which Valley Gas expects to sell through a private investment firm. The bonds are to be payable solely from the revenues to be derived from operation of Valley Gas' proposed natural-gas system.

Valley Gas estimates that its third-year peak day and annual requirements will total 2,658 Mcf and 219,072 Mcf, respectively. Its only proposed large commercial customer is the Tri States Sand Company, Hurtsboro, Alabama, which has signed a precedent agreement with Valley Gas dated October 21, 1963, indicating that Tri States Sand Company will purchase annually about 57,200 Mcf of natural gas in lieu of 572,000 gallons of L.P. gas, the fuel presently being used. Valley Gas' market study also shows that a large number of residential L.P. gas consumers are expected to convert to natural gas.

Valley Gas proposes to purchase the gas to serve the markets heretofore described from Southern under the latter's G-2 Rate Schedule which currently provides for a charge of 40.3 cents per Mcf, although Valley Gas' economic feasibility exhibits were prepared on the assumption that its cost of purchasing gas from Southern would be 40.9 cents per Mcf. Valley Gas estimates that its debt service ratio, based on a third-year leveling of its total gas sales, would be 1.508.

Southern filed answers to Valley Gas' amendment to its application and to Valley Gas' supplement to the amendment to its application on September 12, 1963, and November 18, 1963, respectively. Southern's answers allege that Southern does not now have the main-line capacity to supply Valley Gas' requirements even if Southern should be allowed to construct all the facilities for which it is seeking a certificate in its application filed in Docket No. CP63-26 which is pending for decision before the Commission on exceptions to the Examiner's decision issued October 24, 1963, in Docket Nos. CP63-26, et al. Southern also indicated that it is giving consideration to the filing during 1964 of an application for authorization to construct and operate facilities to increase its system capacity and that if such an application were filed that Southern would be willing to make provision for meeting Valley Gas' proposed requirements.

This matter 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 April 22, 1964, at 10:00 a.m., e.s.t., in a hearing room of the Federal Power Commission, 441 G Street, NW., Washington, D.C., 20426, concerning the matters involved in and the issues presented by the application filed in Docket No. CP63-163.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington, D.C., 20426, in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before April 8, 1964. Prior to the severance of Valley Gas' application from the consolidated proceeding in Docket Nos. CP63-26, et al., Alabama Gas Corporation, Carolina Pipeline Company, South Carolina Natural Gas Company, Fuels Research Council, Inc., Mississippi Valley Gas Company, and Long Island Lighting Company filed petitions to intervene in the consolidated proceeding. Examination of these petitions to intervene indicates that the aforementioned parties did not show a specific interest in Valley Gas' application. Therefore, no petition to intervene heretofore filed in the consolidated proceeding in Docket Nos. CP63-26, et al., will be considered as a petition to intervene in the hearing scheduled to be held in Docket No. CP63-163.

JOSEPH H. GUTRIDE,
*Secretary.*

[F.R. Doc. 64-2870; Filed, Mar. 25, 1964; 8:46 a.m.]

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[Docket Nos.. G-2721, etc.]

## CITIES SERVICE OIL CO.

### Notice of Application

MARCH 20, 1964.

In the matter of Cities Service Oil Company (Successor to Cities Service Production Company), Docket Nos. G-2721, G-4579, G-10139, G-11046, G-11092, G-12597, G-13228, G-14355, G-14356, G-16854, G-19707, CI60-20, CI62-135, CI64-619.

Take notice that on December 19, 1963, as supplemented on January 3, 1964, Cities Service Oil Company filed in the above-docketed proceedings an application pursuant to section 7(c) of the Natural Gas Act to amend the orders issuing certificates of public convenience and necessity in said dockets to Cities Service Production Company or to amend pending certificate applications by substituting Cities Service Oil Company as certificate holder or Applicant therein as a result of a merger, all as more fully set forth in the application which is on file with the Commission and open to public inspection.

The related FPC gas rate schedules of Cities Service Production Company have been redesignated as FPC gas rate schedules of Cities Service Oil Company as set forth in the Appendix hereto.

Protests, requests for hearing, or petitions to intervene may be filed with the Federal Power Commission, Washington, D.C., 20426, in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before April 10, 1964.

