

# FEDERAL REGISTER

VOLUME 30 • NUMBER 26

Tuesday, February 9, 1965 • Washington, D.C.

Pages 1717-1830



5-year Compilations

Presidential Documents

**CODE OF FEDERAL  
REGULATIONS**

**[ Supplements to Title 3 ]**

Contain the full text of proclamations, Executive orders, reorganization plans, trade agreement letters, and certain administrative orders issued by the President and published in the Federal Register during the period June 2, 1938–December 31, 1963. Tabular finding aids and subject indexes are included. Volumes are priced as follows:

1938–1943	Compilation—\$3.00
1943–1948	Compilation— 7.00
1949–1953	Compilation— 7.00
1954–1958	Compilation— 4.00
1959–1963	Compilation— 6.00

Compiled by Office of the Federal Register,  
National Archives and Records Service,  
General Services Administration

Order from Superintendent of Documents,  
Government Printing Office,  
Washington, D.C. 20402



Area Code 202

Phone 963-3261

Published daily, Tuesday through Saturday (no publication on Sundays, Mondays, or on the day after an official Federal holiday), by the Office of the Federal Register, National Archives and Records Service, General Services Administration (mail address National Archives Building, Washington, D.C. 20408), pursuant to the authority contained in the Federal Register Act, approved July 26, 1935 (49 Stat. 500, as amended; 44 U.S.C., ch. 8B), under regulations prescribed by the Administrative Committee of the Federal Register, approved by the President (1 CFR Ch. I). Distribution is made only by the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402.

The FEDERAL REGISTER will be furnished by mail to subscribers, free of postage, for \$1.50 per month or \$15.00 per year, payable in advance. The charge for individual copies (minimum 15 cents) varies in proportion to the size of the issue. Remit check or money order, made payable to the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402.

The regulatory material appearing herein is keyed to the CODE OF FEDERAL REGULATIONS, which is published, under 50 titles, pursuant to section 11 of the Federal Register Act, as amended. The CODE OF FEDERAL REGULATIONS is sold by the Superintendent of Documents. Prices of books and pocket supplements are listed in the first FEDERAL REGISTER issue of each month.

There are no restrictions on the republication of material appearing in the FEDERAL REGISTER or the CODE OF FEDERAL REGULATIONS.

# Contents

## THE PRESIDENT

### PROCLAMATION

- Establishing the President's Council on Equal Opportunity... 1721

### MEMORANDUM

- Cabinet Committee on Federal Staff Retirement Systems... 1725

## EXECUTIVE AGENCIES

### AGRICULTURAL MARKETING SERVICE

- Rules and Regulations**  
Carrots grown in South Texas; shipments limitation... 1728
- Proposed Rule Making**  
Milk in Colorado Springs-Pueblo and Eastern Colorado marketing areas; joint hearing... 1802

### AGRICULTURAL RESEARCH SERVICE

- Rules and Regulations**  
Insecticides, fungicides, and rodenticides; noneconomic poison claims and directions for use, and economic poisons subject to requirements of other statutes; revocations... 1728
- Proposed Rule Making**  
Anti-hog-cholera serum and hog-cholera virus; hearing... 1816

### AGRICULTURE DEPARTMENT

- See Agricultural Marketing Service; Agricultural Research Service.

### AIR FORCE DEPARTMENT

- Rules and Regulations**  
Procurement instructions; miscellaneous amendments... 1775

### ATOMIC ENERGY COMMISSION

- Notices**  
Department of Water and Power of the City of Los Angeles; hearing on application for provisional construction permit... 1818

### CIVIL AERONAUTICS BOARD

- Notices**  
*Hearings, etc.:*  
Alaska Coastal-Ellis Air Lines... 1819  
Bonanza Air Lines, Inc... 1819  
Flying Tiger Line, Inc... 1819  
Wien Alaska Airlines, Inc... 1820

## CIVIL SERVICE COMMISSION

### Rules and Regulations

- Employee grievances and administrative appeals; advisory arbitration and Commission action... 1727

### Notices

- Certain nurses; manpower shortage... 1820

## DEFENSE DEPARTMENT

See also Air Force Department.

### Rules and Regulations

- Armed Services procurement; miscellaneous amendments... 1729

## EMERGENCY PLANNING OFFICE

### Rules and Regulations

- Federal disaster assistance; Federal-State disaster assistance agreements... 1777

## FEDERAL AVIATION AGENCY

### Rules and Regulations

- Standard instrument approach procedures; miscellaneous amendments... 1791

### Proposed Rule Making

- Control zone and transition area; designation... 1816  
Federal airways, revocation, and alteration of transition areas... 1817

## FEDERAL HOUSING ADMINISTRATION

### Rules and Regulations

- Housing insurance and mortgages; miscellaneous amendments... 1727

## FEDERAL POWER COMMISSION

### Notices

- Hearings, etc.:*  
Amerada Petroleum Corp. et al... 1824  
Barth, Ray... 1824  
Natural Gas Pipeline Company of America... 1825  
Niagara Mohawk Power Corp... 1825  
Public Service Company of Oklahoma... 1825  
Shell Oil Co. et al. (2 documents)... 1820, 1824  
Sierra Pacific Power Co. and Sierra Nevada Power Co... 1826  
Southern Natural Gas Co... 1827  
Sun Oil Co... 1827  
Transcontinental Gas Pipe Line Corp... 1827

## FEDERAL REGISTER

### ADMINISTRATIVE COMMITTEE

#### Rules and Regulations

- List of Acts requiring publication in FEDERAL REGISTER... 1727

## FEDERAL TRADE COMMISSION

### Rules and Regulations

#### Prohibited trade practices:

- Mazur, Bernard, and Major Hosiery Co... 1777  
Marcus, Richard S., and Stanton Blanket Co... 1778  
Outerwear Garments, Inc., and David Alexander... 1778  
Piccina, Ltd., et al... 1778  
Watumull Brothers, Ltd., et al... 1779

## FISH AND WILDLIFE SERVICE

### Notices

- Pedersen, Einar; fishing vessel construction differential subsidy; hearing... 1818

## FOOD AND DRUG ADMINISTRATION

### Rules and Regulations

#### Drugs:

- Hydrabamine penicillin V chewable wafers... 1785  
Sterility test methods and procedures... 1779  
Eggs, dried whole and dried yokes; confirmation of effective date of order regarding glucose removal... 1779  
Hazardous substances; spot and stain remover kit; exemption from labeling requirements... 1787

### Notices

- Cream cottage cheese deviating from identity standards; extension of temporary permit for market testing... 1818  
Standard Oil Company of California; filing of petition for food additive... 1818

## GENERAL SERVICES ADMINISTRATION

### Rules and Regulations

- Public buildings and space; assignment and utilization of space; agency reports to GSA on expansion of space needs... 1790

## HEALTH, EDUCATION, AND WELFARE DEPARTMENT

See Food and Drug Administration.

## HOUSING AND HOME FINANCE AGENCY

See also Federal Housing Administration.

### Notices

- Acting Community Facilities Commissioner; amendment of designation... 1827

(Continued on next page)

# INTERAGENCY TEXTILE ADMINISTRATIVE COMMITTEE

## Notices

Certain cotton textiles and products thereof; ITAC actions and restraint levels..... 1827

# INTERIOR DEPARTMENT

See Fish and Wildlife Service.

# INTERSTATE COMMERCE COMMISSION

## Notices

Fourth section application for relief..... 1828

# JUSTICE DEPARTMENT

## Rules and Regulations

Regulations with respect to Military Personnel and Civilian Employees' Claims Act of 1964. 1800

# VETERANS ADMINISTRATION

## Rules and Regulations

Medical; miscellaneous amendments..... 1787

# List of CFR Parts Affected

(Codification Guide)

The following numerical guide is a list of the parts of each title of the Code of Federal Regulations affected by documents published in today's issue. A cumulative list of parts affected, covering the current month to date, appears at the end of each issue beginning with the second issue of the month.

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, 1965, and specifies how they are affected.

## 1 CFR

Ch. I:  
Appendix B..... 1727

## 3 CFR

EXECUTIVE ORDER:  
11197..... 1721  
PRESIDENTIAL DOCUMENTS OTHER  
THAN PROCLAMATIONS AND EX-  
ECUTIVE ORDERS:  
Memorandum of February 1,  
1965..... 1725

## 5 CFR

771..... 1727

## 7 CFR

362..... 1728  
970..... 1728  
PROPOSED RULES:  
1135..... 1802  
1137..... 1802

## 9 CFR

PROPOSED RULES:  
131..... 1816

## 14 CFR

97..... 1791

## PROPOSED RULES:

71 (2 documents)..... 1816, 1817

## 16 CFR

13 (5 documents)..... 1777-1779

## 21 CFR

42..... 1779  
141..... 1779  
141a (2 documents)..... 1780, 1785  
141c..... 1780  
141e..... 1780  
146a (2 documents)..... 1780, 1785  
146b..... 1781  
148b..... 1781  
148c..... 1781  
148e..... 1782  
148h..... 1782  
148i..... 1783  
148j..... 1784  
148m..... 1784  
148n..... 1784  
148p..... 1785  
148s..... 1785  
148t..... 1785  
191..... 1787

## 24 CFR

207..... 1727  
213..... 1728  
608..... 1728

## 28 CFR

0..... 1800

## 32 CFR

1..... 1729  
2..... 1732  
3..... 1733  
4..... 1733  
6..... 1735  
7..... 1735  
8..... 1742  
9..... 1743  
10..... 1743  
11..... 1744  
13..... 1744  
16..... 1764  
30..... 1764  
1001..... 1775  
1002..... 1776  
1003..... 1776  
1007..... 1777  
1710..... 1777

## 38 CFR

17..... 1787

## 41 CFR

101-20..... 1790

# Presidential Documents

## Title 3—THE PRESIDENT

### Executive Order 11197

#### ESTABLISHING THE PRESIDENT'S COUNCIL ON EQUAL OPPORTUNITY

WHEREAS discrimination on the ground of race, creed, color, or national origin is contrary to the constitutional principles, laws, and policies of the United States; and

WHEREAS a number of Federal departments and agencies have been charged, by statute and executive order, with specific responsibility for eliminating such discrimination, and promoting equal opportunity, and all other Federal departments and agencies have obligations with respect thereto; and

WHEREAS there is need for a single body to review and assist in coordinating the activities of all departments and agencies of the Federal government which are directed toward the elimination of such discrimination and the promotion of equal opportunity:

NOW, THEREFORE, by virtue of the authority vested in me as President of the United States by the Constitution and laws of the United States, it is ordered as follows:

SECTION 1. There is hereby established the President's Council on Equal Opportunity.

SEC. 2. The Council shall consist of the following:

(1) The Vice President of the United States, who shall be the chairman of the Council.

(2) The Secretary of Defense, the Attorney General, the Secretary of Agriculture, the Secretary of Commerce, the Secretary of Labor, the Secretary of Health, Education, and Welfare, the Chairman of the Civil Service Commission, the Administrator of the Housing and Home Finance Agency, the Director of the Office of Economic Opportunity, the Chairman of the Commission on Civil Rights, the Chairman of the Equal Employment Opportunity Commission, the Administrator of General Services, the Commissioner of Education, the Director of the Community Relations Service, the Chairman of the President's Committee on Equal Employment Opportunity, the Chairman of the President's Committee on Equal Opportunity in Housing, and such other members as the President may from time to time appoint. Each member may designate an alternate to represent him in his absence.

SEC. 3. There shall be an Executive Secretary of the Council, designated by the chairman, who shall assist the chairman and the Council and shall perform such functions as the chairman or the Council may assign or delegate to him.

SEC. 4. The Council shall—

(1) Recommend to the President such policies, programs and actions as will promote the accomplishment of the purposes of the Civil Rights Acts of 1957 and 1964 and other Federal laws relating to civil rights and the achievement of equal opportunity for all persons, without discrimination on the ground of race, creed, color or national origin.

(2) Advise the President of inadequacies in existing Federal laws, policies, and programs relating to civil rights, and in other Federal activities which affect the free exercise of civil rights or the realization of equal opportunity for all citizens, and make recommendations for their improvement.

(3) Recommend to the President such changes in administrative structure and relationships, including those for merger, combination, or elimination of agencies, committees, or other bodies, or duplica-

tive authority within the Federal establishment, as may be necessary (A) to effectuate the purposes of this order; and (B) to coordinate the activities of Federal departments and agencies relevant to such purposes.

(4) Recommend to the President measures which will promote the coordination of Federal activities with those programs of State and local governments which promote civil rights and foster equal opportunity.

(5) Assist Federal departments and agencies to coordinate their programs and activities and to adopt consistent and uniform policies, practices, and procedures with respect to civil rights and promotion of equal opportunity.

(6) Request reports or other information from Federal departments and agencies.

(7) Consult with interested public and private groups and individuals.

(8) Convene such conferences as may promote and coordinate the activities of Federal, State, and local governments and private groups with respect to civil rights and the promotion of equal opportunity.

(9) Make such reports to the President as he shall require or the Council shall deem appropriate.

(10) Adopt rules and regulations to carry out its functions.

SEC. 5. The Chairman of the Council shall—

(1) Preside over meetings of the Council and assist, coordinate, and guide the work of the Council in carrying out its functions.

(2) Implement decisions of the Council and represent the Council and supervise discharge of its functions and responsibilities between meetings of the Council.

(3) Request such reports and otherwise obtain such information from Federal departments and agencies as the chairman deems necessary to effectuate the purposes of this order or to facilitate the work of the Council.

(4) Appoint subcommittees of the Council and special working or study groups from among Federal department and agency personnel.

(5) Appoint staff of the Council.

SEC. 6. The Council shall meet upon the call of the chairman and at such other times as may be provided by its rules and regulations.

SEC. 7. (a) Each Federal department and agency shall cooperate with and assist the Council in the performance of its functions and shall furnish the Council and the chairman with such reports and information as either may request.

(b) Each Federal department and agency represented on the Council shall defray such necessary expenses of and furnish such necessary assistance to, the Council as may be authorized by law, including Section 214 of the Act of May 3, 1945, 59 Stat. 134 (31 U.S.C. 691).

(c) Members of the Council who are officers or employees of the Federal Government shall receive no additional compensation by virtue of membership on the Council. Other members of the Council shall be entitled to receive compensation and travel expenses, including per diem in lieu of subsistence, as authorized by law (5 U.S.C. 55a; 5 U.S.C. 73b-2) for persons in the Government service employed intermittently.

(d) The Council is authorized to obtain services in accordance with the provisions of Section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

(e) The General Services Administration shall provide administrative services for the Council on a reimbursable basis.

SEC. 8. Each Federal department and agency shall designate an officer, of a rank not lower than Deputy Assistant Secretary or the equivalent, to oversee and coordinate the activities of such department

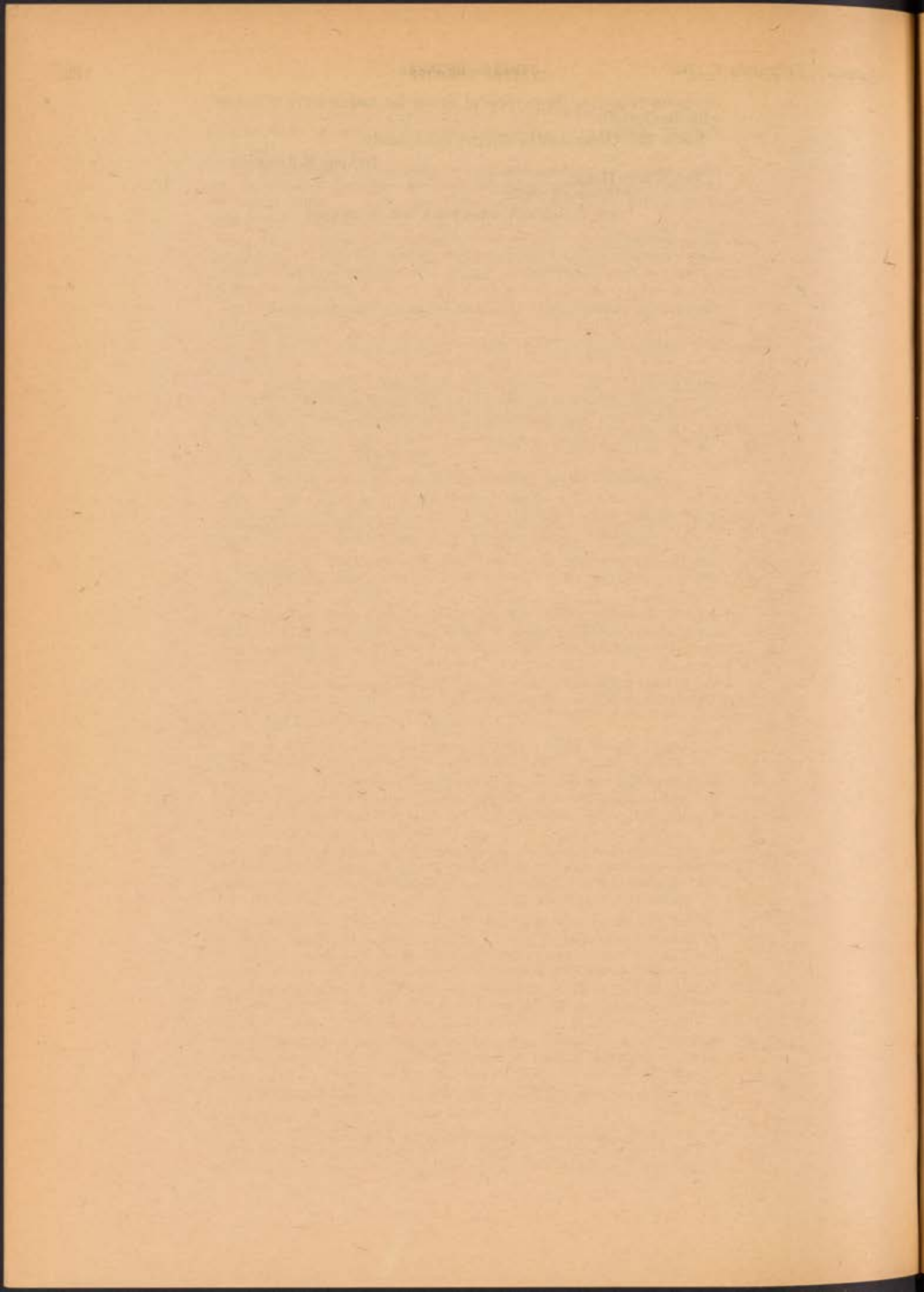
or agency related to the purpose of this order, and to serve as liaison with the Council.

SEC. 9. This Order shall be effective immediately.

LYNDON B. JOHNSON

THE WHITE HOUSE,  
February 5, 1965.

[F.R. Doc. 65-1478; Filed, Feb. 8, 1965; 10:51 a.m.]



## Memorandum of February 1, 1965

## [CABINET COMMITTEE ON FEDERAL STAFF RETIREMENT SYSTEMS]

*Memorandum for The Secretary of State, The Secretary of Defense, The Postmaster General, The Secretary of Labor, The Secretary of Health, Education, and Welfare, The Director of the Bureau of the Budget, The Chairman of the Civil Service Commission*

The Federal Government pays an important part of the compensation of its employees in the form of benefits under staff retirement plans. Such plans are provided for civilian employees of the executive departments and agencies, and for members of the uniformed services. The patterns and amounts of these payments must be effective for their purpose. The payments must be properly related to the personal service upon which they are based, and to similar retirement benefit programs elsewhere in the economy.

The retirement policies of the Federal Government, as employer, and the programs and methods by which these policies are made effective were last examined in the reports of the Committee on Retirement Policy made in 1954. Since then numerous adjustments have been made in these Federal programs.

In order to establish up-to-date guides for use in the executive branch in considering proposed changes and further improvements in retirement plans, I request that the whole structure of our retirement policies be reviewed as to objectives, coverage of both civilian and uniformed personnel, benefit patterns, financial soundness, and overall consistency. I also request that survivor benefits available under the various retirement plans be examined in relationship to similar survivor benefits provided under social security, Government life insurance, and other disability, death, and survivorship programs.

Accordingly, I appoint you to serve on a temporary Cabinet Committee on Federal Staff Retirement Systems under the chairmanship of the Director of the Bureau of the Budget. The Committee is authorized to conduct such studies as it deems necessary to carry out the purposes of this memorandum. The Committee should submit its final report to me by December 1, 1965, and include in the report recommendations for any adjustments which the Committee deems necessary to make the retirement systems fully effective and more equitable.

Each member of the Committee will designate an alternate to represent him when he is unable to attend Committee meetings. Members will furnish such assistance to the Committee as may be required in conformity with the provisions of section 14 of the Act of May 3, 1945 (59 Stat. 134, 31 USC 691). Such assistance may include detailing of employees to the Committee, one of whom may be designated by the Chairman to serve as its executive secretary and staff director, to perform such functions as the Committee may assign. The Bureau of the Budget and the Civil Service Commission will provide administrative services to the Committee.

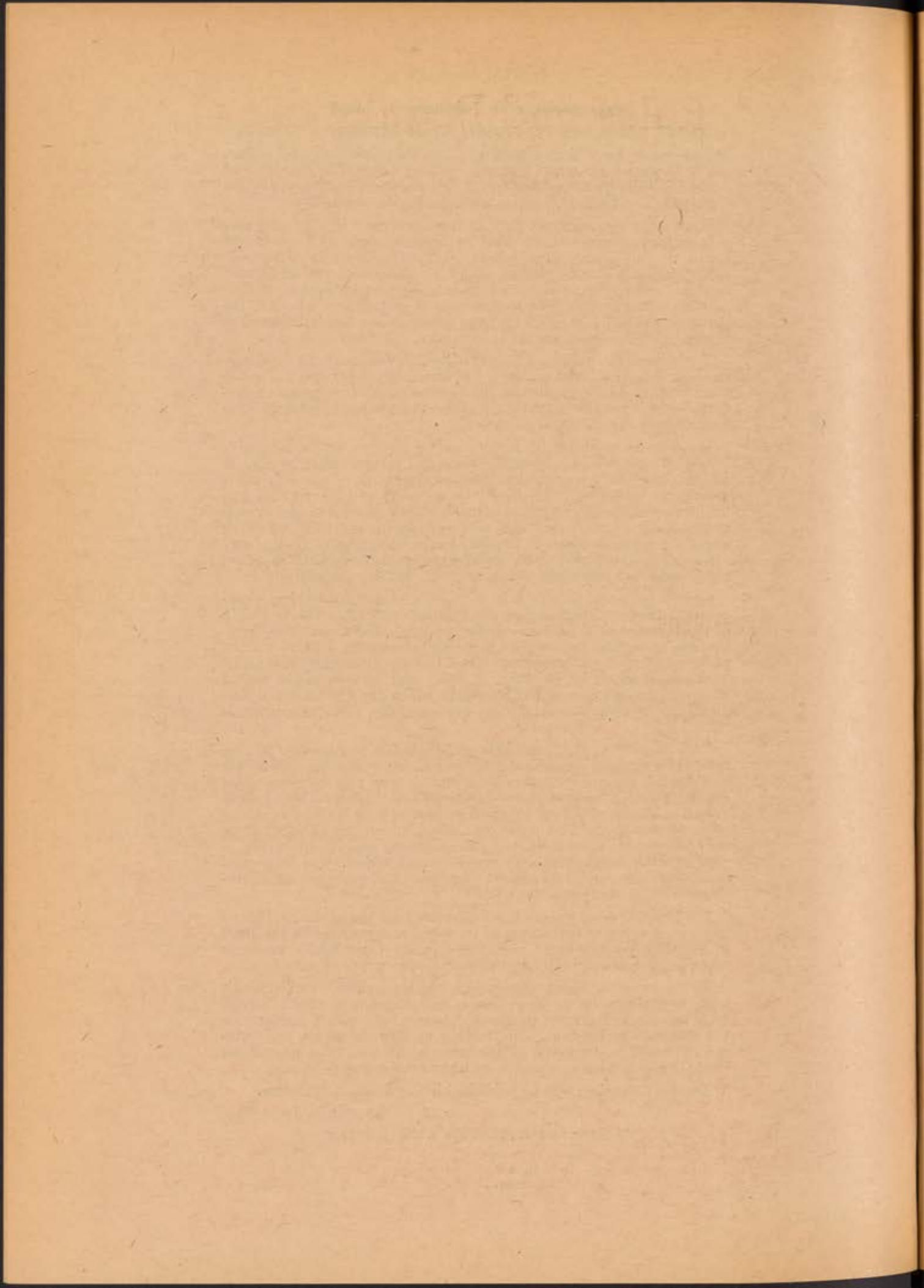
The Committee may request information from the executive departments and agencies pertaining to its work, and may invite the head of any Federal agency to participate in the Committee's meetings when matters of special interest to such agency are to be considered.

To the extent it deems appropriate, the Committee should consult with representatives of employee organizations and obtain advice from technical experts on retirement matters both within and outside the Federal Government. In arriving at its conclusions, the Committee should take account of the views of all who have an interest in the study and the competence to make a contribution to it.

This memorandum will be published in the FEDERAL REGISTER.

LYNDON B. JOHNSON

[F.R. Doc. 65-1477; Filed, Feb. 8, 1965; 10:51 a.m.]



# Rules and Regulations

## Title 1—GENERAL PROVISIONS

### Chapter I—Administrative Committee of the Federal Register APPENDIX B—LISTS OF ACTS REQUIRING PUBLICATION IN THE FEDERAL REGISTER

Appendix B (29 F.R. 2777) is amended by adding thereto the list of acts enacted in 1964 requiring or authorizing the publication of documents in the FEDERAL REGISTER, as follows:

	1964
Radio station license.....	78 Stat. 193; 47 U.S.C. 309.
Marine animal or plant life.....	78 Stat. 196; 16 U.S.C. 1085.
Civil rights hearings.....	78 Stat. 249; 42 U.S.C. 1975a.
Civil Rights Commission rules.....	78 Stat. 250; 42 U.S.C. 1975a.
Great Smoky Mountains Park.....	78 Stat. 388; 16 U.S.C. 403b-14.
Special Executive Branch positions.....	78 Stat. 422, 433; 5 U.S.C. 2211, 2213.
Ozark National Riverways.....	78 Stat. 609; 16 U.S.C. 460m-3.
Fort Bowie.....	78 Stat. 681; 16 U.S.C. 461 note.
Motor vehicle safety standards.....	78 Stat. 696; 40 U.S.C. 702.
Fort Larned.....	78 Stat. 748; 16 U.S.C. 461 note.
Saint-Gaudens Memorial.....	78 Stat. 749; 16 U.S.C. 461 note.
Allegheny Portage Railroad.....	78 Stat. 752; 16 U.S.C. 461 note.
Johnstown Flood Memorial.....	78 Stat. 752; 16 U.S.C. 431 note.
National Wilderness System.....	78 Stat. 892; 16 U.S.C. 1132.
Fire Island National Seashore.....	78 Stat. 928, 929; 16 U.S.C. 459e, 459e-1.
Disposal or retention of public lands.....	78 Stat. 986; 43 U.S.C. 1411, 1412.
Sale of public lands.....	78 Stat. 989; 43 U.S.C. 1423.
Foreign aid determination.....	78 Stat. 1018, 1019; 22 U.S.C. 2370 note.
Lake Mead Recreation Area.....	78 Stat. 1039; 16 U.S.C. 460n-1.
Ice Age National Reserve.....	78 Stat. 1087; 16 U.S.C. 469e.
Foreign Claims Settlement.....	78 Stat. 1110; 22 U.S.C. 1643b.

## Title 5—ADMINISTRATIVE PERSONNEL

### Chapter I—Civil Service Commission PART 771—EMPLOYEE GRIEVANCES AND ADMINISTRATIVE APPEALS

#### Miscellaneous Amendments

Part 771 is amended by the revocation of paragraph (c) of § 771.206 and by adding a heading and two new §§ 771.227 and 771.228 containing the regulations relating to advisory arbitration in agencies appeals systems. Former §§ 771.227 and 771.228 are redesignated as 771.229 and 771.230. As revised, the sections read as follows:

#### ADVISORY ARBITRATION

#### § 771.227 Provision for advisory arbitration.

Subject to § 771.228, each agency may include provision for advisory arbitration, when appropriate, in its appeals system.

#### § 771.228 Arbitration requirements.

(a) An agency may provide for advisory arbitration in its appeals system only through a negotiated agreement between the agency and an employee organization to which exclusive recognition has been granted.

(b) An employee may use advisory arbitration only if:

(1) He is employed in a unit represented by an employee organization which has negotiated an agreement for advisory arbitration with the employing agency;

(2) He specifically requests it; and  
(3) The employee organization concurs in the use of advisory arbitration and agrees to pay one-half the cost of arbitration.

(c) Advisory arbitration may not relate to the content of agency policy, but is restricted to the propriety of an adverse action in a particular case.

(d) When advisory arbitration is provided for in a one-level appeals system or in the first level of a two-level system, (1) advisory arbitration serves as an alternate to the agency hearing committee; (2) the employee cannot use both advisory arbitration and the agency hearing committee, but must choose one or the other; and (3) if the employee uses advisory arbitration, he is entitled to a hearing before the arbitrator.

(e) When advisory arbitration is provided for in the second level of a two-level appeals system, (1) the employee is entitled to use both the agency hearing committee in the first level and advisory arbitration in the second level; and (2) the employee is not entitled to a hearing before the arbitrator as a matter of right, but the arbitrator may, in his discretion, hold a hearing of such scope as he considers necessary within the provisions of paragraph (f) of this section.

(f) When an arbitrator holds a hearing, he shall conduct and record it, and make a report of findings and recommendations, under the principles set forth in §§ 771.215, 771.217, and 771.218.

(g) An agency shall make its employees available as witnesses at a hearing held in advisory arbitration under the principles set forth in § 771.216.

(h) An agency shall furnish copies of the hearing record and the arbitrator's report under the principles set forth in § 771.218.

(i) The award of an arbitrator is advisory only and may be either accepted or rejected by the agency official authorized to make the appellate decision.

#### COMMISSION ACTION

#### § 771.229 Employee request for review.

The Commission does not act on a request by an employee for a review of the agency's action under the agency appeals system unless the employee otherwise has a right to appeal to the Commission from the same adverse action and the Commission has accepted the appeal for adjudication.

#### § 771.230 Review of agency appeals systems.

From time to time the Commission reviews agency appeals systems. When it finds that an agency's system or operations do not conform with the requirements of the Executive order or this subpart, the Commission requires corrective action to bring the agency's system or operations into conformity.

(R.S. 1753, sec. 2, 22 Stat. 403, as amended; 5 U.S.C. 631, 633; E.O. 10577, 19 F.R. 7521, 3 CFR, 1954-1958 Comp., p. 218, E.O. 10987, 27 F.R. 550)

#### UNITED STATES CIVIL SERVICE COMMISSION,

[SEAL] MARY V. WENZEL,  
Executive Assistant to  
the Commissioners.

[F.R. Doc. 65-1359; Filed, Feb. 8, 1965;  
8:47 a.m.]

## Title 24—HOUSING AND HOUSING CREDIT

### Chapter II—Federal Housing Administration, Housing and Home Finance Agency

#### MISCELLANEOUS AMENDMENTS TO CHAPTER

The following miscellaneous amendments have been made to this chapter:

#### SUBCHAPTER D—RENTAL HOUSING INSURANCE

#### PART 207—MULTIFAMILY HOUSING MORTGAGE INSURANCE

#### Subpart B—Contract Rights and Obligations

In § 207.253 a new paragraph (c) (10) is added to read as follows:

#### § 207.253 Adjusted premium and termination charges.

\* \* \* \* \*

(10) Where the mortgage has been insured for 10 or more years and the Commissioner determines the following:

(i) The mortgaged property has been operated at a deficit over a substantial period and major rehabilitation will help to remedy this condition.

(ii) FHA financing for rehabilitation is not feasible.

(iii) Financing obtained to prepay the insured mortgage will also finance the necessary rehabilitation and make the project competitive with other available rentals.

(Sec. 211, 52 Stat. 23; 12 U.S.C. 1715b. Interprets or applies sec. 207, 52 Stat. 16, as amended; 12 U.S.C. 1719)

#### SUBCHAPTER E—COOPERATIVE HOUSING INSURANCE

### PART 213—COOPERATIVE HOUSING MORTGAGE INSURANCE

#### Subpart B—Contract Rights and Obligations

In § 213.262 a new paragraph (b) (12) is added to read as follows:

§ 213.262 Termination of mortgage insurance—prepayment in full—management, purchasing cooperative, sales and existing construction project mortgages.

(b) *Exceptions to adjusted premium charge.* \* \* \*

(12) Where the mortgage has been insured for 10 or more years and the Commissioner determines the following:

(i) The mortgaged property has been operated at a deficit over a substantial period and major rehabilitation will help to remedy this condition.

(ii) FHA financing for rehabilitation is not feasible.

(iii) Financing obtained to prepay the insured mortgage will also finance the necessary rehabilitation and make the project competitive with other available rentals.

(Sec. 211, 52 Stat. 23; 12 U.S.C. 1715b. Interprets or applies sec. 213, 64 Stat. 54, as amended; 12 U.S.C. 1715e)

#### SUBCHAPTER R—WAR HOUSING INSURANCE

### PART 608—MULTIFAMILY PROJECTS; WAR HOUSING MORTGAGE INSURANCE

#### Subpart B—Contract Rights and Obligations

In § 608.253 a new paragraph (c) (9) is added to read as follows:

§ 608.253 Adjusted premium and termination charges.

(c) \* \* \*

(9) Where the mortgage has been insured for ten or more years and the Commissioner determines the following:

(i) The mortgaged property has been operated at a deficit over a substantial period and major rehabilitation will help to remedy this condition.

(ii) FHA financing for rehabilitation is not feasible.

(iii) Financing obtained to prepay the insured mortgage will also finance the necessary rehabilitation and make the project competitive with other available rentals.

(Sec. 607, 55 Stat. 61, 12 U.S.C. 1742. Interprets or applies sec. 608, 56 Stat. 303, as amended; 12 U.S.C. 1743)

Issued at Washington, D.C., February 2, 1965.

PHILIP N. BROWNSTEIN,  
Federal Housing Commissioner.

[F.R. Doc. 65-1363; Filed, Feb. 8, 1965; 8:48 a.m.]

## Title 7—AGRICULTURE

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

#### PART 362—REGULATIONS FOR THE ENFORCEMENT OF THE FEDERAL INSECTICIDE, FUNGICIDE, AND RODENTICIDE ACT

##### Revocation of Interpretation Concerning Noneconomic and Economic Poisons

Pursuant to the authority vested in me by § 362.3 of the regulations (7 CFR 362.3) under the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 135-135k), Interpretation 20 concerning noneconomic poison claims and directions for use, and economic poisons subject to requirements of other statutes (§ 362.118) is hereby revoked.

Recent amendments of the act and the regulations have made this Interpretation obsolete.

Done this 4th day of February 1965.