JOSEPH H. GUTRIDE,
*Secretary.*

APPENDIX

| Docket No. | Cities Service Oil Company | | Cities Service Production Company | | Purchaser | Location | Price (cent/s Mcf) and pressure base (psia) |
|---|---|---|---|---|---|---|---|
| | Rate schedule | Supplement | Rate schedule | Supplement | | | |
| G-2721 | 176 | | 1 | | United Fuel Gas Co. | Bourg Field, Terrebonne and Lafourche Parishes, La. | 19.9 at 15.025 |
| | 176 | 1-18 | 1 | 1-18 | | | |
| G-4579 | 177 | | 3 | | El Paso Natural Gas Co. | Peyton Field, Pecos and Ward Counties, Tex. | 15.7093 [1] at 14.65. |
| | 177 | 1-12 | 3 | 1-12 | | | |
| G-10139 | 178 | | 4 | | Tennessee Gas Transmission Co. | West Delta Area, offshore La. | 19.5 at 15.025 |
| | 178 | 1-9 | 4 | 1-9 | | | |
| G-12597 | [2] 179 | | [2] 5 | | Lone Star Gas Co. | Balfour No. 1 Gas Unit, Smith County, Tex. | 14.49 at 14.65 |
| | 179 | 1, 2 | 5 | 1, 2 | | | |
| G-11046 | 180 | | 6 | | Tennessee Gas Transmission Co. | East and West Cameron and Vermilion Areas, offshore La. | 18.5 at 15.025 |
| | 180 | 1-15 | 6 | 1-15 | | | |
| G-16854 | [2] 181 | | [2] 7 | | Transcontinental Gas Pipeline Corp. | Chegby Field, St. James and Lafourche Parishes, La. | 20.625 at 15.025 |
| | 181 | 1-3 | 7 | 1-3 | | | |
| G-13228 | [2] 182 | | [2] 8 | | Michigan Wisconsin Pipeline Co. | Laverne Field, Harper and Beaver Counties, Okla. | 17.0 at 14.65 |
| | 182 | 1-5 | 8 | 1-5 | | | |
| G-14356 | 183 | | 9 | | Transcontinental Gas Pipeline Corp. | South Bourg Field, Terrebonne Parish, La. | 20.625 at 15.025 |
| | 183 | 1-3 | 9 | 1-3 | | | |
| G-11092 | [2] 184 | | 10 | | Florida Gas Transmission Co. | Bay Natchez Field, Assumption and Iberville Parishes, La. | 19.75 at 15.025 |
| | 184 | 1-4 | 10 | 1-4 | | | |
| CI60-20 | [2] 185 | | [2] 11 | | Southern Natural Gas Co. | Fausse Point Field, Iberia and St. Martin Parishes, La. | 20.625 at 15.025 |
| | 185 | 1 | 11 | 1 | | | |
| G-19707 | 186 | | 12 | | Tennessee Gas Transmission Co. | Grand Isle Block 47 Field, Offshore La. | 19.0 at 15.025 |
| | 186 | 1-5 | 12 | 1-5 | | | |
| CI62-135 | 187 | | 13 | | Tennessee Gas Transmission Co. | East Cameron Blocks 47 and 48, Offshore La. | 19.5 at 15.025 |
| | 187 | 1, 2 | 13 | 1, 2 | | | |
| G-14355 | 188 | | 14 | | Transcontinental Gas Pipeline Corp. | Willow Woods Field, Terrebonne Parish, La. | 20.625 at 15.025 |
| | 188 | 1, 2 | 14 | 1, 2 | | | |
| CI64-619 | [2] 189 | | [2] 15 | | Tennessee Gas Transmission Co. | Garden Island Bay Field, Plaquemines Parish, La. | 21.25 at 15.025 |

[1] Effective subject to refund in Docket No. G-20396.
[2] "(Operator), et al."

[F.R. Doc. 64-2906; Filed, Mar. 25, 1964; 8:49 a.m.]

[Docket No. CI62-1506]

## CONTINENTAL OIL CO.

### Notice of Application

MARCH 19, 1964.

Take notice that on June 18, 1962, Continental Oil Company (Applicant), 1300 Main Street, Houston 2, Texas, filed in Docket No. CI62-1506 an application pursuant to section 7(c) of the Natural Gas Act for a certificate of public convenience and necessity authorizing Applicant to continue the sale and delivery of natural gas to Arkansas Louisiana Gas Company from acreage in the East Haynesville Field, Claiborne Parish, Louisiana, which sale was originally authorized to be made by J. R. Frankel, et al. (Frankel) by order of the Commission issued October 24, 1956, in Docket No. G-4011 (Docket No. G-2603, et al.), all as more fully set forth in the application which is on file with the Commission and open to public inspection.

On September 6, 1961, Berkshire Oil Company (Berkshire) filed a motion to amend the aforesaid certificate order in Docket No. G-4011 (among others) by substituting Berkshire for Frankel as certificate holder thereunder, and Berkshire, on November 2, 1961, assigned its interests to Continental Oil Company, the Applicant in subject Docket No. CI62-1506.

The related rate schedule for the subject service is designated as Continental Oil Company FPC Gas Rate Schedule No. 223, as supplemented, and the initial contract price is 13.4783 cents at 15.025 psia.