JUSTUS C. WARD,  
Director, Pesticides Regulation  
Division, Agricultural Research Service.

[F.R. Doc. 65-1369; Filed, Feb. 8, 1965; 8:48 a.m.]

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

[970.305 Amdt. 5]

#### PART 970—CARROTS GROWN IN SOUTH TEXAS

##### Limitation of Shipments

*Findings.* (a) Pursuant to Marketing Agreement No. 142 and Order No. 970, both as amended (7 CFR Part 970), regulating the handling of carrots grown in designated counties in South Texas, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (secs. 1-19, 48 Stat. 31, as amended; 7 U.S.C. 601 et seq.), and upon the basis of the recommendation and information submitted by the South Texas Carrot Committee, established pursuant to said marketing agreement and order, and upon other

available information, it is hereby found that the amendment to the limitation of shipments hereinafter set forth will tend to effectuate the declared policy of the act and is warranted, and will maintain orderly marketing conditions tending to increase returns to carrot growers in the production area.

(b) It is hereby found that it is impracticable and contrary to the public interest to give preliminary notice, or engage in public rule making procedure, and that good cause exists for not postponing the effective date of this amendment until 30 days after publication in the Federal Register (5 U.S.C. 1003) in that (1) the 1964-65 marketing season for South Texas carrots is currently in progress and a heavy volume of shipments is now being made, (2) to maximize benefits to growers, this amendment should apply to as many shipments of carrots as possible during the remainder of the 1964-65 season, (3) compliance with this amendment will not require any special preparation on the part of handlers which cannot be completed by the time this amendment becomes effective, (4) information regarding the committee's recommendation has been disseminated to producers and handlers in the production area, and (5) this amendment relieves restrictions on the handling of carrots grown in the production area.

*Order, as amended.* In § 970.305 (29 F.R. 15018, 30 F.R. 305, 644, 777, 880), amend the introductory paragraph and paragraph (b) to read as follows:

§ 970.305 Limitation of shipments.

During the period from February 4, 1965 through June 30, 1965, no handler shall package or load carrots on Sundays, or handle any lots of carrots grown in the production area unless such carrots meet the grade requirements of paragraph (a) of this section, and one of the size designations of paragraph (b) of this section, and meet the container and pack requirements of paragraphs (c) and (d) of this section, or unless such carrots are handled in accordance with provisions of paragraphs (e), (f), (g), and (h) of this section.

(b) *Sizing requirements.*—(1) *Medium-to-large.*  $\frac{7}{8}$ -inch minimum diameter to 1½ inches maximum diameter, 6 inches minimum length, with an average of 30 percent by count 1-inch minimum diameter or larger and no sample with less than 15 percent by count 1 inch or larger in diameter.

(2) *Jumbos.* 1-inch minimum diameter to 2 inches maximum diameter and 6 inches minimum length.

(Secs. 1-19, 48 Stat. 31, as amended; 7 U.S.C. 601 et seq.)

Dated: February 4, 1965, to become effective February 4, 1965.

FLOYD F. HEDLUND,  
Director, Fruit and Vegetable  
Division, Agricultural Marketing Service.

[F.R. Doc. 65-1370; Filed, Feb. 8, 1965; 8:49 a.m.]

# Title 32—NATIONAL DEFENSE

## Chapter I—Office of the Secretary of Defense

### SUBCHAPTER A—ARMED SERVICES PROCUREMENT REGULATIONS

#### Miscellaneous Amendments to Subchapter

The following amendments to this subchapter are issued by direction of the Assistant Secretary of Defense (Installations and Logistics) pursuant to the authority contained in Department of Defense Directive No. 4105.30, dated March 11, 1959 (24 F.R. 2260) as amended, and 10 U.S.C. 2202.

#### PART 1—GENERAL PROVISIONS

1. Sections 1.103-5 and 1.302-1 are revised; paragraphs (a), (b), and (c) of § 1.315 are revised; and §§ 1.322-3(d) and 1.706-1(a) are revised, as follows:

##### § 1.103-5 Dating contract clauses.

Contract clauses in this subchapter are identified by showing the month and year of issuance of the clause, as most recently revised, in parentheses immediately after the title, e.g., Incentive Price Revision (Firm Target) (November 1962). Where an alternative paragraph is provided for insertion in a clause, the identifying date is shown in parentheses immediately following the text of the paragraph. In contract forms using ASPR clauses, each clause should be shown with its identifying date in the manner prescribed above, except that (a) standard forms are not subject to this requirement and (b) Department of Defense forms and Departmental forms that were issued prior to October 1, 1960 should not be revised solely to meet this requirement. Where a clause to be used in a contract represents a deviation from this subchapter, a date will not be shown. Where a clause has been developed for use solely on a specific Department of Defense form and is set forth only in Appendix F<sup>1</sup> of the ASPR, a date will not be shown but the edition on the form will apply to the clause.

##### § 1.302-1 Existing government assets.

To the extent possible, supplies shall be obtained from releasable assets of the Department of Defense or from surplus or excess stocks in the hands of any other Government agency. Personnel responsible for issuing purchase requests shall insure compliance with policies pertaining to the utilization of existing Department of Defense material assets, as set forth in the Defense Utilization Manual (DSAM 4140.1) (AFM 67-11) (AR 1-38) (MCO P7020.5A). All purchase requests involving estimated expenditures of \$50

or more for items centrally managed at inventory control points will be appropriately annotated with a statement to the effect that Department of Defense-wide review of assets has been initiated or completed, as appropriate, in compliance with the Defense Utilization Manual. This procedure is not applicable to automated procurements where procedures have been established under the automated system for a review of assets in accordance with DSAM 4140.1. In addition, this procedure is not applicable to subsistence, bulk petroleum, and medical drugs, as presently provided or later modified in that manual, or to such other items as may be added thereto. Interdepartmental purchases shall be accomplished in accordance with the provisions of Part 5 of this chapter.

##### § 1.315 Procurement of jewel bearings.

(a) It has been determined that defense interests require the continued maintenance of an active and versatile mobilization base for the production of jewel bearings. This base has been established at the Government-owned Turtle Mountain Bearing Plant, Rolla, North Dakota. In support of this policy, Government purchases of jewel bearings shall be made from that plant in all cases where it can meet purchase requirements. Additionally, all procurements of items containing jewel bearings shall provide, in the solicitations and resulting contracts, a requirement that jewel bearings in the quantities, and of the types and sizes necessary for the end items to be supplied under the contract, be purchased from the Turtle Mountain Plant and be incorporated in the delivered items, subject to the criteria provided in paragraphs (b), (c), and (d) of this section, except:

(1) When quantity requirements, quality standards, or delivery requirements cannot be satisfied by bearings manufactured at the Turtle Mountain Plant;

(2) For purchases of commercial end items or of military end items having jeweled components used in commercial end items, when the quantities of such end items or components are such that the contracting officer either knows or reasonably expects that all such commercial end items or commercial components of military end items are already manufactured and available from the stock of any dealer, wholesaler, distributor, or manufacturer; or

(3) For bearings used in items that are to be procured and used outside the United States, its possessions, and Puerto Rico.

(b) In order to assure that all bidders or offerors are competing on the same basis, it is necessary that the solicitation for items containing jewel bearings clearly state:

(1) The successful contractor will be required to purchase (directly or through subcontractors, as appropriate) Turtle Mountain source bearings at prices es-

tablished in the U.S. Government Jewel Bearing Price List then in effect, and to incorporate such bearings in the items to be delivered; and

(2) Bids or proposals are to be predicated on this requirement.

If it should occur, after award, that the Turtle Mountain Plant rejects the contractor's (or subcontractor's) purchase order entirely or in part, the contractor (or subcontractor) shall be required to so notify the contracting officer who will effect an equitable adjustment in the contract price to reflect any costs or savings accruing to contractor by reason of any price differential for such bearings, pursuant to the clause of this contract entitled "Changes."

(c) In all procurements subject to these procedures, the following clause is required for use:

##### REQUIRED SOURCE FOR JEWEL BEARINGS (NOVEMBER 1964)

Jewel bearings required in the performance of this contract shall be procured from the Turtle Mountain Jewel Bearing Plant, Rolla, North Dakota, at prices established in the Official U.S. Government Jewel Bearing Price List dated (insert latest effective date). The Contractor agrees that the delivery dates specified for the quantities and types of jewel bearings so ordered will be reasonably related to manufacturing schedules and delivery requirements of this contract. The Contractor agrees to notify the Contracting Officer promptly of the rejection of his (or any subcontractor) purchase order in whole or in part by the Turtle Mountain Plant and further agrees to an equitable adjustment in the contract price pursuant to the "Changes" clause of this contract to reflect any costs or savings to the Contractor (or subcontractor) resulting from such rejection. The Contractor further agrees to incorporate or to have his subcontractors incorporate the purchased Turtle Mountain jewel bearings in the items to be delivered under this contract.\* The requirement for use (but not the requirement for purchase) of such bearings may be waived in the discretion of the Contracting Officer when such waiver is determined by him to be in the Government's interest, and where agreement is reached for an equitable adjustment in the contract price by reason of such waiver.

##### § 1.322-3 Evaluation.

(d) When Government production and research property is provided pursuant to Subpart C, Part 13 of this chapter, the use of such property may be on a rent-free basis under the policies contained in Subpart E, Part 13 of this chapter. In this event, the solicitation shall set forth a detailed description of the procedure to be followed and the factors to be considered in accordance with Subpart E, Part 13 of this chapter, for the elimination of competitive advantage. The amount added for evaluation to each offeror's unit price for the first program year requirement shall also be added to his unit price for the multi-year requirements.

<sup>1</sup> Forms in Appendix F have been filed with the Office of The Federal Register; copies may be obtained through the contracting offices of any of the military departments.

## § 1.706-1 General.

(a) Subject to any applicable preference for labor surplus area set-asides as provided in § 1.803(a) (2) and the following criteria, any individual procurement or class of procurements or an appropriate part thereof, shall be set aside for the exclusive participation of small business concerns when such action is determined jointly by an SBA representative and the contracting officer (upon the initiation of either) to be in the interest of (1) maintaining or mobilizing the Nation's full productive capacity, (2) war or national defense programs, or (3) assuring that a fair proportion of Government procurement is placed with small business concerns. If an SBA representative is not available, the foregoing determination may be made by the contracting officer. Insofar as practicable joint rather than unilateral determination shall be used as a basis for set-asides, but the impracticability of obtaining a joint determination should not be an obstacle to making a unilateral set-aside determination in an otherwise appropriate case.

2. In § 1.706-6, paragraph (c) is revised; the clause in paragraph (d) is amended by changing the clause heading, by revising clause paragraph (c) (4) and by adding new clause paragraph (d) (4); and paragraph (e) (1) is revised, as follows:

## § 1.706-6 Partial set-asides.

(c) In advertised procurements involving partial set-asides for small business, each invitation for bids shall contain either substantially the following notice or the notice set forth in paragraph (d) of this section. The notice may be appropriately modified to include the applicable specific small business definition. In negotiated procurements whichever notice is used will be appropriately modified for use with request for proposals.

NOTICE OF PARTIAL SMALL BUSINESS SET-ASIDE  
(NOVEMBER 1964)

(a) *General.* A portion of this procurement, as identified elsewhere in the Schedule, has been set aside for award only to one or more small business concerns. Negotiations for award of this set-aside portion will be conducted only with responsible small business concerns who have submitted responsive bids on the non-set-aside portion at a unit price within 120 percent of the highest unit price at which an award is made on the non-set-aside portion. Negotiations shall be conducted with such small business concerns in the following order of priority:

*Group 1.* Small business concerns which are also persistent labor surplus area concerns.

*Group 2.* Small business concerns which are also substantial labor surplus area concerns.

*Group 3.* Small business concerns which are not labor surplus area concerns.

Within each of the above groups, negotiations with such concerns will be in the order of their bids on the non-set-aside portion, beginning with the lowest responsive bid. The set-aside shall be awarded at the highest unit price awarded on the non-set-aside portion, adjusted to reflect transportation and other cost factors which are considered in

evaluating bids on the non-set-aside portion, except where a responsive bid has been submitted on the non-set-aside portion at a unit price which when so adjusted is lower than the adjusted highest unit price awarded on the non-set-aside portion but could not be accepted because of quantity limitations or other consideration (such as the bidder's responsibility). In the latter case if the quantity limitation or other considerations do not preclude consideration of the unit price of such unaccepted bid at the time of negotiation for the set-aside portion, a quantity of the set-aside portion equal to the quantity of such unaccepted bid shall be offered to eligible concerns in their order of priority at the adjusted unit price of such unaccepted bid. If no eligible bidder will take the entire quantity so offered at the adjusted unit price of the unaccepted bid, then all eligible concerns in their order of priority shall be offered any lesser portion at the same price. (In the event more than one such unaccepted bid is involved, the same procedure shall be applied successively to each such bid on negotiation for the set-aside portion.) Subject to the conditions set forth below any remaining quantity of the set-aside portion shall be offered to eligible concerns in their order of priority at the adjusted highest unit price awarded on the non-set-aside portion. If such an unaccepted bid is submitted by a concern eligible to participate in the set-aside, such concern must accept a quantity of the set-aside portion equal to the quantity of the unaccepted bid at the adjusted unit price of the unaccepted bid before any portion of the set-aside may be awarded to that concern at a higher price. If such an unaccepted bid is submitted by a concern not eligible to participate in the set-aside, a quantity of the set-aside portion equal to the quantity of the unaccepted bid must be awarded at the adjusted unit price of such unaccepted bid before any portion of the set-aside is awarded to any eligible concern at a higher price. The Government reserves the right not to consider token bids or other devices designed to secure an unfair advantage over other bidders eligible for the set-aside portion. The partial set-aside of this procurement for small business concerns is based on a determination by the Contracting Officer, alone or in conjunction with a representative of the Small Business Administration, that it is in the interest of maintaining or mobilizing the Nation's full productive capacity, or in the interest of war or national defense programs, or in the interest of assuring that a fair portion of Government procurement is placed with small business concerns.

(b) *Definitions.* (1) A "small business concern" is a concern, including its affiliates, which is independently owned and operated, is not dominant in the field of operation in which it is bidding on Government contracts, and can further qualify under the criteria set forth in regulations of the Small Business Administration (Code of Federal Regulations, Title 13, Section 121.3-8). In addition to meeting these criteria, a manufacturer or a regular dealer submitting bids or proposals in his own name must agree to furnish in the performance of the contract end items manufactured or produced in the United States, its possessions, or Puerto Rico, by small business concerns. *Provided*, That this additional requirement does not apply in connection with construction or service contracts.

(2) A "labor surplus area" is a geographical area which is:

(i) Classified by the Department of Labor as an "Area of Substantial Labor Surplus" or as an "Area of Substantial and Persistent Labor Surplus" (also called "Area of Substantial and Persistent Unemployment") and listed as such by that Department in conjunction with its publication "Area Labor Market Trends"; or

(ii) Not classified as in (i) above, but which is individually certified as an area of persistent or substantial labor surplus by the Department of Labor at the request of any prospective contractor.

(3) Labor surplus area concern includes—  
(i) Persistent labor surplus area concerns which agree to perform or cause to be performed any contracts awarded to them as labor surplus area concerns substantially in "Areas of Substantial and Persistent Labor Surplus" (also called "Areas of Substantial and Persistent Unemployment"); and

(ii) Substantial labor surplus area concerns which agree to perform or cause to be performed any contracts awarded to them as labor surplus area concerns substantially in "Areas of Substantial Labor Surplus."

A concern shall be deemed to perform a contract substantially in "Areas of Substantial and Persistent Labor Surplus" (also called "Areas of Substantial and Persistent Unemployment") if the cost that it incurs on account of manufacturing or production (by itself or its first-tier subcontractors) in such areas amount to more than 50 percent of the contract price. A concern shall be deemed to perform a contract substantially in "Areas of Substantial Labor Surplus" if the costs that it incurs on account of manufacturing or production (by itself or its first-tier subcontractors) in such areas or in "Areas of Substantial or Persistent Labor Surplus" (also called "Areas of Substantial and Persistent Unemployment") amount to more than 50 percent of the contract price.

(4) "Unit price" shall include evaluation factors added for the rent-free use of Government property.

(c) *Identification of areas of performance.* Each bidder desiring to be considered for award as a small business labor surplus area concern on the set-aside portion of this procurement shall identify in his bid the geographical areas in which he proposes to perform, or cause to be performed, a substantial proportion of the production of the contract. If the Department of Labor classification of any such area changes after the bidder has submitted his bid, the bidder may change the areas in which he proposes to perform. *Provided*, That he so notifies the Contracting Officer before award of the set-aside portion. Priority for negotiation will be based upon the labor surplus classification of the designated production areas as of the time of the proposed award.

(d) *Agreement.* The bidder agrees that, if awarded a contract as a small business persistent labor surplus area concern under the set-aside portion of this procurement, he will perform, or cause to be performed, a substantial proportion of the production in areas classified at the time of award, or at the time of performance of the contract, as persistent labor surplus areas; and that if awarded a contract as a small business substantial labor surplus area concern under the set-aside portion of this procurement, he will perform, or cause to be performed, a substantial proportion of the production in areas classified at the time of award, or at the time of performance of the contract, as substantial or persistent labor surplus areas.

(e) Where it is anticipated that bids may be received which appear designed to take unfair advantage of bona fide bidders, by devices such as unrealistically low bids on mere token quantities, the notice set forth below may be used instead of that in paragraph (c) of this section.

NOTICE OF PARTIAL SMALL BUSINESS SET-ASIDE  
(NOVEMBER 1964)

(c) *Set-aside portion and award procedure.* . . .

(4) *Price.* The set-aside portion shall be awarded at the highest unit price awarded on the non-set-aside portion, adjusted to reflect transportation and other cost factors which were considered in evaluating bids on the non-set-aside portion (see (6) and (7) below for the determination of the highest unit price when the highest award is made as a result of tie-in bids or all-or-none type of qualification for more than one item) except where a responsive bid has been submitted on the non-set-aside portion at a unit price which when so adjusted is lower than the adjusted highest unit price awarded on the non-set-aside portion but could not be accepted because of quantity limitations or other considerations (such as the bidder's responsibility). In the latter case if the quantity limitation or other considerations do not preclude consideration of the unit price of such unaccepted bid at the time of negotiation for the set-aside portion, a quantity of the set-aside portion equal to the quantity of such unaccepted bid shall be offered to eligible concerns in their order of priority at the adjusted unit price of such unaccepted bid. If no eligible bidder will take the entire quantity so offered at the adjusted unit price of the unaccepted bid, then all eligible concerns in their order of priority shall be offered any lesser portion at the same price. (In the event more than one such unaccepted bid is involved, the same procedure shall be applied successively to each such bid on negotiation for the set-aside portion.) Subject to the conditions set forth below any remaining quantity of the set-aside portion shall be offered to eligible concerns in their order of priority at the adjusted highest unit price awarded on the non-set-aside portion. If such an unaccepted bid is submitted by a concern eligible to participate in the set-aside, such concern must accept a quantity of the set-aside portion equal to the quantity of the unaccepted bid at the adjusted unit price of the unaccepted bid before any portion of the set-aside may be awarded to that concern at a higher price. If such an unaccepted bid is submitted by a concern not eligible to participate in the set-aside, a quantity of the set-aside portion equal to the quantity of the unaccepted bid must be awarded at the adjusted unit price of such unaccepted bid before any portion of the set-aside is awarded to any eligible concern at a higher price. The Government reserves the right not to consider token bids or other devices designed to secure an unfair advantage over other bidders eligible for the set-aside portion.

(d) *Definitions.* . . .

(4) "Unit price" shall include evaluation factors added for the rent-free use of Government property.

(e) (1) After the award price for the non-set-aside portion has been determined, negotiations may be conducted for the set-aside portion. Procurement of the set-aside portion shall in all instances be effected by negotiation. Negotiations shall be conducted only with those bidders or offerors who have submitted responsive bids or proposals on the non-set-aside portion at a unit price no greater than 120 percent of the highest award made or to be made on the non-set-aside portion (taking into account the evaluation factors for rent-free use of Government property pursuant to Subpart E, Part 13 of this chapter) and who are determined to be responsible prospective contractors for the set-aside portion of the procurement. Negotiations shall be conducted with small business concerns in the order of priority as

indicated in the foregoing notices: *Provided*, That, where equal low bids are received on the non-set-aside portion from concerns which are equally eligible for the set-aside portion, the concern which is awarded the non-set-aside portion (under the equal low bid procedure of § 2.407-6 of this chapter) shall have first priority with respect to negotiations for the set-aside portion. The set-aside portion will be awarded at the highest unit price awarded or to be awarded for the non-set-aside portion. A bidder or offeror entitled to receive an award for quantities of an item under the non-set-aside portion and who accepts the award of additional quantities under the set-aside portion shall not be requested to accept a lower price because of the increased quantities of the award, nor shall negotiation be conducted with a view to obtaining such a lower price based solely upon receipt of award of both portions of the set-aside. This does not prevent acceptance by the contracting officer of voluntary reductions in price from the low eligible offeror prior to award, acceptance of voluntary refunds (see § 1.312), or the change of prices after award by negotiation of a contract modification.

3. In § 1.804-2, the clause in paragraph (b) is amended by changing the clause heading, by revising clause paragraph (a), and by adding clause paragraph (b) (4); the clause in paragraph (c) is amended by changing the clause heading, by amending clause paragraph (c) (4), and by adding new clause paragraph (d) (4); and paragraph (d) (1) is revised, as follows:

§ 1.804-2 Set-aside procedures.

(b) . . .

NOTICE OF LABOR SURPLUS AREA SET-ASIDE (NOVEMBER 1964)

(a) *General.* A portion of this procurement, as identified elsewhere in the Schedule, has been set aside for award only to one or more labor surplus area concerns, and, to a limited extent, to small business concerns which do not qualify as labor surplus area concerns. Negotiations for award of the set-aside portion will be conducted only with responsible labor surplus area concerns (and small business concerns to the extent indicated below) who have submitted responsive bids or proposals on the non-set-aside portion at a unit price no greater than 120 percent of the highest unit price at which an award is made on the non-set-aside portion. Negotiations for the set-aside portion will be conducted with such bidders in the following order of priority:

- Group 1. Persistent labor surplus area concerns which are also small business concerns.
- Group 2. Other persistent labor surplus area concerns.
- Group 3. Substantial labor surplus area concerns which are also small business concerns.
- Group 4. Other substantial labor surplus area concerns.
- Group 5. Small business concerns which are not labor surplus area concerns.

Within each of the above groups, negotiations with such concerns will be in the order of their bids on the non-set-aside portion, beginning with the lowest responsive bid. The set-aside portion shall be awarded at the highest unit price awarded on the non-set-

aside portion, adjusted to reflect transportation and other cost factors which are considered in evaluating bids on the non-set-aside portion except where a responsive bid has been submitted on the non-set-aside portion at a unit price which when so adjusted is lower than the adjusted highest unit price awarded on the non-set-aside portion but could not be accepted because of quantity limitations or other considerations (such as the bidder's responsibility). In the latter case if the quantity limitation or other considerations do not preclude consideration of the unit price of such unaccepted bid at the time of negotiation for the set-aside portion, a quantity of the set-aside portion equal to the quantity of such unaccepted bid shall be offered to eligible concerns in their order of priority at the adjusted unit price of such unaccepted bid. If no eligible bidder will take the entire quantity so offered at the adjusted unit price of the unaccepted bid, then all eligible concerns in their order of priority shall be offered any lesser portion at the same price. (In the event more than one such unaccepted bid is involved, the same procedure shall be applied successively to each such bid on negotiation for the set-aside portion.) Subject to the conditions set forth below any remaining quantity of the set-aside portion shall be offered to eligible concerns in their order of priority at the adjusted highest unit price awarded on the non-set-aside portion. If such an unaccepted bid is submitted by a concern eligible to participate in the set-aside, such concern must accept a quantity of the set-aside portion equal to the quantity of the unaccepted bid at the adjusted unit price of the unaccepted bid before any portion of the set-aside may be awarded to that concern at a higher price. If such an unaccepted bid is submitted by a concern not eligible to participate in the set-aside, a quantity of the set-aside portion equal to the quantity of the unaccepted bid must be awarded at the adjusted unit price of such unaccepted bid before any portion of the set-aside is awarded to any eligible concern at a higher price. The Government reserves the right not to consider token bids or other devices designed to secure an unfair advantage over other bidders eligible for the set-aside portion.

(b) *Definitions.* . . .

(4) "Unit price" shall include evaluation factors added for the rent-free use of Government property.

(c) Where it is anticipated that bids may be received which appear designed to take unfair advantage of bona fide bidders, by devices such as unrealistically low bids on mere token quantities, the notice set forth below may be used instead of that in paragraph (b) of this section.

NOTICE OF LABOR SURPLUS AREA SET-ASIDE (NOVEMBER 1964)

(c) *Set-aside portion and award procedure.* . . .

(4) *Price.* The set-aside portion shall be awarded at the highest unit price awarded on the non-set-aside portion, adjusted to reflect transportation and other cost factors which were considered in evaluating bids on the non-set-aside portion (see (6) and (7) below for the determination of the highest unit price when the highest award is made as a result of tie-in bids or all-or-none type of qualification for more than one item) except where a responsive bid has been submitted on the non-set-aside portion at a unit price which when so adjusted is lower than the adjusted highest unit price awarded on the non-set-aside portion but could not be accepted because of quantity limitations or

other considerations (such as the bidder's responsibility). In the latter case if the quantity limitation or other considerations do not preclude consideration of the unit price of such unaccepted bid at the time of negotiation for the set-aside portion, a quantity of the set-aside portion equal to the quantity of such unaccepted bid shall be offered to eligible concerns in their order of priority at the adjusted unit price of such unaccepted bid. If no eligible bidder will take the entire quantity so offered at the adjusted unit price of the unaccepted bid, then all eligible concerns in their order of priority shall be offered any lesser portion at the same price. (In the event more than one such unaccepted bid is involved, the same procedure shall be applied successively to each such bid on negotiation for the set-aside portion.) Subject to the conditions set forth below any remaining quantity of the set-aside portion shall be offered to eligible concerns in their order of priority at the adjusted highest unit price awarded on the non-set-aside portion. If such an unaccepted bid is submitted by a concern eligible to participate in the set-aside, such concern must accept a quantity of the set-aside portion equal to the quantity of the unaccepted bid at the adjusted unit price of the unaccepted bid before any portion of the set-aside may be awarded to that concern at a higher price. If such an unaccepted bid is submitted by a concern not eligible to participate in the set-aside, a quantity of the set-aside portion equal to the quantity of the unaccepted bid must be awarded at the adjusted unit price of such unaccepted bid before any portion of the set-aside is awarded to any eligible concern at a higher price. The Government reserves the right not to consider token bids or other devices designed to secure an unfair advantage over other bidders eligible for the set-aside portion.

(d) Definitions.

(4) "Unit Price" shall include evaluation factors added for the rent-free use of Government property.

(d)(1) After the award price for the non-set-aside portion has been determined, negotiations may be conducted for the set-aside portion. Procurement of the set-aside portion shall in all instances be effected by negotiation. Negotiations shall be conducted only with those bidders or offerors who have submitted responsive bids or proposals on the non-set-aside portion at a unit price no greater than 120 percent of the highest award made or to be made on the non-set-aside portion (taking into account the evaluation factors for rent-free use of Government property pursuant to Subpart E, Part 13 of this chapter and who are determined to be responsible prospective contractors for the set-aside portion of the procurement. Negotiations shall be conducted in the order of priority indicated in the foregoing notices: *Provided*, That, where equal low bids are received on the non-set-aside portion from concerns which are equally eligible for the set-aside portion, the concern which is awarded the non-set-aside portion (under the equal low bid procedures of § 2.407-6 of this chapter (shall have first priority with respect to) negotiations for the set-aside portion. The set-aside portion shall be awarded at the highest unit price awarded or to be awarded for the non-

set-aside portion. If the entire set-aside portion cannot be awarded by the method described herein, any unawarded portion may be procured by advertising or negotiation, as appropriate, in accordance with existing regulations (see §§ 3.201-2(b)(1) and 3.210-3 of this chapter as to negotiation).

4. In § 1.1604, paragraphs (b) and (c) are revised, as follows:

§ 1.1604 Novation agreements and changes of name agreements affecting more than one department.

(b) The Department processing a proposed novation agreement shall promptly provide notice of the proposed agreement, including a list of the contracts involved, to the other Departments having contracts with the contractor concerned. Such notice shall be transmitted, as appropriate, to the following: The Directorate of Procurement, ASA (I & L), Department of the Army, Washington, D.C., 20310, Attn: Chief, Contracts Division; Department of the Navy, Office of Naval Material, Attn: MAT 2152, Washington, D.C., 23060; Department of the Air Force, Headquarters, Air Force Systems Command (SCMKP), Andrews Air Force Base, Md., 20331; Defense Supply Agency, Directorate of Procurement and Production, Alexandria, Va., 22314. Within 30 days after receipt of such notice, the Department may submit comments to the processing Department, which shall be considered prior to execution of the proposed agreement. The absence of comment from a Department within 30 days after its receipt of notice of a proposed novation agreement shall be construed as approval by that Department.

(c) Novation agreements and change of name agreements amending contracts for the storage of household goods entered into pursuant to Commercial Warehousing and Related Services for Household Goods of Military Personnel (DOD Regulation 4145.16-R) shall be forwarded by household goods field officers to the Commander, Defense Traffic Management Service (DTMS), ATTN: HO, Washington, D.C., 20305, for appropriate execution and distribution. Distribution of novation agreements and change of name agreements will be made by DTMS, in coordination with the military services, without regard to paragraphs (a), (b) and (d) of this section.

## PART 2—PROCUREMENT BY FORMAL ADVERTISING

5. Section 2.201(a) (13) and (14) is revised; paragraph (b) in § 2.205-1 is revised; § 2.205-4 is revised; in § 2.403, paragraph (b) is revoked; and paragraph (e) in § 2.503-1 is revised, to read as follows:

§ 2.201 Preparation of invitation for bids.

(a) \* \* \*

(13) Any offer by the Government to provide Government production and research property for the performance of the contract, and any special provisions relating thereto (see Subpart C, Part 13 of this chapter) (see, for example, § 13.202(b) of this chapter);

(14) Description of the procedures to be followed in obtaining permission to use Government production and research property and in eliminating competitive advantage from the rent-free use thereof (see Subparts D and E, Part 13 of this chapter).

## § 2.205-1 Establishment of lists.

(b) All eligible and qualified suppliers who have submitted bidders mailing list applications, or whom the purchasing activity considers capable of filling the requirements of a particular procurement shall be placed on the appropriate bidders mailing list. Planned producers under the Industrial Readiness Planning Program shall be included on the bidders mailing list for their planned items. See also § 1.1006(b) of this chapter. When new prospective suppliers are placed on the bidders mailing list, they shall be notified. The issuance of a solicitation within a reasonable time may be considered appropriate notification. Those not meeting the criteria for placement on the bidders mailing list also shall be notified accordingly.

## § 2.205-4 Excessively long bidders mailing lists.

(a) General. To prevent excessive administrative costs of a procurement, mailing lists should be used in a way which will promote competition commensurate with the dollar value of the purchase to be made. As much of the mailing list will be used as is compatible with efficiency and economy in securing adequate competition as required by law. Where the number of bidders on a mailing list is considered excessive in relation to a specific procurement, the numbers of firms to be solicited may be reduced by any method consistent with the foregoing, including those described in paragraph (b) of this section and § 2.205-6. The fact that less than an entire mailing list is used shall not in itself preclude furnishing of bid sets upon request made by concerns not invited to bid.

(b) Rotation of lists. Mailing lists may be rotated, but to do so will require considerable judgment as to whether the size of the transaction justifies rotation. Consideration also should be given as to whether time permits utilization of the pre-invitation notice (see § 2.205-6). In rotating a list, the interests of small business (see § 1.702(b)(5) of this chapter) and the existence of labor surplus areas (see § 1.803(a)(5) of this chapter) shall be considered. Whenever the rotation method is employed, the successful bidder on the previous procurement for the same or similar items and those prospective suppliers who have been added to the bidders mailing list since the last

procurement shall be solicited, in addition to those bidders comprising that segment of the list selected for use in a particular procurement, except where such action would be precluded by use of the small business total set-aside procedures.

§ 2.403 Recording of bids.

(b) [Revoked]

§ 2.503-1 Step one.

(e) Consideration of late technical proposals is governed by the procedure in § 3.505 of this chapter except that the late technical proposals statement in paragraph (a) (6) of this section will be used in any resolicitation (see § 3.505(b) of this chapter).

PART 3—PROCUREMENT BY NEGOTIATION

6. Sections 3.101(s), 3.210-2(p) and 3.405-5(c) (1) are revised to read as follows:

§ 3.101 Negotiation as distinguished from formal advertising.

(s) Consideration of the Government production and research property which the contractor will require the Government to provide, and the elimination of the competitive advantage that might otherwise result therefrom (see Part 13 of this chapter);

§ 3.210-2 Application.

(p) When the contract is a facilities contract as defined in § 13.101-11 of this chapter and the performance required can be obtained from only one person or firm; or

§ 3.405-5 Cost-plus-a-fixed-fee contract.

(c) *Limitations.* (1) This type of contract normally should not be used in the development of major weapons and equipment, once preliminary exploration and studies have indicated a high degree of probability that the development is feasible and the Government generally has determined its desired performance objectives and schedule of completion (see § 3.405-4). The cost-plus-a-fixed-fee contract shall not be used for procurements categorized as either Engineering Development or Operational System Development (see § 4.201 (a) (4) and (5) of this chapter). For contracts exceeding \$1,000,000, exceptions to this policy must be processed in accordance with procedures authorized in § 1.109-3 of this chapter; and in all other cases, in accordance with the procedures authorized in § 1.109-2 of this chapter.

7. Sections 3.501(b) (11) and (12) and 3.903-2(c) are revised, and in § 3.903-5, the section heading and paragraph (c) are revised, as follows:

No. 26—3

§ 3.501 Preparation of request for proposals or request for quotations.

(b) . . . .

(11) Any offer by the Government to provide Government production and research property for the performance of the contract, and any special provisions relating thereto (see Subpart C, Part 13 of this Chapter) (see, for example, § 13.202(b) of this chapter);

(12) Description of the procedures to be followed in obtaining permission to use Government production and research property and in eliminating the competitive advantage that might otherwise result from the use or acquisition of such property (see Subparts D and E, Part 13 of this chapter);

§ 3.903-2 Subcontracts clauses for cost-reimbursement contracts.

(c) In all other cost-reimbursement type, time and materials and labor-hour contracts, and in letter contracts which contemplate any of the foregoing types of definitive contracts, consent is required for subcontracts which—

(1) Are cost-reimbursement type, time and materials, or labor-hour;

(2) Provide for the fabrication, purchase, rental, installation, or other acquisition of any item of industrial facilities (except special tooling); or

(3) Are for research and development; and also for the following additional subcontracts unless they come under a part of the contractor's purchasing system that has been approved—

(4) Fixed-price type subcontracts exceeding either \$25,000 or 5% of the total estimated prime contract price; and

(5) Subcontracts covering special tooling.