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 preliminary staff analysis has indicated that there are no problems which would warrant a recommendation that the Commission designate this application for formal hearing before an examiner and 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 may be held without further notice before the Commission on this application provided no protest or petition to intervene is filed within the time required herein. Where a protest or petition for leave to intervene is timely filed, or where the Commission on its own motion believes that a formal hearing is required, further notice of such hearing will be duly given.

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, D.C., 20426, in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before April 10, 1964.

JOSEPH H. GUTRIDE,
*Secretary.*

[F.R. Doc. 64-2871; Filed, Mar. 25, 1964; 8:46 a.m.]

[Docket No. E-7156]

## DUKE POWER CO. AND DUKE POWER COMPANY OF NORTH CAROLINA

### Notice of Application

MARCH 19, 1964.

Take notice that on March 9, 1964, a joint application was filed with the Federal Power Commission pursuant to section 203 of the Federal Power Act by the Duke Power Company (hereinafter referred to as "Duke-New Jersey") and the Duke Power Company of North Carolina (hereinafter referred to as "Duke-North Carolina") for authorization to merge into a single corporation with Duke-North Carolina being the survivor. Duke-New Jersey is a public utility incorporated under the laws of the State of New Jersey and doing business in the States of North Carolina and South Carolina.

Duke-New Jersey's principal business is the ownership and operation of an electric system in the States of North Carolina and South Carolina. Its service area embraces all or part of 37 counties in North Carolina and 15 counties in South Carolina. It also operates local transportation systems in Greensboro and Durham, North Carolina and in Spartansburg and Anderson, South Carolina, and operates water supply systems in Rutherfordton and Spindale, North Carolina and in Anderson, South Carolina.

Duke-North Carolina has been incorporated for the sole purpose of furnishing a vehicle for transferring the corporate domicile of Duke-New Jersey to the State of North Carolina. On the effective date of the merger, it will assume ownership and operation of all of the property and businesses of Duke-New Jersey herein above described. Duke-North Carolina is a public utility incorporated under the laws of the State of North Carolina and doing business in the States of North Carolina and South Carolina with its principal business office at Charlotte, North Carolina.

On the effective date of the merger, Duke-New Jersey will cease to exist as a corporate entity and Duke-North Carolina will succeed to all of Duke-New Jersey's licenses, franchises, permits, corporate assets, tangible and intangible property and will assume all of Duke-New Jersey's debts and obligations of all kinds. By the Articles of Merger and Joint Agreement, each share of Common or Preferred Stock of Duke-New Jersey outstanding on the effective date of the merger will be converted into shares of Common Stock or Preferred Stock of Duke-North Carolina as of that date, except for those shares held by dissenting stockholders who will be entitled to be

paid in cash the value of their shares and except for the Duke-New Jersey 7 percent Series A Preferred which will be retired on the close of business, March 31, 1964, pursuant to a vote of the stockholders of Duke-New Jersey. No other consideration will be given for the merger. Since the purpose of the proposed merger is to change the state of incorporation from the State of New Jersey to the State of North Carolina and is designed to have no effect on the assets and liabilities of Duke-New Jersey other than to invest them into Duke-North Carolina, no net proceeds or profits of any kind will be realized by either of the Applicants as a result of said merger. No change in the method of operation of the facilities of Duke-New Jersey will be brought about as a result of the said merger. The joint Applicants state that the change of the corporate domicile from the State of New Jersey to the State of North Carolina should result in improved relations with customers and the public generally.

According to the application, all of Duke-New Jersey's corporate and individual customers are located in the States of North Carolina and South Carolina and 60 percent of its individual stockholders are residents of those states. Applicant also believes that a slight overall decrease in taxes will be effected by the change in corporate domicile.

Any person desiring to be heard or to make any protest with reference to said application should on or before the 8th day of April 1964, file with the Federal Power Commission, Washington, D.C., 20426, petitions or protests in accordance with the requirements of the Commission's rules of practice and procedure (18 C.F.R. 1.8 or 1.10). The application is on file and available for public inspection.

JOSEPH H. GUTRIDE,
*Secretary.*

[F.R. Doc. 64-2872; Filed, Mar. 25, 1964; 8:46 a.m.]

[Docket Nos. G-15050, etc.]

## MAPCO PRODUCTION CO. ET AL.

### Notice of Applications

MARCH 20, 1964.

In the matter of Mapco Production Company (Operator), et al. (Successor to Producing Properties, Inc. (Operator), et al.); Mapco Production Company (Successor to Producing Properties, Inc.); Docket Nos. G-15050, G-15051, G-15052, G-16146.