In the case of facilities contracts, subparagraphs (2) and (5) of this paragraph shall not be applicable.

§ 3.903-5 Disputes and arbitration provisions in subcontracts.

(c) The prime contractor and his subcontractor may agree to arbitration to settle disputes. The results of such arbitration and the cost resulting therefrom, however, are no more binding on the Government than are the results of a judicial determination or voluntary settlement; they are subject to independent review and approval under the prime contract. The contracting officer shall not consent to provisions in subcontracts purporting to make the results of arbitration (or judicial determinations or voluntary settlements) binding on the Government.

PART 4—SPECIAL TYPES AND METHODS OF PROCUREMENT

8. In § 4.201, the introductory text of paragraph (a) and subparagraphs (5) and (6) and paragraph (c) are revised; paragraphs (a) and (e) in § 4.205-1 are revised; and in § 4.205-2, paragraph (a) is revised and new paragraphs (d) and (e) are added, as follows:

§ 4.201 Definitions.

(a) The following definitions of the term "research and development" are those set forth by the Department of Defense for the reporting of research, development, and engineering program information, and are primarily designed for program control. To enable procurement personnel to understand the meaning of these words as used by research and development personnel, the definitions are set forth here for information purposes. As the term "research and development" is used in this subchapter, it ordinarily encompasses only the first four of the categories set forth below. The definitions set forth in subparagraphs (5) and (6) of this paragraph are not likely to coincide with the meaning of "research and development" as that term is used for procurement purposes. For example, "military construction of a general nature unrelated to specific programs", as included in subparagraph (6) of this paragraph would not be within "research and development" for procurement purposes in the case of construction of recreation facilities at an installation used exclusively for research and development. The facts of a particular case, however, may be such that subparagraphs (5) and (6) of this paragraph would include a procurement which satisfies the procurement meaning of the term research and development.

(5) *Operational system development.* Includes all effort directed toward development, engineering and test of systems, support programs, vehicles and weapons that have been approved for production and Service deployment. This area is included for convenience in considering all RDT&E projects. All items in this area are major line item projects which appear as RDT&E Costs of Weapons Systems Elements in other programs. Program control will thus be exercised by review of the individual research and development effort in each Weapon System Element.

(6) *Management and support.* Includes all effort directed toward support of installations or operations required for general research and development use. Included would be military construction of a general nature unrelated to specific programs, maintenance support of laboratories, operation and maintenance of test ranges, and maintenance of test aircraft and ships. Costs of laboratory personnel, either in-house or contract-operated, would be assigned to appropriate projects or as a line item in the Research, Exploratory Development, or Advanced Development Program areas, as appropriate. Military construction costs directly related to a major development program will be included in the appropriate element.

(c) Unsolicited proposal is a research or development proposal which is made to the Government by a prospective contractor without prior formal or informal solicitation from a purchasing activity. See also §§ 4.205-1(a) and 4.205-2(d) (2).

### § 4.205-1 Selection of sources.

(a) *General.* Through its research and development programs, the Department of Defense must seek the most advanced scientific knowledge attainable and the best possible equipment, weapons, and weapon systems that can be devised and produced. This means two things. First, it means seeking the best scientific and technological sources consistent with the demands of the proposed procurement for the best mix of cost, performances and schedules. Second, it means unremitting efforts to increase the number of qualified sources, and to encourage participation by small business concerns, as well as others, in Defense research and development. See also § 1.903 of this chapter.

(e) *Unsolicited proposals.* Unsolicited proposals may be the product of original thinking and generally are the property of the organization or individual who presents them. They are offered in the hope that the Government will contract with the offeror for further research on, or development of, the ideas they contain. Such proposals received by purchasing activities shall be handled in a manner which will encourage prospective contractors to disclose to the Government ideas which they have originated, conceived, or developed. Extreme care must be exercised by the Government not to disclose to third parties any proprietary information contained in unsolicited proposals. The offeror is not necessarily entitled to preferential treatment in the award of any contract because of his submission of an unsolicited proposal. See § 4.205-2(d)(2).

### § 4.205-2 Solicitation.

(a) To reduce the number of technical proposals, the preparation of which can be both costly and wasteful of scientific or engineering manpower, contracting officers should request proposals only from sources which have been technically evaluated and found qualified to perform research or development in the specific field of science or technology involved. Where several sources are found fully qualified technically, proposals generally shall be solicited from each such source. Sources which become known as a result of synopses or other means of publicizing requirements shall be sent requests for proposals if such sources have been technically evaluated and determined reasonably qualified to perform, and possess the necessary security clearance. When a source not initially solicited requests a copy of a solicitation and such source has been technically evaluated within the past six months and determined not qualified, he may be so advised and his request denied. In the event such source has not been technically evaluated within the past six months a copy of the request for proposal shall be furnished but only after advice has been given to the source making the request as to the reasons for the limited solicitation and, as appropriate, the unlikelihood of any other source being able to qualify for a contract award under the circumstances. The formal solicitation process described above is not the only method of enter-

ing into contracts for research and development. The ongoing research and development work pursued in industrial laboratories is producing ideas and products of interest to the Government; this is especially true in the exploratory and advanced development segment of the research and development spectrum. In the research and development areas where there has been unique and significant industrial accomplishment by a specific concern, the establishment of specifications for solicitation of others may defeat the purpose of taking advantage of this industrial initiative. When a contractor has a new idea or product in the fields of exploratory development or advance development there should be no hesitancy to discuss it with him, encourage him to submit a proposal, and to negotiate directly with him. Subject to § 3.211 of this chapter, this can be done without a formal solicitation. Where there is no substantial question as to the choice of the source, as illustrated in paragraph (d) of this section, solicitations may be limited to a single source.

(d) The following examples are illustrative of circumstances where there may be no substantial question as to choice of source:

(1) As a result of thorough technical evaluation, only one source is found fully qualified to perform the proposed work.

(2) The purpose of the contract is to explore an unsolicited proposal which offers significant scientific or technological promise, represents the product of original thinking, and was submitted in confidence by one source.

(3) Where the purpose of the contract is to take advantage of unique and significant industrial accomplishment by a specific concern, or to insure that a new product or idea of a specific concern is given financial support.

(e) In all procurements of research or development in which no small business source was solicited for a proposal, a statement shall be included in the solicitation file setting forth the reasons for not soliciting small business.

9. Section 4.214-1, 4.214-3 and 4.214-4 (c) (1) and (d) are revised to read as follows:

### § 4.214-1 General.

In research and development contracts with commercial organizations, the clauses relating to property furnished by the Government or acquired by the contractor at Government expense are the same as those used in other types of contracts. (See §§ 13.702 and 13.703 of this chapter.) Different clauses are prescribed for use in research and development contracts with educational or other nonprofit institutions where no profit or fee is involved. (See §§ 13.706 and 13.707 of this chapter.)

### § 4.214-3 Providing Government production and research property.

See Subpart C, Part 13 of this chapter.

### § 4.214-4 Transfer of title to equipment to nonprofit educational or research institutions.

(c) *Transfer of title.* (1) Contracts with nonprofit institutions of higher education or nonprofit organizations whose primary purpose is the conduct of scientific research may provide, or may be amended to provide, that the contracting officer may transfer title to equipment to the contractor. To the maximum extent possible, transfer of title should be effected at the beginning of the contract or upon acquisition of the equipment, but such transfer may be effected at the beginning, during the course of, or at the end of a contract, *Provided:*

(i) The equipment was purchased with grant or contract funds allocated for basic or applied scientific research;

(ii) (a) Either the retention of title in the Government would create an administrative burden not warranted by the value of the equipment, or the keeping of inventory and records by the contractor would become prohibitively complicated or expensive, or

(b) It would be impractical or uneconomical to remove the equipment from the contractor's plant;

(iii) The transfer of title will further the scientific research objectives of the Department concerned; and

(iv) The transfer of title is not precluded by controls governing the equipment involved.

(d) *Contract clauses.* Where it is anticipated that in connection with a contract, title to equipment may be vested in the contractor in accordance with this section, the alternate subparagraph (c) (2) of the clause in § 13.706 of this chapter shall be included in fixed-price type contracts, and the addition to subparagraph (c) (1) of the clause in § 13.707 of this chapter shall be included in cost-reimbursement contracts.

10. A new Subpart H is added, to read as follows:

### Subpart H—Stevedoring Contracts

Sec.	
4.800	Scope of part.
4.801	Definition of stevedoring.
4.802	Method of procurement.
4.803	Type of contract.
4.804	Technical provisions.
4.804-1	Conditions for use.
4.804-2	Clauses.
4.805	Evaluation of bids and proposals.
4.805-1	General.
4.805-2	Analysis of tonnage or commodity rates.
4.805-3	Analysis of man-hour and equipment rental rates.
4.806	Award of contract.

*Authority:* The provisions of this Subpart H issued under sec. 2202, 70A Stat. 120; 10 U.S.C. 2202. Interpret or apply secs. 2301-2314, 70A Stat. 127-133; 10 U.S.C. 2301-2314.

### Subpart H—Stevedoring Contracts

#### § 4.800 Scope of subpart.

Procurement procedures peculiar to stevedoring are set forth in this subpart. This subpart, however, does not contain or cross reference all provisions of this subchapter applying to service contracts which shall be adhered to where applicable. Contract clauses for stevedoring contracts are set forth in Subpart J, Part 7 of this chapter.

**§ 4.801 Definition of stevedoring.**

Stevedoring is the loading of cargo from an agreed point of rest on a pier or lighter and its storage aboard a vessel, or the breaking out and discharging of cargo from any space in the vessel to an agreed point of rest dockside or in a lighter.

**§ 4.802 Method of procurement.**

Procurement of stevedoring services shall be made by formal advertising pursuant to 10 U.S.C. 2304(a) whenever such method is feasible and practicable under existing conditions and circumstances even though such conditions and circumstances would otherwise satisfy the requirements of Subpart B, Part 3 of this chapter.

**§ 4.803 Type of contract.**

Normally, stevedoring services will be contracted for by means of an indefinite quantity type contract. Contracts for single job stevedoring services may be made when no indefinite quantity contract is available to fulfill the requirements.

**§ 4.804 Technical provisions.****§ 4.804-1 Conditions for use.**

Since conditions vary at different ports and sometimes within the same port, standard technical provisions covering all phases of stevedoring operation are impractical. If car loading and unloading or other dock and terminal work will be performed under a stevedoring contract, technical provisions appropriate for such dock and terminal work should be added to the contract as separate items of work.

**§ 4.804-2 Clauses.**

The clauses containing technical provisions in § 7.1001 of this chapter are normally made a part of every stevedoring contract. While these clauses will cover most situations adequately, the various provisions may be deleted, added to, modified, or rearranged as necessary to meet local conditions.

**§ 4.805 Evaluation of bids and proposals.****§ 4.805-1 General.**

Contractors' bids and proposals shall include tonnage or commodity rates which apply to the bulk of the cargo worked under normal conditions. Schedules of man-hour rates which apply to services not covered by commodity rates or to work performed under hardship conditions also shall be included.

**§ 4.805-2 Analysis of tonnage or commodity rates.**

The price quoted for handling a ton (weight or measurement) of a specified commodity is a commodity rate. This rate is computed by dividing the hourly stevedoring gang cost by the estimated number of tons of the specified commodity which can be handled in one hour. The gang cost consists of the following:

(a) The total hourly wages paid to the men in the gang in accordance with the collective bargaining agreement between

the maritime industry and the unions at a specific port;

(b) Payments for workmen's compensation, social security taxes, unemployment insurance, taxes, and liability and property damage insurance; and

(c) General and administrative expenses and profit.

The direct costs shall be verified by the contracting officer. Since the negotiated stevedoring contract is designed to minimize the contractor's risk, the contractor's gang cost should contain no allowance for contingencies and the profit rate should be less than is granted in the usual fixed-price contract. The estimated number of tons of the specified commodity which can be handled in one hour is based on the contractor's experience and should be compared with the records of experience at the requiring activity. The evaluation of bids and proposals shall include an extension of the quoted commodity rates against the payable tonnage estimated to be handled for each commodity.

**§ 4.805-3 Analysis of man-hour and equipment rental rates.**

Man-hour rates shall be established for every category of labor expected to be necessary to perform services required under the contract. The development of man-hour rates follows a pattern similar to the method used in arriving at a gang cost. Specifically it is composed of the basic wage rate of the man, workmen's compensation, social security taxes, insurance, general and administrative expenses, and profit. The evaluation of bids and proposals shall include an extension of the quoted man-hour rates against the estimated man-hour requirements for each artisan classification. Rates for equipment rental shall be extended against estimated equipment hours.

**§ 4.806 Award of contract.**

The award shall be made to the responsible contractor who offers the lowest overall acceptable bid or proposal after evaluating the total estimated cost of tonnage to be moved at commodity rates and estimated cost at man-hour rates.

**PART 6—FOREIGN PURCHASES**

11. Section 6.102-2(b) is revised to read as follows:

**§ 6.102-2 Balance of payments program requirements.**

(b) Although the evaluation procedures in § 6.104-4 reduce overseas dollar expenditures resulting from Defense procurement at an acceptable increase in budgetary costs, this result is an average and over-all result rather than one which precisely obtains in each case. This is so because, both under the Buy American Act and as a matter of administrative practicability, items are classified absolutely as "foreign" or "domestic" and varying degrees within each class are not recognized. However, deviations (see § 1.109 of this chapter) from the evaluation procedures of § 6.104-4 should

be considered for major procurements (e.g., over \$250,000) where it is anticipated that the low domestic bid will involve relatively substantial foreign expenditures or that the low foreign bid will involve relatively substantial domestic expenditures. Any request for such a deviation should be made sufficiently in advance of solicitation to permit the solicitation to describe the evaluation procedure that will be used.

**PART 7—CONTRACT CLAUSES**

12. Sections 7.104-24 and 7.104-25 are revised, and in § 7.104-29, the introductory text of paragraph (a) is revised, to read as follows:

**§ 7.104-24 Government property.**

In accordance with the requirements of § 13.702 of this chapter, insert the clause set forth therein.

**§ 7.104-25 Special tooling.**

In accordance with the requirements of § 13.704 of this chapter, insert the clause set forth therein.

**§ 7.104-29 Price reduction for defective cost or pricing data.**

(a) The following clause shall be inserted in any cost-reimbursement type, price redeterminable, or incentive contract except cost and cost-sharing contracts the estimated cost of which does not exceed \$100,000 and under which the contractor receives no fee. It shall also be inserted in any other negotiated contract over \$100,000 except where the price is based on adequate price competition, established catalog or market prices of commercial items sold in substantial quantities to the general public, or prices set by law or regulation. In addition, the contracting officer shall include this clause in other negotiated contracts for which he has obtained a Certificate of Current Cost or Pricing Data in accordance with § 3.807-3(a)(4) of this chapter in connection with the initial pricing of the contract, and in such cases paragraph (c) may be appropriately modified in respect to subcontracts of less than \$100,000.

13. Sections 7.104-44 and 7.104-45 are revised; new §§ 7.104-52 and 7.104-53 are added; §§ 7.203-2, 7.203-21, 7.203-30 and 7.204-32 are revised; and new § 7.204-38 is added, as follows:

**§ 7.104-44 Value engineering incentive.**

In accordance with the requirements of § 1.1702 of this chapter, insert the applicable clause set forth in § 1.1707 of this chapter.

**§ 7.104-45 Value Engineering Program requirement.**

In accordance with the requirements of § 1.1702 of this chapter, insert the clause set forth in § 1.1708 of this chapter.

**§ 7.104-52 Special test equipment.**

In accordance with the requirements of § 13.705 of this chapter, insert the clause set forth therein.

**§ 7.104-53 Government property furnished "as is".**

In accordance with the requirements of § 13.709 of this chapter, insert the clause set forth therein.

**§ 7.203-2 Changes.**

CHANGES (NOVEMBER 1964)

The Contracting Officer may at any time, by a written order, and without notice to the sureties, if any, make changes, within the general scope of this contract, in any one or more of the following: (i) Drawings, designs, or specifications, where the supplies to be furnished are to be specially manufactured for the Government in accordance therewith; (ii) method of shipment or packing; and (iii) place of delivery. If any such change causes an increase or decrease in the estimated cost of, or the time required for the performance of any part of the work under this contract, whether changed or not changed by any such order, or otherwise affects any other provision of this contract, an equitable adjustment shall be made (i) in the estimated cost or delivery schedule, or both, (ii) in the amount of any fixed fee to be paid to the Contractor, and (iii) in such other provisions of the contract as may be so affected, and the contract shall be modified in writing accordingly. Any claim by the Contractor for adjustment under this clause must be asserted within thirty (30) days from the date of receipt by the Contractor of the notification of change: *Provided, however, That the Contracting Officer, if he decides that the facts justify such action, may receive and act upon any such claim asserted at any time prior to final payment under this contract. Failure to agree to any adjustment shall be a dispute concerning a question of fact within the meaning of the clause of this contract entitled "Disputes". However, nothing in this clause shall excuse the Contractor from proceeding with the contract as changed.*

In the foregoing clause, the period of "thirty (30) days" within which any claim for adjustment must be asserted may be varied in accordance with Departmental procedures. In accordance with 10 U.S.C. 2306(f), prior to the pricing of any change order that is expected to exceed \$100,000, except where the price is based on adequate price competition, established catalog or market prices of commercial items sold in substantial quantities to the general public, or prices set by law or regulation, the contracting officer shall require the contractor to furnish a Certificate of Current Cost or Pricing Data (see § 3.807-4 of this chapter) and shall assure that the contract includes or is modified to include a defective pricing data clause (see § 7.104-29).

**§ 7.203-21 Government property.**

Insert the contract clause set forth in § 13.703 of this chapter.

**§ 7.203-30 Price reduction for defective cost or pricing data.**

In accordance with the instructions in § 7.104-29(a), insert the clause set forth therein.

**§ 7.204-32 Value Engineering Program requirement.**

In accordance with the requirements of § 1.1702 of this chapter, insert the clause set forth in § 1.1708 of this chapter.

**§ 7.204-38 Special test equipment.**

In accordance with the requirements of § 13.705 of this chapter, insert the clause set forth therein.

14. Sections 7.302-16, 7.302-17, 7.303-1, 7.303-7, 7.303-31 and 7.303-32 are revised, and new §§ 7.303-37 and 7.303-38 are added, as follows:

**§ 7.302-16 Contract Work Hours Standards Act—Overtime compensation.**

In accordance with the instructions of § 12.303 of this chapter, insert the clause set forth therein.

**§ 7.302-17 Equal opportunity.**

In accordance with the requirements of § 12.802 of this chapter, insert the contract clause set forth therein.

**§ 7.303-1 Clauses for contracts involving construction work.**

(a) In accordance with the requirements of § 12.403 of this chapter, insert the clauses entitled:

Davis-Bacon Act.  
Contract Work Hours Standards Act—Overtime Compensation.  
Apprentices.  
Payroll Records and Payrolls.  
Copeland ("Anti-Kickback") Act—Nonrebate of Wages.  
Withholding of Funds to Assure Wage Payment.  
Subcontracts—Termination.  
Employee Compensation—Cape Kennedy, Patrick Air Force Base, and Merritt Island Launch Area.

(b) In accordance with the requirements of § 6.204-5 of this chapter, insert the clause entitled Buy American Act.

**§ 7.303-7 Government Property.**

In accordance with the requirements set forth in §§ 13.702 and 13.706 of this chapter, insert the appropriate contract clause.

**§ 7.303-31 Value Engineering incentive.**

In accordance with the requirements of § 1.1702 of this chapter, insert the applicable clause set forth in § 1.1707 of this chapter.

**§ 7.303-32 Value Engineering Program Requirement.**

In accordance with the requirements of § 1.1702 of this chapter, insert the clause set forth in § 1.1708 of this chapter.

**§ 7.303-37 Special Test Equipment.**

In accordance with the requirements of § 13.705 of this chapter, insert the clause set forth therein.

**§ 7.303-38 Government Property Furnished "As Is".**

In accordance with the requirements of § 13.709 of this chapter, insert the clause set forth therein.

15. Sections 7.402-25, 7.402-31, 7.403-1, 7.403-27, and 7.403-28 are revised; new § 7.403-33 is added; and the contract clause in § 7.404-1 is revised, as follows:

**§ 7.402-25 Government property.**

Insert the contract clause set forth in § 13.703 or § 13.707 of this chapter, as appropriate.

**§ 7.402-31 Price reduction for defective cost or pricing data.**

In accordance with the instructions in § 7.104-29(a), insert the clause set forth therein.

**§ 7.403-1 Clauses for contracts involving construction work.**

(a) In accordance with the requirements of § 12.403 of this chapter, insert the clauses entitled:

Davis-Bacon Act.  
Contract Work Hours Standards Act—Overtime Compensation.  
Apprentices.  
Payroll Records and Payrolls.  
Copeland ("Anti-Kickback") Act—Nonrebate of Wages.  
Withholding of Funds To Assure Wage Payment.  
Subcontracts—Termination.  
Employee Compensation—Cape Kennedy, Patrick Air Force Base, and Merritt Island Launch Area.

(b) In accordance with the requirements of § 6.204-5 of this chapter, insert the clause entitled Buy American Act.

**§ 7.403-27 Value engineering incentive.**

In accordance with the requirements of § 1.1702 of this chapter, insert the applicable clause set forth in § 1.1707 of this chapter.

**§ 7.403-28 Value Engineering Program requirement.**

In accordance with the requirements of § 1.1702 of this chapter, insert the clause set forth in § 1.1708 of this chapter.

**§ 7.403-33 Special test equipment.**

In accordance with the requirements of § 13.705 of this chapter, insert the clause set forth therein.

**§ 7.404-1 Changes.**

CHANGES (NOVEMBER 1964)

The Contracting Officer may at any time, by a written order, and without notice to the sureties, if any, make changes, within the general scope of this contract, in any one or more of the following: (i) Drawings, designs, or specifications, (ii) method of shipment or packing; and (iii) place of inspection, delivery, or acceptance. If any such change causes an increase or decrease in the estimated cost of, or the time required for performance of this contract, or otherwise affects any other provisions of this contract, whether changed or not changed by any such order, an equitable adjustment shall be made (i) in the estimated cost or delivery schedule, or both, (ii) in the amount of any fee to be paid to the Contractor, and (iii) in such other provisions of the contract as may be so affected, and the contract shall be modified in writing accordingly. Any claim by the Contractor for adjustment under this clause must be asserted within thirty (30) days from the date of receipt by the Contractor of the notification of change: *Provided, however, That the Contracting Officer, if he decides that the facts justify such action, may receive and act upon any such claim asserted at any time prior to final payment under this contract. Failure to agree to any adjustment shall be a dispute concerning a question of fact within the meaning of the clause of this contract entitled "Disputes". However, nothing in this clause shall excuse the Contractor from proceeding with the contract as changed.*

16. New § 7.504-4 is added; §§ 7.602-22 and 7.602-23 are revised; and new §§ 7.603-23, 7.603-24, 7.603-25, and 7.603-26 are added, as follows:

**§ 7.504-4 Government property.**

In accordance with the requirements of § 13.702 of this chapter, insert the clause set forth therein.

**§ 7.602-22 Equal opportunity.**

In accordance with the requirements of § 12.802 of this chapter, insert the contract clause set forth therein.

**§ 7.602-23 Labor standards provisions.**

In accordance with the requirements of § 12.403 of this chapter, insert the clauses entitled:

Davis-Bacon Act.

Contract Work Hours Standards Act—Overtime Compensation.

Apprentices.

Payroll Records and Payrolls.

Copeland ("Anti-Kickback") Act.

Withholding of Funds to Assure Wage Payment.

Subcontracts—Termination.

Employee Compensation—Cape Kennedy, Patrick Air Force Base and Merritt Island Lunch Area.

**§ 7.603-23 Government property.**

In accordance with the requirements of § 13.702 of this chapter, insert the clause set forth therein.

**§ 7.603-24 Special tooling.**

In accordance with the requirements of § 13.704 of this chapter, insert the clause set forth therein.

**§ 7.603-25 Special test equipment.**

In accordance with the requirements of § 13.705 of this chapter, insert the clause set forth therein.

**§ 7.603-26 Government property furnished "As Is".**

In accordance with the requirements of § 13.709 of this chapter, insert the clause set forth therein.

17. In § 7.901-4, clause paragraph (b) (vii) is revised; and new Subpart J is added, to read as follows:

**§ 7.901-4 Termination.**

TERMINATION (MAR. 1964)

(b) \* \* \*

(vii) Use his best efforts to sell in the manner, at the times, to the extent, and at the price or prices directed or authorized by the Contracting Officer, any property of the types referred to in (vi) above: *Provided, however*, That the Contractor (A) shall not be required to extend credit to any purchaser, and (B) may acquire any such property under the conditions prescribed by and at a price or prices approved by the Contracting Officer: *And provided further*, That the proceeds of any such transfer or disposition shall be applied in reduction of any payments to be made by the Government to the Contractor under this contract or shall otherwise be credited to the price or cost of the work covered by this contract or paid in such other manner as the Contracting Officer may direct;

**Subpart J—Clauses for Stevedoring Contracts**

Sec.

7.1000

Scope of subpart.

7.1001

Technical provisions.

Sec.

7.1001-1

Scope of contract.

7.1001-2

Schedule of rates.

7.1002

Required clauses.

7.1002-1

Definitions.

7.1002-2

Price escalation and price revision.

7.1002-3

Changes.

7.1002-4

Extras.

7.1002-5

Payments.

7.1002-6

Assignment of claims.

7.1002-7

Federal, State, and local taxes.

7.1002-8

Default.

7.1002-9

Disputes.

7.1002-10

Renegotiation.

7.1002-11

Contract Work Hours Standards

7.1002-12

Act—overtime compensation.

7.1002-13

Walsh-Healey Public Contracts

7.1002-14

Act.

7.1002-15

Equal opportunity.

7.1002-16

Officials not to benefit.

7.1002-17

Covenant against contingent fees.

7.1002-18

Termination.

7.1002-19

Indefinite quantities.

7.1002-20

Employees of contractor.

7.1002-21

Removal of contractor's em-

7.1002-22

ployees.

7.1002-23

Liability and insurance.

7.1002-24

Records and accounts.

7.1002-25

Examination of records.

7.1003

Utilization of small business con-

7.1003-1

cerns.

7.1003-2

Gratuities.

7.1003-3

Convict labor.

7.1003-4

Clauses to be used when ap-

7.1003-5

licable.

7.1003-6

Soviet-controlled areas.

7.1003-7

Workmen's compensation insur-

7.1003-8

ance overseas.

7.1003-9

Notice to the Government of labor

7.1003-10

disputes.

7.1003-11

Military security requirements.

7.1003-12

Priorities, allocations, and allot-

7.1003-13

ments.

7.1003-14

Utilization of concerns in labor

7.1003-15

surplus areas.

7.1003-16

Price reduction for defective cost

7.1003-17

or pricing data.

7.1003-18

Taxes.

7.1003-19

Interest.

7.1003-20

Audit and records.

7.1003-21

Subcontractor cost and pricing

7.1004

data.

7.1004-1

Additional clauses.

7.1004-2

Alterations in contracts.

7.1004-3

Approval of contract.

7.1004-4

Taxes where foreign agreements

7.1004-5

do not apply.

AUTHORITY: The provisions of this Subpart J issued under sec. 2202, 70A Stat. 120; 10 U.S.C. 2202. Interpret or apply secs. 2301-2314, 70A Stat. 127-133; to U.S.C. 2301-2314.

**Subpart J—Clauses for Stevedoring Contracts**

**§ 7.1000 Scope of subpart.**

This subpart sets forth uniform contract clauses, for use in stevedoring contracts as defined in § 4.801 of this chapter.

**§ 7.1001 Technical provisions.**

The following clauses or appropriate revisions in accordance with § 4.804 of this chapter shall normally be included in all stevedoring contracts.

**§ 7.1001-1 Scope of contract.**

SCOPE OF CONTRACT (AUGUST 1964)

(a) *General.* The Contractor shall load and discharge cargoes and in connection therewith shall perform all the duties of a stevedore on any vessel which the Contracting Officer may designate at \_\_\_\_\_ upon the terms and conditions hereinafter set forth for the term of this contract, beginning \_\_\_\_\_ and ending \_\_\_\_\_. *Provided, however*, That any work started be-

fore and not completed by the expiration of this contract shall be governed by the terms of this contract unless otherwise directed by the Contracting Officer.

(b) *Contractor's duties—(1) Loading.* In loading vessel, the Contractor shall remove and handle cargo from place of rest on pier or in pier shed or within the cargo assembly area; also from open-top railroad cars, trucks and trailers alongside ship; also from barges, lighters, scows, car floats and open-top railroad cars on car floats alongside ship. The Contractor shall stow said cargo in any space in the vessel, including bunker space, holds, 'tween decks, on deck, and deep tanks, in the order directed by and in a manner satisfactory to the Contracting Officer.

(2) *Discharging.* In discharging vessel, the Contractor shall remove and handle cargo from any space in the vessel, including bunker space, holds, 'tween decks, on deck, and deep tanks. The Contractor shall land said cargo at place of rest on pier or in pier shed or within the cargo assembly area; also on open-top railroad cars, trucks and trailers alongside ship; also on barges, lighters, scows, car floats and open-top railroad cars on car floats alongside ship. The Contractor shall perform such discharging in the order directed by and in a manner satisfactory to the Contracting Officer.

(3) *Handling Explosives.* In addition to (1) and (2) above, the following provisions are applicable to the loading and discharging of explosives:

(a) In loading explosives the Contractor shall perform all the stevedoring services necessary for the breaking-out and discharging from railroad cars, trucks and/or lighters alongside ship or from place of rest on pier, transporting to the vessel, and properly loading, stowing and normal securing and chocking in the vessel in a manner directed by applicable U.S. Coast Guard, Army, or Navy regulations.

(b) In discharging explosives the Contractor shall perform all the stevedoring services necessary for discharging cargo from the vessel to place of rest on pier or the transporting to and loading into railroad cars, trucks and/or lighters. The Contractor shall also prepare and line the cars for handling the cargo (except the laying of new flooring) and shall brace, secure, cut bands, and lash the cargo in the cars in accordance with applicable regulations and shall place "explosive" placards on the cars prior to release, and shall close and seal all doors.

(c) The furnishing and preparation of gates, studs, new flooring, etc., for blocking railroad cars, as well as prefabrication of blocking in the vessel's hold, will be at the expense of the Government.

(d) The Contractor shall not be compensated for standby time when caused by slow-up or delay of one of his operations, which delay directly affects the other operations, such as delay in loading railroad cars, or in discharging from ship's hatches, unless such slow-up or delay was beyond the control and without the fault or negligence of the Contractor. This does not include the time required for shifting railroad cars. No standby time will be allowed unless previously approved by the Contracting Officer.

(4) *Cargo assembly area.* The term "cargo assembly area" as used in this contract is defined as \_\_\_\_\_ feet from either extremity of the vessel and for a distance of \_\_\_\_\_ feet from the vessel's inboard side.

(c) *Damage reports.* In all instances where cargo, vessel, vessel equipment, or Government equipment sustains damage through handling by the Contractor's employees, a full report of the fact and the extent of such damage shall be submitted by the Contractor to the Contracting Officer within twenty-four (24) hours following the occurrence of such damage.

(d) *Rigging and unrigging.* When the ship's gear is used for handling cargo, the Contractor, at his own expense, shall rig and unrig all gear, including the rigging and unrigging of heavy-lift gear when the heavy-lift booms are used, and shall hoist, lower and secure hatch tents when necessary: *Provided, however,* That where any one set of gear is rigged for handling less than (100) payable tons of cargo on a commodity rate basis, the Contractor shall be compensated on an extra-labor basis for the rigging and unrigging of such set of gear. Rigging and unrigging shall include topping, lowering, and trimming of booms. When the Contractor is required to perform any rigging or unrigging services for the purpose of performing extra labor services, or performs any such services at the request of the Contracting Officer for any purpose other than loading or discharging cargo on a commodity rate basis, he shall be compensated therefor at extra labor rates. When the Contractor is required to break out booms from collars or boom rest, or to reeve guys on topping lifts through blocks, he shall be compensated therefor on an extra-labor basis.

(e) *Opening and closing vessel.* The Contractor shall, at his own expense, remove and replace tarpaulins, battens, hatch covers, and beams with respect to all decks and deep tanks both during loading and unloading operations and when necessary because of weather or working conditions, as directed by the Contracting Officer: *Provided, however,* That the opening and closing on any one hatch shall be performed on an extra-labor basis where less than one hundred (100) payable tons are to be loaded and/or discharged at the commodity rate on any hatch so worked, and also where the Contractor is required to open and close the vessel for the purpose of performing extra-labor services. The removing, handling, replacing, or setting of reefer plugs during the handling of cargo in any or all refrigerated or chilled space aboard the vessel is included in the basic commodity rate, except where the complete operation is on an extra-labor basis. When the Contractor is required to open or close reefer plugs more than once in any four (4) hour shift because of a change in orders or type of cargo, he shall be compensated therefor on the basis of fifteen (15) minute detention time for men in gangs, including equipment drivers and gang foremen.

(f) *Docking, undocking and shifting of vessels.* The Contractor shall, when requested by the Contracting Officer, furnish men to handle lines for docking, undocking, and shifting of vessels, and the Government shall compensate the Contractor therefor on an extra-labor basis.

(g) *Shifting barges, lighters, scows, and car floats.* Barges, lighters, scows, and car floats will be placed alongside the vessel without cost to the Contractor. When they are shifted from hatch to hatch, the Contractor shall do so at his own expense unless operational conditions make movement by ship's gear impracticable in which event the operation shall be at the expense of the Government.

(h) *Gear supplied by Government.* The Government, at its own expense, shall furnish and maintain in good working order the following: blocks on booms, booms, heavy lift cranes, wire and rope falls rigged, gantlines rigged on booms, hatch tents, lighters and floating derricks, lights on wharves and vessels, pallet boards, power and steam necessary, preventers on booms, and winches. Floating derricks and heavy lift dock cranes will not be used when, in the opinion of the Contracting Officer, the ship's equipment can be used satisfactorily.

(i) *Gear supplied by Contractor.* The Contractor shall perform an efficient stevedoring operation and, except as provided in (h) and (j) of clause, shall at his own ex-

pense, furnish all necessary and proper gear, including the following: ammunition gear (when handling ammunition and explosives), roller conveyors, hooks, cargo nets, save-all nets, rollers, skids, chain slings, platform slings, wire and rope slings (except heavy-lift slings used in connection with shore or floating heavy-lift cranes), drag lines, spreaders, hand-trucks, machinery dollies, trailers, lift trucks, tractors, and tractor cranes: *Provided, however,* That the Contractor shall be compensated for furnishing mobile equipment in accordance with the applicable schedule in the "Schedule of Rates" clause of this contract, whenever such equipment is furnished in connection with services performed on an extra-labor basis.