Take notice that each of the above Applicants has filed an application pursuant to section 7(c) of the Natural Gas Act in the above-docketed proceedings to amend the orders issuing certificates of public convenience and necessity in said proceedings by authorizing Applicants in lieu of their predecessors in interest to sell and deliver natural gas in interstate commerce for resale for ultimate public consumption, all as more fully set forth in the Appendix herein and in the applications which are on file with the Commission and open to public inspection.

Protests, requests for hearing, or petitions to intervene may be filed with the Federal Power Commission, Washington, D.C., 20426, in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before April 17, 1964.

JOSEPH H. GUTRIDE,
*Secretary.*

APPENDIX

| Docket No. | Filing date | Predecessor's FPC Gas Rate Schedule | Purchaser | Location | Price (¢/Mcf) [1] at 14.65 psia | Related Rate Proceeding |
|---|---|---|---|---|---|---|
| G-15050 | 1-2-64 | 5 | Mississippi River Fuel Corp. | Woodlawn Field, Harrison County, Tex. | 14.3844 | ---------- |
| G-15051 | 1-2-64 | 7 | Mississippi River Fuel Corp. | Woodlawn Field, Harrison County, Tex. | 14.8892 | RI61-366 RI62-457 |
| G-15052 | 1-2-64 | 8 | Mississippi River Fuel Corp. | Woodlawn Field, Harrison County, Tex. | 14.8892 | RI61-366 |
| | | 10 | Mississippi River Fuel Corp. | Woodlawn Field, Harrison County, Tex. | 14.8892 | RI60-433 RI61-442 |
| G-16146 | 1-13-64 | 28 | Northern Natural Gas Co. | Hugoton Field, Haskell, Finney, and Seward Counties, Kans. | 11.0 | RI63-354 |
| | | 29 | Colorado Interstate Gas Co. | Hugoton Field, Stanton, Finney, Haskell, Stevens, Hamilton, and Seward Counties, Kans., and Baca County, Colo. | 12.0 | ---------- |
| | | 30 | Colorado Interstate Gas Co. | Greenwood Field, Baca County, Colo. | 16.0 | RI58-56 |
| | | 31 | Northern Natural Gas Co. | Hugoton Field, Finney County, Kans. | 13.0 | RI63-173 |

[1] In each case where there is a related rate proceeding, the stated price is being collected subject to refund, and Applicant has requested to be made respondent in said proceeding.

[F.R. Doc. 64-2908; Filed, Mar. 25, 1964; 8:49 a.m.]

[Docket No. CP64-186]

## UNITED GAS PIPE LINE CO.

### Notice of Application

MARCH 19, 1964.

Take notice that on February 24, 1964, United Gas Pipe Line Company (Applicant) filed an application in Docket No. CP64-186 pursuant to section 7(c) of the Natural Gas Act for a certificate of public convenience and necessity authorizing the construction and operation of the following:

Construct approximately 1.06 miles of 4-inch pipe line loop beginning at the Ellisville tap on the Laurel, Mississippi, lateral near Milepost 6.66, in Section 5, Township 7 North, Range 12 West, and extending in a southeasterly direction to Ellisville in section 8, Township 7 North, Range 12 West, all being in Jones County, Mississippi;

all as more fully set forth in the application.

Applicant states that the facilities will be used for the sale and delivery of additional quantities of natural gas to United Gas Corporation, for resale in the Town of Ellisville, Mississippi, to meet the increased requirements of such Town which is a present customer of Corporation. Applicant states that the facilities for which a certificate is sought will cost $25,200.

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 preliminary staff analysis has indicated that there are no problems which would warrant a recommendation that the Commission designate this application for formal hearing before an examiner and 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 may be held without further notice before the Commission on this application provided no protest or petition to intervene is filed with the time required herein. Where a protest or petition for leave to intervene is timely filed, or where the Commission on its own motion believes that a formal hearing is required, further notice of such hearing will be duly given.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington, D.C., 20426, in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before April 17, 1964.

JOSEPH H. GUTRIDE,
*Secretary.*

[F.R. Doc. 64-2875; Filed, Mar. 25, 1964; 8:46 a.m.]

[Docket No. G-20081]

## FOUR STATES DRILLING CO., INC.

### Order Redesignating Proceeding

MARCH 20, 1964.

Four States Drilling Company, Inc. (Operator), et al. (Four States), filed a motion requesting that the certificate of public convenience and necessity issued to Jett Drilling Company, Inc. (Operator), et al. (Jett), in Docket No. G-12505, be amended, and the rate suspension proceeding in Docket No. G-20081 be redesignated in the name of Four States. Four States also filed an amendment to its agreement and undertaking changing the name from Jett to Four States.