(j) *Rental of mobile equipment.* (1) The Contractor, when directed by the Contracting Officer to supply extra-labor services, shall upon request of the Contracting Officer also supply and maintain the necessary mobile equipment to the extent available, and the Contractor shall be compensated therefor at the rates set forth in the applicable schedule of the "Schedule of Rates" clause of this contract.

(2) Upon request, the Government will supply mobile equipment, if available, to the Contractor, and the Government shall be compensated therefor at the rates set forth in the applicable schedule of the "Schedule of Rates" clause of this contract.

(3) If the Government supplies mobile equipment to the Contractor for use in performing extra-labor services, no charge shall be made by the Government for the use of such mobile equipment.

(k) *Transportation of gear by Contractor.* The Contractor will transport his own gear and equipment when necessary at his own expense, except transportation of said gear and equipment shall be at Government expense when the vessel is loading or unloading in stream, or at any other location inaccessible to trucks.

(l) *Tiering.* If cargo tiered on the pier or in the cargo assembly area is beyond the reach of the Contractor's equipment, the Government will break it down at the place of tiering so that it can be handled by the Contractor's equipment. No charge will be made by the Contractor for removing cargo from piles within the reach of his equipment. The tiering of cargo above reach of the Contractor's equipment will be at Government expense. When the Contractor is required to break down cargo tiered above the reach of his equipment or to tier cargo beyond the reach of his equipment, the Government will compensate the Contractor therefor on an extra-labor basis.

(m) *Dunnage.* The loading, shifting within the same hatch, and laying of all dunnage (including cordwood, tarpaulins, matting and reefer stripping) necessary to properly stow and secure the vessel's cargo, and reverse the operation when discharging the vessel's cargo, is included in the basic commodity rate.

(n) *Other work—(1) Lashing and securing.* The Contractor shall, at his own expense, lash and secure all cargo below deck when loaded on a commodity-rate basis, as directed by the Contracting Officer. Lashing and securing of cargo below deck which was loaded on an extra-labor basis and the lashing of all on-deck cargo will be done at extra-labor rates. The Government will supply lumber, wire, turn-buckles, and other equipment as may be required for dunnaging, securing, and shoring cargo in all instances.

(2) *Unlashing and unsecuring cargo.* When cargo is discharged on a commodity-rate basis the Contractor shall, at his own expense, unlash all cargo on deck and below deck and shall remove all tomming, chocking, tank beds, and all types of double dunnage flooring, except false decks, as directed

by the Contracting Officer. The unlashing and unsecuring of cargo on deck and below deck, if discharged on an extra-labor basis, will be done at extra-labor rates.

(3) *Carpenter work, welding and burning.* All necessary carpenter work and welding and burning shall be at the expense of the Government.

(o) *Tonnage figures and invoices.* The weight ton referred to in this contract is a ton of two thousand two hundred forty (2,240) pounds, and the measurement ton is a ton of forty (40) cubic feet. Where rates are provided on both a weight and measurement basis, the Contractor shall be paid on the basis of a manifested ton, whichever produces the greater tonnage, the weight ton of two thousand two hundred forty (2,240) pounds or the measurement ton of forty (40) cubic feet. The maximum measurement tonnage upon which compensation is to be computed for any manifested item of cargo for any single lift shall be one hundred fifty (150) tons. The Government will furnish the Contractor a breakdown of cargo loaded or discharged according to the commodity list, or, at the option of the Contracting Officer, manifests will be furnished. Invoices for each vessel loaded or discharged will be submitted by the Contractor not later than ten (10) days after receipt of tonnage figures or manifests. Progress payments for services performed on each vessel may be made upon approval of the Contracting Officer, provided that such progress payments shall not exceed ninety percent (90%) of the direct labor cost to the Contractor of the services upon which payment is made, which cost shall be determined from evidence submitted by the Contractor and which must be such as to be satisfactory to the Contracting Officer. No services will be paid for by the Government other than those specifically enumerated herein and provided for in the rate schedule of this contract or elsewhere in this contract.

(p) *Hardship (unusual conditions).* If the Contracting Officer determines that due to unusual vessel, dock, or cargo conditions, the loading or unloading of any particular cargo at the basic commodity rates will work a hardship upon the Contractor, he may so certify in writing (in advance, if possible) and authorize the compensation to the Contractor for loading or unloading such cargo at the extra-labor rates set forth in the applicable schedule in the "Schedule of Rates" clause of this contract. Unusual conditions will include, but not be limited to, inaccessibility of ship's cargo gear to place of stowage, side port operations, and small quantities of cargo in any one hatch.

(q) *Detentions.* (1) Detention (sometimes referred to as "stand-by time" or "waiting-time") is time lost as a result of the stoppage, or inability to start, of loading or discharging of cargo due to causes beyond the control and without the fault or negligence of the Contractor, including, but not limited to, a breakdown of the vessel's equipment or Government-furnished gear, bad weather, non-readiness of the vessel, non-arrival of cargo, or non-availability of equipment required to be furnished by the Government.

(2) When cargo is worked on a commodity rate basis the Contractor shall, without limitation, absorb each detention of ----- minutes or less; but the Government shall pay the Contractor at detention rates for men in gangs, including equipment drivers and gang bosses, for each detention in excess of ----- minutes including the first ----- minutes thereof.

(3) When loading or discharging of cargo is performed on an extra-labor basis, the Government will pay the Contractor at extra-labor rates for the first ----- minutes of each detention and will pay the Contractor on a detention rate basis for all time of

each detention except the first ----- minutes.

(4) Minimum time is defined as the time in addition to time actually worked for which the Contractor is required to pay his employees to comply with minimum time requirements of labor agreements applicable to the Contractor and his employees. The Government shall pay the Contractor for minimum time at detention rates.

(5) If any detention or minimum time, as defined in (1) and (4) above, is due to the fault of the Contractor or the failure of the Contractor to comply with proper instructions of the Contracting Officer the entire time resulting therefrom shall be at the expense of the Contractor.

(r) *Extra labor.* The Contractor shall, when directed by the Contracting Officer, supply extra labor for miscellaneous services when not occasioned by the fault or negligence of the Contractor, and shall be compensated therefor on an extra-labor basis. Among the miscellaneous services for which such extra labor may be required, but not by way of limitations, are the following: ammunition handling (when commodity rate does not apply); cleaning vessel's holds and decks; handling excess dunnage and debris; handling mail and baggage; rehandling, removing or shifting cargo; removing or securing tank lids when secured by more than four (4) bolts for each lid; handling ship's stores and material.

(s) *Overtime rates.* The Contractor shall order out men for overtime work only with the approval of the Contracting Officer. When approved by the Contracting Officer, and in accordance with such approval, the Contractor shall be paid for all overtime services, in addition to the applicable commodity rates, or man-hour rates, at the overtime differential rates set forth in the applicable schedules of the "Schedule of Rates" clause of this contract. Overtime periods will be determined in accordance with the prevailing collective bargaining agreements applicable to the Contractor and his employees.

(t) *Penalty rates.* Except where the applicable commodity rates or man-hour rates expressly include cargo penalties, the Contractor shall be compensated for penalties, where payable under applicable collective bargaining agreements, at the rates set out in the penalty rate schedule of the "Schedule of Rates" clause of this contract.

(u) *Traveling time.* When the Contractor is required to pay traveling time to the men employed, the Contractor shall be compensated therefor at the rates specified in the applicable schedule of the "Schedule of Rates" clause of this contract.

(v) *Transportation of men and other allowances.* When the Contractor is required by applicable collective bargaining agreements to pay allowances for subsistence, quarters, and rail, bus, or boat fares in transporting the men employed, the Contractor shall be compensated therefor at the rates specified in the applicable schedule of the "Schedule of Rates" clause of this contract, or, if the contract contains no such schedule, at the actual out of pocket cost to the Contractor.

(w) *Income for handling lighters, cars, etc.* Any and all income derived from sources other than provided for in this contract for the handling of cargo direct to or from lighters, barges, scows, trucks, and railroad cars, and to or from ships under this contract, will be for the account of the Contractor and shall be collected by the Contractor. Collection of this income by the Contractor is reflected in the commodity rates.

#### § 7.1001-2 Schedule of rates.

##### SCHEDULE OF RATES (AUGUST 1964)

(a) *Commodity rates.* The Contractor will be compensated for services, except those

specified elsewhere in this contract, at the commodity rates listed herein which are based on straight time rates of pay only.

The rates named in Columns A and B are based on normal operation involving use of ship's gear.

SCHEDULE I COMMODITY TONNAGE RATES														
Commodity List	Loading A Ship's Gear 2240# 40c/l						Discharging B Ship's Gear 2240# 40c/l							
NOTE: List only commodities justifying a specific rate. (b) Miscellaneous hourly rate schedules.														
TABLE OF SCHEDULES (RATE PER HOUR)														
Rating								Extra Labor Straight Time Rate	Travel Time and Detentions in Non- Explosive Area	Overtime Differential	Explosive Straight Time Rate	Travel Time and Detentions in Explosive Area	Explosive Overtime Differential	Premium Meal Hour Differential
	SCHED II	SCHED III	SCHED IV	SCHED V	SCHED VI	SCHED VII	SCHED VIII	Non- Explos.	Explos.					
Longshoremen														
Winch Drivers														
Hatch Tenders														
Fork-lift Operators														
Jitney Operators														
Crane Operators														
Ship Foremen														
Supercargoes														
Head Clerks														
Clerks														
Checkers														
Walking Bosses														
Asst. Ship Foremen														
Crane Foremen														
(c) Stevedoring Cargo Penalty Rates—Schedule IX. Penalty differentials relative to types of workers, cargo, and working conditions will be determined in accordance with the applicable collective bargaining agreements and the Contractor will be compensated therefor at the following penalty differential rates:														
Cargo Carrying Straight Time Penalty of:				S/T		O/T		Premium Meal Hour						

#### (d) Equipment Rental—Schedule X.

##### Type of Equipment

Tractors  
Fork-lift trucks  
Cranes up to 10 tons  
with operator and oiler  
Cranes from 10 to 20 tons  
with operator and oiler  
Roll-on carriers  
Miscellaneous small gear per gang

1 Rates per hour include fuel, lubricants, and maintenance.

##### Rate per Hour 1

##### Rate per Gang per Hour.

#### § 7.1002 Required clauses.

The following clauses shall be inserted in stevedoring contracts, as required, except as otherwise provided in this subpart.

##### § 7.1002-1 Definitions.

Insert the clause set forth in § 7.103-1. Additional definitions may be included provided they are not inconsistent with such clause or the provisions of this subchapter.

##### § 7.1002-2 Price escalation and price revision.

(a) The following clause shall be inserted in formally advertised stevedoring contracts.

##### PRICE ESCALATION (AUGUST 1964)

(a) The Contractor warrants that the prices set forth in this contract are based upon the wage rates, allowances, and conditions as set forth in the collective bargaining agreements between him and his direct labor employees which are in effect as of ----- and which are generally applicable to the port where work under this contract is performed and are applicable to operations by the Contractor on non-Government work as well as work under this contract. The Contractor further warrants that the prices herein do not include any allowance for any increase to his costs to perform the contract

that may thereafter become effective pursuant to the terms of said collective bargaining agreements or that may result from the modification(s) of said collective bargaining agreements thereafter made effective.

(b) If, during the performance of this contract, there are from time to time increases or decreases in the wage rates, allowances, fringe benefits and conditions pertaining to its direct labor employees pursuant to the provisions of the aforesaid collective bargaining agreements or as a result of effective modifications thereto which increases or decreases his costs to perform this contract, the Contractor shall notify the Contracting Officer thereof within sixty (60) days of receipt of notice of such increase or decrease. Such notice shall include the Contractor's proposal for an adjustment in the contract commodity, activity, or man-hour prices to be negotiated in accordance with paragraph (c) below, and shall be accompanied by data, in such form as the Contracting Officer may require, explaining (i) the causes, (ii) the effective date, and (iii) the amount of the increase or decrease of the Contractor's proposal for such adjustment.

(c) Promptly upon receipt of any notice and data described in (b) above, the Contractor and the Contracting Officer shall negotiate an adjustment, and the effective date thereof, in the contract commodity, activity, or man-hour prices: *Provided, however,* No adjustment upward in excess of ----- percent per annum of the existing commodity, activity, or man-hour prices will be allowed, except as provided in the

"Changes" clause of this contract. Increases or decreases in the contract prices shall reflect, in addition to the direct labor costs and variable indirect labor costs, the concomitant increases or decreases in the following costs: social security and unemployment compensation taxes and workmen's compensation insurance. No adjustment may be made to increase the dollar amount allowances of the Contractor's profit. The agreed-upon adjustment, the effective date thereof, and the appropriately revised commodity, activity, or man-hour prices for services set forth in the schedule of rates, shall be set forth in a supplemental agreement to this contract. Failure of the parties to agree to an adjustment under this clause shall be deemed to be a dispute concerning a question of fact within the meaning of the "Disputes" clause of this contract. Pending agreement on, or determination of, any such adjustment and its effective date, the Contractor shall continue performance.

(d) Notwithstanding the foregoing, there shall be no adjustment for any increase or decrease in the quantities of labor that the Contractor contemplated for each specific commodity except as may result from modifications of the collective bargaining agreements. For the purpose of administering this clause, the Contractor shall submit to the Contracting Officer, within five (5) days after award, the accounting data and computations used by the Contractor to determine his estimated efficiency rate in the performance of this contract, to include the Contractor's computation of the costs apportioned for each rate set forth in the schedule of rates.

(e) The final invoice submitted under this contract shall include a certification that the Contractor has not experienced a decrease in rates of pay for labor or that he has given notice of all such decreases in compliance with (b) above.

(b) The following clause shall be inserted in negotiated stevedoring contracts.

#### REVISION OF PRICES (AUGUST 1964)

(a) *General.* The prices fixed in this contract are based on wages and working conditions established by collective bargaining agreements and on other conditions in effect on the date of this contract. Such prices may be increased or decreased in accordance with this clause.

(b) *Demand for negotiation.* At any time, and from time to time, subject to the limitations specified in this clause, either the Government or the Contractor may deliver to the other a written demand that the parties negotiate to revise the prices under this contract. No such demand shall be made before ninety (90) days after the date of this contract, and thereafter neither party shall make a demand having an effective date within ninety (90) days of the effective date of any prior demand; *Provided, however,* That this limitation shall not be applicable in the event that during any ninety (90) day period there is a "wage adjustment" as hereinafter defined. The term "wage adjustment," as used in this clause, means a change in the wages, salaries, or other terms or conditions of employment which shall substantially affect the cost of performing this contract and which shall be generally applicable to the port where work under this contract is performed and shall be applicable to operations by the Contractor on non-Government work as well as to work under this contract. Each demand shall specify a date (identical with or subsequent to the date of the delivery of the demand) as to which the revised prices shall be effective as to services performed thereon and thereafter. This date is hereinafter referred to as the "effective date of the price revision." Any demand under this clause, if made by the Contractor

shall state briefly the ground or grounds therefor and shall be accompanied by the statements and data referred to in paragraph (c) of this clause. If the demand is made by the Government, such statements and data will be furnished by the Contractor within thirty (30) days of the delivery of the demand.

(c) *Submission of data.* At the time or each of the times specified or provided for in paragraph (b) of this clause, the Contractor shall submit:

(i) A new estimate and breakdown of the unit cost and the proposed prices for the services to be performed under the contract after the effective date of the price revision, itemized so far as is practicable in the manner in which the cost estimates were itemized in connection with the original negotiation of the contract;

(ii) An explanation of the difference between the original (or last preceding) estimate and the new estimate;

(iii) Such relevant operating data, cost records, overhead absorption reports, and accounting statements as may be of assistance in determining the accuracy and reliability of the new estimate;

(iv) A statement of the experienced costs of performance hereunder to the extent that they are available at the time or times of the negotiation of the revision of prices hereunder; and

(v) Any other relevant data usually furnished in the case of negotiation of prices under a new contract.

The Government may make such examination of the Contractor's accounts, records, and books as the Contracting Officer may require and may make such audit thereof as the Contracting Officer may deem necessary.

(d) *Negotiations.* (1) Upon the filing of the statements and data required by (c) of this clause, the Contractor and the Contracting Officer will negotiate promptly in good faith to agree upon prices for services to be rendered on and after the effective date of the price revision. Negotiations for price revisions under this clause shall be conducted on the same basis, employing the same types of data, including, without limitation, comparative prices, comparative costs, and trends thereof, as in the negotiation of prices under a new contract; *Provided, however,* That if the prices in the contract were arrived at as a result of competitive negotiation, the contract prices shall not be revised upward except upon the basis of, and as justified by changes in conditions occurring after the contract was entered into.

(2) After each negotiation the agreement reached will be evidenced by a supplemental agreement stating the revised price to be effective with respect to services rendered on and after the effective date of the price revision (or such other later date as the parties may fix in such supplemental agreement).

(e) *Disagreements.* If, within thirty (30) days after the date on which the statements and data are required pursuant to paragraph (b) of this clause to be filed (or such further period as may be fixed by written agreement), the Contracting Officer and the Contractor fail to agree to revised prices, the failure to agree shall be deemed to be a disagreement as to a question of fact which shall be disposed of in accordance with the "Disputes" clause of this contract, and the prices so fixed shall remain in effect for the balance of the contract notwithstanding any other provision of this clause.