In support of its motion, Four States states that (1) on May 9, 1962, pursuant to a unanimous vote of its stockholders, Jett filed with the Secretary of State of Texas, wherein it is lawfully incorporated, an amendment to its corporate charter, changing its name as indicated

above; (2) no other corporate changes have been made; (3) it is the same corporate entity for all purposes and in all respects as Jett except for the name; (4) there has been no change in assets, liabilities or capitalization of Jett under its new name; and (5) Four States will continue without cessation or interruption the operation and corporate activities heretofore performed under its former name of Jett.

On October 21, 1959, Jett tendered for filing a notice of change in its FPC Gas Rate Schedule No. 2, involving the jurisdictional sale of natural gas to United Gas Pipe Line Company from the Maxie-Pistol Ridge Fields, Forrest, Lamar, and Pearl River Counties, Mississippi. The proposed increased rate, designated as Supplement No. 1 to Jett's FPC Gas Rate Schedule No. 2, was suspended by order issued November 10, 1959, in Docket No. G-20081, until April 24, 1960, when it became effective subject to refund.

By letter order issued August 16, 1962, in Docket No. G-12505, Four States' notices of succession to Jett's rate schedules were accepted for filing, and Jett's FPC Gas Rate Schedule No. 2, as supplemented, was redesignated as Four States' FPC Gas Rate Schedule No. 2, as supplemented.

The Commission finds. The proceeding in Docket No. G-20081 should be redesignated in the name of Four States and the amendment to the agreement and undertaking filed by Jett should be accepted for filing.

The Commission orders:

(A) The proceeding in Docket No. G-20081 is redesignated as "Four States Drilling Co., Inc. (Operator), et al."

(B) The amendment to the agreement and undertaking appears to be satisfactory and is accepted for filing.

By the Commisison.

JOSEPH H. GUTRIDE,
*Secretary.*

[F.R. Doc. 64-2905; Filed, Mar. 25, 1964; 8:49 a.m.]

[Docket No. CP62-265]

## EL PASO NATURAL GAS CO.

### Notice of Application To Amend Order

MARCH 20, 1964.

Take notice that on February 24, 1964, El Paso Natural Gas Company (Applicant), P.O. Box 1492, El Paso, Texas, 79999, filed an application to amend further the Commission's order Adopting Initial Decision of Presiding Examiner, issued May 16, 1963, as amended, in Docket No. CP62-265 so as to delete therefrom authorization for 320 compressor horsepower to have been installed at Applicant's proposed Portland Station, all as more fully set forth in the application to amend on file with the Commission and open to public inspection.

The order of May 16, 1963, as amended, authorized Applicant to construct and operate, among other facilities, three (3) 1,440 horsepower compressor units (for a total 4,320 hp) at a new compressor station to be known as the Portland Compressor Station and to sell and deliver natural gas to California-Pacific Utilities Company for resale and distribution by the latter in southwestern Oregon.

Applicant states that upon re-evaluation it has been determined that a total of 4,000 horsepower at said Portland Station will be capable of handling the designed volumes, and, therefore, two (2) 2,000 horsepower units have been installed in lieu of the three (3) 1,440 horsepower units hereinbefore authorized.

Therefore, Applicant requests herein that the order of May 16, 1963, as amended, be further amended accordingly.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington, D.C., 20426, in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before April 13, 1964.

JOSEPH H. GUTRIDE,
*Secretary.*

[F.R. Doc. 64-2907; Filed, Mar. 25, 1964; 8:49 a.m.]

[Docket Nos. CP63-12, CP63-13]

## MISSISSIPPI RIVER TRANSMISSION CORP. AND MISSISSIPPI RIVER FUEL CORP.

### Notice of Postponement of Hearing

MARCH 20, 1964.

Upon consideration of the request filed on March 17, 1964 by Mississippi River Fuel Corporation and Mississippi River Transmission Corporation for continuance of the hearing now scheduled to convene at 10:00 a.m., March 24, 1964; notice is hereby given that said hearing is postponed to 10:00 a.m., April 7, 1964.

By direction of the Commission.

JOSEPH H. GUTRIDE,
*Secretary.*

[F.R. Doc. 64-2909; Filed, Mar. 25, 1964; 8:49 a.m.]

[Docket No. RP64-26]

## OHIO FUEL GAS CO.

### Notice of Proposed Changes in Rates and Charges

MARCH 16, 1964.

Take notice that on March 10, 1964, The Ohio Fuel Gas Company tendered for filing proposed changes in its FPC Gas Tariff, Third Revised Volume No. 1, to become effective as of March 1, 1964. The proposed changes reflect reductions in rates and charges in its Rate Schedules CDS-1, CDS-1A, AOS-1, AOS-1A, SGS-1 and SGS-1A.

The annual reduction in rate level is $652,226, based upon adjusted sales for the year 1963, and reflects the recent reduction in the corporate Federal income tax rate from 52 percent to 50 percent, and the reduction in the cost of gas purchases from Texas Gas Transmission Corporation brought about by the reduction in Federal income tax. Ohio Fuel also intends to make appropriate refunds to its customers reflecting amounts received as refunds from Texas Gas for January and February 1964, as a result of the tax reduction.

Copies of the proposed rate changes have been served by Ohio Fuel upon its customers and the Public Utilities Commission of Ohio. Comments may be filed with the Commission on or before March 30, 1964.

JOSEPH H. GUTRIDE,
*Secretary.*

[F.R. Doc. 64-2910; Filed, Mar. 25, 1964; 8:49 a.m.]

[Docket No. CP64-94]

## TEXAS GAS TRANSMISSION CORP.

### Notice of Application

MARCH 20, 1964.

Take notice that on October 18, 1963, Texas Gas Transmission Corporation (Texas Gas) filed in Docket No. CP64-94 an application for a certificate of public convenience and necessity, pursuant to section 7(c) of the Natural Gas Act, authorizing the construction and operation of approximately 13.5 miles of 26-inch pipeline and one meter station, as more fully set forth in said application as filed and open to public inspection.

The proposed pipeline will extend from the discharge side of Texas Gas' Lafayette, Louisiana, Compressor Station to a delivery point in Section 21, Township 13 South, Range 4 East, Vermilion Parish, Louisiana.

The new pipeline will connect a new gas supply which Texas Gas has acquired under a gas purchase contract entered into with Texaco Inc. (Texaco).

The estimated cost of the facilities is $1,552,700, and will be financed from cash on hand.

On October 22, 1963, Texaco filed an application in Docket No. CI64-475 for a certificate of public convenience and necessity pursuant to the provisions of section 7 of the Act, authorizing the sale of approximately 1 trillion cubic feet of gas to Texas Gas. Notice of the filing of this application was issued October 29, 1963 (28 F.R. 11752). Texas Gas has filed the application in Docket No. CP64-94 to enable it to receive this gas from Texaco.

The new gas will be added to Texas Gas' general system supply for existing customers and the acquisition is not contingent upon any expansion program of Texas Gas.

The reserves dedicated to Texas Gas are covered by Texaco's leases in the Light House Point and Tiger Shoal Fields, Southwest Marsh Area, and the Mound Point Field, South Marsh Island Area, Offshore, Louisiana.

The gas will be delivered by Texaco to Texas Gas at a point 13.5 miles south of Texas Gas' Lafayette Compressor Station following gathering from the offshore Marsh Island area fields.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington, D.C., 20426, in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before the 24th day of April 1964.

JOSEPH H. GUTRIDE,
*Secretary.*

[F.R. Doc. 64-2911; Filed, Mar. 25, 1964; 8:49 a.m.]

[Docket No. CP64–185]

## UNITED GAS PIPE LINE CO.

### Notice of Application

MARCH 20, 1964.

Take notice that on February 20, 1964, United Gas Pipe Line Company (Applicant), P.O. Box 1407, Shreveport, Louisiana 71102, filed in Docket No. CP64–185, an application pursuant to section 7(c) of the Natural Gas Act for a certificate of public convenience and necessity authorizing the construction and operation of certain facilities and the sale and delivery of natural gas to Hillside Gas Company, Inc., (Hillside), for resale and distribution by the latter in the communities of Garrison, Nacogdoches County, Texas, and Joaquin, Shelby County, Texas, all as more fully set forth in the application on file with the Commission and open to public inspection.

Specifically, Applicant proposes to construct and operate the following facilities:

(a) Approximately 50-feet of 2-inch pipeline, positive meter and regulator station and appurtenant facilities, on its Acme Brick Company lateral, Nacogdoches County, Texas, and,

(b) Approximately 60-feet of 2-inch pipeline, positive meter and regulator station and appurtenant facilities, on its 10-inch Joaquin Field Lateral, Shelby County, Texas.

The application indicates that the total estimated third-year peak day and annual natural gas requirements for the two communities to be served, to be 700 Mcf and 79,735 Mcf, respectively.

The application shows the total estimated cost of the proposed facilities to be $16,594, which cost will be financed out of current working funds.

Applicant states that Hillside had been receiving natural gas service from the Sabine Gas Company; however, such service was terminated on February 29, 1964.

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 preliminary staff analysis has indicated that there are no problems which would warrant a recommendation that the Commission designate this application for formal hearing before an examiner and 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 may be held without further notice before the Commission on this application provided no protest or petition to intervene is filed within the time required herein. Where a protest or petition for leave to intervene is timely filed, or where the Commission on its own motion believes that a formal hearing is required, further notice of such hearing will be duly given.

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, D.C., 20426, in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before April 13, 1964.

JOSEPH H. GUTRIDE,
*Secretary.*

[F.R. Doc. 64–2912; Filed, Mar. 25, 1964; 8:50 a.m.]

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[Docket No. RP64–27]

## NORTH PENN GAS CO.

### Notice of Proposed Changes in Rates and Charges

MARCH 23, 1964.

Take notice that on March 16, 1964, North Penn Gas Company tendered for filing proposed changes in its FPC Gas Tariff, First Revised Volume No. 1, to become effective as of January 1, 1964. The proposed changes reflect reductions in rates and charges in its Rate Schedules G–1 and P–1.

The annual reduction in rate level is $6,947 based upon North Penn's cost of service for the twelve months ended April 30, 1961, the test period upon which North Penn's present rates were determined in Docket No. G–20513, and reflects the recent reduction in the corporate Federal income tax rate from 52 percent to 50 percent.

Comments may be filed with the Commission on or before April 3, 1964.

JOSEPH H. GUTRIDE,
*Secretary.*

[F.R. Doc. 64–2967; Filed, Mar. 25, 1964; 8:50 a.m.]

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[Docket No. RP64–28]

## TRANSCONTINENTAL GAS PIPE LINE CORP.

### Notice of Proposed Changes in Rates and Charges

MARCH 24, 1964.

Take notice that on March 20, 1964, Transcontinental Gas Pipe Line Corporation (Transco) tendered for filing proposed changes in its FPC Gas Tariff, Original Volumes No. 1 and 2, to become effective January 1, 1964. The proposed changes reflect reductions in rates and charges in its Rate Schedules CD–1, CD–2, CD–3, GSS, G–1, G–2, G–3, OG–1, OG–2, OG–3, E–1, E–2, E–3, LTF–2, LTF–3, S–2, ACQ–3, PS–1, of Original Volume No. 1 and Rate Schedule X–11 of Original Volume No. 2. Transco's filing includes a further reduction in its GSS rates from those proposed by Transco in Docket No. RP64–22, to become effective March 1, 1964.

The annual reduction in rate level is $1,154,000 based upon adjusted sales for the twelve months ended October 31, 1963, and reflects the recent reduction in the corporate Federal income tax rate from 52 percent to 50 percent. Transco also proposes to make refunds for past billings to reflect the January 1, 1964, effective date of the tax reduction.

Copies of the proposed rate changes have been served by Transco upon its customers and State commissions. Comments may be filed with the Commission on or before April 3, 1964.

JOSEPH H. GUTRIDE,
*Secretary.*

[F.R. Doc. 64–2968; Filed, Mar. 25, 1964; 8:50 a.m.]

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# SECURITIES AND EXCHANGE COMMISSION

[File No. 1–3421]

## CONTINENTAL VENDING MACHINE CORP.

### Order Summarily Suspending Trading

MARCH 20, 1964.

In the matter of trading on the American Stock Exchange and the Philadelphia-Baltimore-Washington Stock Exchange in the Common Stock, 10 cents par value and Trading on the American Stock Exchange in the 6 percent Convertible Subordinated Debentures due September 1, 1976, of Continental Vending Machine Corporation; File No. 1–3421.

The common stock, 10 cents par value, of Continental Vending Machine Corp., being listed and registered on the American Stock Exchange and having unlisted trading privileges on the Philadelphia-Baltimore-Washington Stock Exchange, and the 6 percent convertible subordinated debentures due September 1, 1976 being listed and registered on the American Stock Exchange; and

The Commission being of the opinion that the public interest requires the summary suspension of trading in such securities on such Exchanges and that such action is necessary and appropriate for the protection of investors; and

The Commission being of the opinion further that such suspension is necessary in order to prevent fraudulent, deceptive or manipulative acts or practices, with the result that it will be unlawful under section 15(c)(2) of the Securities Exchange Act of 1934 and the Commission's Rule 15c2–2 thereunder for any broker or dealer to make use of the mails or of any means or instrumentality of interstate commerce to effect any transaction in, or to induce or attempt to induce the purchase or sale of any such security, otherwise than on a national securities exchange;

*It is ordered,* Pursuant to section 19(a)(4) of the Securities Exchange Act of 1934, that trading in such securities on the American Stock Exchange and the Philadelphia-Baltimore-Washington Stock Exchange be summarily suspended in order to prevent fraudulent, deceptive or manipulative acts or practices, this order to be effective for the period March 23, 1964 through April 1, 1964, both dates inclusive.

By the Commission.

[SEAL] ORVAL L. DUBOIS,
*Secretary.*

[F.R. Doc. 64–2882; Filed, Mar. 25, 1964; 8:47 a.m.]

[File No. 59-102]

## NEW ENGLAND ELECTRIC SYSTEM ET AL.

### Order Requiring Divestment of Non-Retainable Properties and Permitting Retention of Service Company

MARCH 19, 1964.

The Commission having instituted proceedings pursuant to section 11(b)(1) of the Public Utility Holding Company Act of 1935 with respect to New England Electric System ("NEES") and its subsidiary companies to determine what action, if any, should be required to limit the operations of the system to a single integrated public utility system and to such additional systems and other businesses as are retainable under the provisions of section 11(b)(1) of the Act;

The Commission having previously found that the electric utility properties of NEES constituted a single integrated public utility system within the definition set forth in section 2(a)(29)(A) of the Act and having dismissed the proceedings relating to that issue while retaining jurisdiction over the remaining issues (38 S.E.C. 193 (1958));

A public hearing having been held after appropriate notice, at which evidence was adduced with respect to the remaining issues whether the gas utility assets of NEES are retainable by NEES as an additional integrated utility system and whether NEES may retain its interest in New England Power Service Company as a business whose operations are reasonably incidental or economically necessary or appropriate to the operations of the integrated electric utility system; and briefs and proposed findings and conclusions having been filed, and oral argument having been heard; and

The Commission having considered the record, and having this day issued its Findings and Opinion herein; on the basis of such Findings and Opinion

*It is ordered*, Pursuant to section 11(b)(1) of the Act, that the New England Electric System dispose of the gas utility properties presently controlled by it and terminate its relationship with the following companies by disposing of or causing the disposition, in an appropriate manner not in contravention of the Act or the rules, regulations or orders of the Commission thereunder, of all interests, direct or indirect, which it holds in those companies:

Central Massachusetts Gas Company
Lawrence Gas Company
Lynn Gas Company
Mystic Valley Gas Company
North Shore Gas Company
Northampton Gas Light Company
Norwood Gas Company
Wachusett Gas Company

*It is further ordered*, That the proceedings be, and they hereby are, dismissed insofar as they relate to the issue of whether the operations of New England Power Service Company are reasonably incidental and economically necessary and appropriate to the operations of the integrated electric utility system of New England Electric System and are retainable as such.

*It is further ordered*, That jurisdiction be, and it hereby is, reserved to take such further steps as are necessary and appropriate to carry out the terms of this order.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F.R. Doc. 64-2883; Filed, Mar. 25, 1964; 8:47 a.m.]

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[File No. 1-4722]

## TASTEE FREEZ INDUSTRIES, INC.

### Order Summarily Suspending Trading

MARCH 20, 1964.

In the matter of trading on the American Stock Exchange in the common stock, 67 cents par value, of Tastee Freez Industries, Inc.; File No. 1-4722.

The common stock, 67 cents par value, of Tastee Freez Industries, Inc., being listed and registered on the American Stock Exchange; and

The Commission being of the opinion that the public interest requires the summary suspension of trading in such security on such Exchange and that such action is necessary and appropriate for the protection of investors; and

The Commission being of the opinion further that such suspension is necessary in order to prevent fraudulent, deceptive or manipulative acts or practices, with the result that it will be unlawful under section 15(c)(2) of the Securities Exchange Act of 1934 and the Commission's Rule 15c2-2 thereunder for any broker or dealer to make use of the mails or of any means or instrumentality of interstate commerce to effect any transaction in, or to induce or attempt to induce the purchase or sale of any such security, otherwise than on a national securities exchange:

*It is ordered*, Pursuant to section 19(a)(4) of the Securities Exchange Act of 1934, that trading in such security on the American Stock Exchange be summarily suspended in order to prevent fraudulent, deceptive or manipulative acts or practices, this order to be effective for the period March 23, 1964 through April 1, 1964, both dates inclusive.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F.R. Doc. 64-2884; Filed, Mar. 25, 1964; 8:47 a.m.]

# INTERSTATE COMMERCE COMMISSION

## FOURTH SECTION APPLICATION FOR RELIEF

MARCH 23, 1964.

Protests to the granting of an application must be prepared in accordance with Rule 1.40 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. 38899: *Fresh Meats and Packinghouse Products to Southern Territory.* Filed by Illinois Freight Association, agent (No. 231), for interested rail carriers. Rates on fresh meats and packinghouse products, in carloads, from Galt and Rochelle, Ill., to points in southern territory.

Grounds for relief: Market competition.

Tariff: Supplement 1 to Illinois Freight Association, agent, tariff I.C.C. 1036.

By the Commission.

[SEAL] HAROLD D. MCCOY, *Secretary.*

[F.R. Doc. 64-2900; Filed, Mar. 25, 1964; 8:49 a.m.]

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