(f) *Payments.* Until new prices shall become effective in accordance with this clause, the prices in force at the effective date of the price revision shall be paid upon all services performed, subject to appropriate later revisions made pursuant to (d) or (e) of this clause.

(g) *Retroactive changes in wages or working conditions.* In the event of a retroactive wage adjustment the Contractor or the Con-

tracting Officer may request an adjustment in the prices fixed in this contract, and such adjustment will be made to the extent equitable; *Provided, however,* That the prices applicable to services performed subsequent to the date of the request for price adjustment shall not be adjusted under this paragraph, it being the intent that any price adjustment under this paragraph shall cover the period prior to such request. Such request by the Contractor shall be made within thirty (30) days of such retroactive wage adjustment and shall be supported by:

(i) An estimate of the changes in cost occasioned by the retroactive wage adjustment;

(ii) Complete information upon which such estimate is based; and

(iii) A certified copy of the collective bargaining agreement, arbitration award, or other document evidencing the retroactive wage adjustment.

Subject to the foregoing limitation as to the time of making a request hereunder, completion or termination of this contract shall not affect or impair the Contractor's right under this paragraph. Such adjustment shall be by mutual agreement between the Contracting Officer and the Contractor. The adjusted prices, and the manner of making adjustments with respect to services theretofore paid for, shall be incorporated in an amendment to this contract to be executed by the Contractor and the Contracting Officer. In case of disagreement concerning any question of fact, including whether any adjustment should be made, or the amount of such adjustment, such disagreement will be resolved in accordance with the "Disputes" clause of this contract. The Contractor shall give written notice to the Contracting Officer of any request by or on behalf of the employees of the Contractor which may result in a retroactive wage adjustment. Such notice shall be given within twenty (20) days after such request, or if request has occurred prior to execution of this contract, at the time of execution of this contract.

#### § 7.1002-3 Changes.

Insert the following clause in formally advertised stevedoring contracts:

#### CHANGES (AUGUST 1964)

The Contracting Officer may, at any time by a written order, and without notice to the sureties, make changes within the general scope of this contract. If any such change causes an increase or decrease in the cost of the performance of any part of the work under this contract, an equitable adjustment shall be made in the contract price or in the applicable schedule of rates and the contract shall be modified in writing accordingly. Any claims by the Contractor for adjustment under this clause must be asserted within thirty (30) days from the date of receipt by the Contractor of the notification of change; *Provided, however,* That the Contracting Officer, if he decides that the facts justify such action, may receive and act upon any such claim asserted at any time prior to final payment under this contract. Failure to agree to any adjustment shall be a dispute concerning a question of fact within the meaning of the "Disputes" clause of this contract. However, nothing in this clause shall excuse the Contractor from proceeding with the contract as changed.

#### § 7.1002-4 Extras.

Insert the clause in § 7.103-3.

#### § 7.1002-5 Payments.

Insert the clause in § 7.103-7.

#### § 7.1002-6 Assignment of claims.

In accordance with § 7.103-8, insert the clause therein.

**§ 7.1002-7 Federal, State, and local taxes.**

In accordance with § 11.401 of this chapter, insert the appropriate clause therein.

**§ 7.1002-8 Default.**

Insert the clause in § 8.707 of this chapter.

**§ 7.1002-9 Disputes.**

Insert the clause in § 7.103-12.

**§ 7.1002-10 Renegotiation.**

In accordance with the requirements of § 7.103-13, insert the appropriate clause therein.

**§ 7.1002-11 Contract Work Hours standards Act—Overtime Compensation.**

Insert the clause in § 12.303-1 of this chapter.

**§ 7.1002-12 Walsh-Healey Public Contracts Act.**

Insert the clause in § 12.605 of this chapter.

**§ 7.1002-13 Equal opportunity.**

Insert the clause in § 12.802 of this chapter.

**§ 7.1002-14 Officials not to benefit.**

Insert the clause in § 7.103-19.

**§ 7.1002-15 Covenant against contingent fees.**

Insert the clause in § 7.103-20.

**§ 7.1002-16 Termination.****TERMINATION (AUGUST 1964)**

(a) This contract may be terminated at any time by either party hereto upon thirty (30) days' notice in writing to the other. Termination under this clause shall not affect, or relieve any party of, any obligation or liability that may have accrued prior to such termination.

(b) Upon termination of the contract under (a) above, or as provided in the "Default" clause of this contract, the Contractor shall be paid any sum due the Contractor for services performed under this contract to the date of such termination, and in the event of partial termination shall be paid in accordance with the terms of this contract for any services furnished under the portion of the contract that is not terminated; *Provided, however,* Any such payments shall be without prejudice to any claim which the Government may have against the Contractor under the "Default" clause of this contract or otherwise, and the Government shall have the right to offset any such claims against such payment.

**§ 7.1002-17 Indefinite quantities.**

(a) When the contract will provide for the payment of "Fixed Charges", insert the following clause.

**INDEFINITE QUANTITIES—FIXED CHARGES (AUGUST 1964)**

The amount of work and services which the Contractor may be ordered to furnish and the Government to accept hereunder, shall be the amount which shall from time to time be ordered hereunder by the Contracting Officer. In any event, however, the Government is obligated to compensate the Contractor the monthly lump sum specified in Schedule entitled "Fixed Charges," for each month or portion thereof the contract remains in effect.

(b) When the contract will not provide for the payment of "Fixed Charges", insert the following clause.

**INDEFINITE QUANTITIES—NO FIXED CHARGES (AUGUST 1964)**

The amount of work and services which the Contractor may be ordered to furnish and the Government to accept hereunder, shall be the amount which shall from time to time be ordered hereunder by the Contracting Officer. In any event, however, the Government shall order, during the term of this contract, work or services having an aggregate value at the prices listed in the schedules made a part hereof of not less than one hundred dollars (\$100.00).

**§ 7.1002-18 Employees of contractor.****EMPLOYEES OF CONTRACTOR (AUGUST 1964)**

All employees of the Contractor employed in performance of work under this contract shall be employees of the Contractor at all times and not of the Government. The Contractor shall comply with the Social Security Act, the Longshoremen's and Harbor Workers' Compensation Act, and such Workmen's Compensation Laws and Unemployment Insurance Laws of the state where the work is performed as shall be applicable to work performed hereunder and the Contractor shall comply with all other relevant legislation, state, and Federal.

**§ 7.1002-19 Removal of contractor's employees.****REMOVAL OF CONTRACTOR'S EMPLOYEES (AUGUST 1964)**

The Contracting Officer may require that the Contractor remove such employees as the Contracting Officer deems incompetent, careless, insubordinate, or otherwise objectionable and whose continued employment with respect to the services to be performed under this contract is deemed by the Contracting Officer to be contrary to the public interest.

**§ 7.1002-20 Liability and insurance.****LIABILITY AND INSURANCE (AUGUST 1964)**

(a) The Contractor shall be:

(i) Liable to the Government for loss of or damage to property, real and personal, owned by the Government or for which the Government is liable;

(ii) Responsible for, and hold the Government harmless from, loss or damage to property not included in (i) above; and

(iii) Responsible for, and hold the Government harmless from, bodily injury and death of persons,

occasioned either in whole or in part by the negligence or fault of the Contractor, his officers, agents, or employees in the performance of work under this contract. For the purpose of this clause, all cargo loaded or unloaded under this contract is agreed to be property owned by the Government or property for which the Government is liable. The amount of the loss or damage as determined by the Contracting Officer will be withheld from payments otherwise due the Contractor until the actual loss or damage is ascertained, at which time the Contractor shall be paid the difference, if any, between the amount withheld and the amount of the actual loss or damage sustained by the Government. Determination of liability and responsibility by the Contracting Officer will constitute questions of fact within the meaning of the "Disputes" clause of this contract. This general liability and responsibility of the Contractor under this clause are subject only to the following specific limitations.

(b) The Contractor shall not be responsible to the Government for and does not agree to hold the Government harmless from

loss or damage to property or bodily injury to or death of persons if:

(i) The unseaworthiness of the vessel or failure or defect of the gear or equipment furnished by the Government contributed jointly with the fault or negligence of the Contractor is causing such damage, injury or death, and the Contractor, his officers, agents, and employees, by the exercise of due diligence, could not have discovered such unseaworthiness or defect of gear or equipment, or through the exercise of due diligence could not otherwise have avoided such damage, injury, or death; or

(ii) The damage, injury or death resulted solely from an act or omission of the Government or its employees or resulted solely from proper compliance by officers, agents, or employees of the Contractor with specific directions of the Contracting Officer.

(c) The Contractor shall at his own expense procure and maintain insurance during the term of this contract, as follows:

(i) Standard Workmen's Compensation and Employer's Liability Insurance and Longshoremen's and Harbor Worker's Compensation Insurance, or such of these as may be proper under applicable state or Federal statutes. The Contractor may however, be self-insurer against the risk in this subparagraph (i), if he has obtained the prior approval of the Contracting Officer. This approval will be given upon receipt of satisfactory evidence that the Contractor has qualified as such self-insurer under applicable provision of law.

(ii) Bodily Injury Liability Insurance in an amount of not less than \$50,000 any one person and \$250,000 any one accident or occurrence.

(iii) Property Damage Liability Insurance (which shall include any and all property, whether or not in the care, custody, or control of the Contractor) in an amount of not less than \$250,000 on account of any one accident.

(d) All policies of insurance required under the terms of this contract shall, by appropriate endorsement or otherwise, provide that no cancellation thereof shall be effected unless thirty (30) days' prior written notice thereof has been given to the Contracting Officer.

(e) Satisfactory evidence of the required insurance endorsed as required in (d) above, shall be filed with the Contracting Officer prior to the performance of any work under this contract.

(f) The Contractor shall, at his own cost and expense, defend any suits, demands, claims, or actions, in which the United States might be named as a codefendant of the Contractor, arising out of or as a result of the Contractor's performance of work under this contract, whether or not such suit, demand, claim, or action arose out of or was the result of the Contractor's negligence. This shall not prejudice the right of the Government to appear in such suit, participate in defense, and take such actions as may be necessary to protect the interests of the United States.

(g) It is expressly agreed that the provisions contained in (c) through (f) of this clause shall not in any manner limit the liability or extent of liability of the Contractor as provided in (a) and (b) of this clause.

(h) In the event that the Contractor is indemnified, reimbursed, or relieved for any loss or damage to Government property, he shall equitably reimburse the Government. The Contractor shall do nothing to prevent the Government's right to recover against third parties for any such loss, or damage and, upon the request of the Contracting Officer, shall at the Government's expense, furnish to the Government all reasonable assistance and cooperation (including the prosecution of suit and the execution of instru-

ments of assignment in favor of the Government) in obtaining recovery.

#### § 7.1002-21 Records and accounts.

##### RECORDS AND ACCOUNTS (AUGUST 1964)

The Contracting Officer shall have access to all accounting records applicable to this account and the method of accounting used by the Contractor shall be subject to the approval of the Contracting Officer, but no material change will be made in the Contractor's method if it conforms to good accounting practice and the costs are readily ascertainable therefrom. So far as it is practicable, the Contractor shall maintain a complete separate system of accounts under this contract and shall preserve for a period of at least three (3) years after the expiration or termination of the contract or any extension thereof, all books, papers, or other accounting records, pertaining thereto. All information obtained from the Contractor's records pursuant to this clause shall be treated as confidential.

#### § 7.1002-22 Examination of records.

In accordance with the requirements of § 3.113 of this chapter, insert the clause in § 7.104-15 in negotiated contracts.

#### § 7.1002-23 Utilization of small business concerns.

In accordance with the requirements of § 1.707-3(a) of this chapter, insert the clause therein.

#### § 7.1002-24 Gratuities.

Insert the clause in § 7.104-16, except in contracts and purchase orders with foreign governments obligating solely funds other than those contained in Department of Defense appropriation acts.

#### § 7.1002-25 Convict labor.

In accordance with the requirements of Subpart B, Part 12 of this chapter, insert the clause in § 12.203 of this chapter.

#### § 7.1003 Clauses to be used when applicable.

##### § 7.1003-1 Soviet-controlled areas.

In accordance with the requirements of § 6.403 of this chapter, insert the clause therein.

##### § 7.1003-2 Workmen's compensation insurance overseas.

In accordance with the requirements of § 10.403 of this chapter, insert the clause therein.

##### § 7.1003-3 Notice to the Government of labor disputes.

In accordance with § 7.104-4, insert the clause therein.

##### § 7.1003-4 Military security requirements.

In accordance with § 7.104-12, insert the clause therein.

##### § 7.1003-5 Priorities, allocations, and allotments.

In accordance with the requirements of § 1.307-2 of this chapter, insert the clause in § 7.104-18.

##### § 7.1003-6 Utilization of concerns in labor surplus areas.

In accordance with the requirements of § 1.805-3(a) of this chapter, insert the clause therein.

#### § 7.1003-7 Price reduction for defective cost or pricing data.

In accordance with the requirements of § 7.104-29, insert the appropriate clause therein.

#### § 7.1003-8 Taxes.

In accordance with the requirements of § 11.403-2 of this chapter, insert the appropriate clause therein.

#### § 7.1003-9 Interest.

In accordance with the requirements of §§ 163.118 and 163.119 of this chapter, insert the clause in § 163.118.

#### § 7.1003-10 Audit and records.

In accordance with the requirements of § 7.104-41, insert the appropriate clause therein.

#### § 7.1003-11 Subcontractor cost and pricing data.

In accordance with the requirements of § 7.104-42, insert the appropriate clause therein.

#### § 7.1004 Additional clauses.

The following clauses shall be inserted when it is desired to cover the subject matter thereof in such contracts.

##### § 7.1004-1 Alterations in contracts.

The clause in § 7.105-1 may be inserted.

##### § 7.1004-2 Approval of contract.

The clause in § 7.105-2 may be inserted.

##### § 7.1004-3 Taxes where foreign agreements do not apply.

In accordance with the instructions in § 11.404 of this chapter, in contracts to be performed outside the United States, its possessions, and Puerto Rico, the clause therein may be inserted.

### PART 8—TERMINATION OF CONTRACTS

18. Sections 8.101-22, 8.101-23, 8.101-24, 8.101-25, and 8.101-26 are revised, and a new § 8.101-27 is added, as follows:

#### § 8.101-22 Special tooling.

Special tooling shall have the meaning given in § 13.101-5 of this chapter.

#### § 8.101-23 Special test equipment.

Special test equipment shall have the meaning given in § 13.101-6 of this chapter.

#### § 8.101-24 Subcontract.

Subcontract means any contract as defined in § 1.201-4 of this chapter other than a prime contract, entered into by a prime contractor or a subcontractor, calling for supplies or services required for the performance of any one or more prime contracts.

#### § 8.101-25 Termination claim.

Termination claim means any claim by a contractor or subcontractor, permitted by the terms of a prime contract, for compensation for the termination, in whole or in part, of the prime contract or a subcontract thereunder, and any other claim which this part authorizes to be asserted and settled in connection with a termination settlement.

#### § 8.101-26 Termination inventory.

Termination inventory means any items of physical property purchased, supplied, manufactured, furnished, or otherwise acquired for performance of the terminated contract and property allocable to the terminated portion of the contract. The term does not include any facilities, special test equipment, material, or special tooling, which are subject to a separate contract or a special contract provision governing the use or disposition thereof. Termination inventory may include contractor-acquired property and Government-furnished property as defined in §§ 8.101-4 and 8.101-8.

#### § 8.101-27 Terminated portion of the contract.

Terminated portion of the contract means that portion of a terminated contract which relates to work or end items not already completed and accepted prior to the effective date of termination and which the contractor is not to continue to perform.

19. In § 8.202, paragraph (d) is revised and new paragraph (e) is added; subparagraph (14) is added to § 8.205(c); and §§ 8.404-8(a), and 8.510 are revised, as follows:

#### § 8.202 Notice of termination.

(d) Recommended actions to be taken by the contractor to minimize the impact on his personnel if the termination, together with all other outstanding terminations, will result in a significant reduction in the contractor's work force (see paragraph 8 of the letter notice in § 8.801-2); and

(e) Any special instructions.

A copy of the notice of termination shall be sent to any known assignee, guarantor, or surety of the contractor.

#### § 8.205 Duties of contracting officer after issuance of notice of termination.

(14) Actions taken by the contractor to minimize impact upon employees affected adversely by the termination (see paragraph 8 of the letter notice in § 8.801-2).

#### § 8.404-8 Final settlement.

(a) The contracting officer may proceed with completion of the settlement and execution of an appropriate settlement agreement at any time after receipt of the final audit status letter. If no such letter has been received on or before the 15th day following the audit status date, the contracting officer may proceed on the basis that there are no outstanding exceptions.

#### § 8.510 Special tooling, special machinery, and equipment.

Except as otherwise provided in the contract, if the settlement is to include any item of cost on account of loss of useful value of special tooling, special machinery, and equipment (see § 15.205-

42(d) of this chapter), the contracting officer shall take appropriate steps to protect the Government's interest by:

(a) Requiring transfer of title to such property to the Government;

(b) Requiring the inclusion of such property in the contractor's inventory schedules, to be treated in the same manner as termination inventory; or

(c) In the event of retention by the contractor, making an equitable adjustment of the costs to be included in the settlement for such property, which adjustment shall take into account the rate of amortization thereon, the possible use thereof on other work of the contractor, the ultimate disposal value thereof, and any rights to be retained by the Government.

20. The letter notice in § 8.801-2 is amended by changing date in the title, revising paragraphs 8 and 9, and adding paragraph 10, as follows:

#### § 8.801-2 Letter notice of termination.

The following form of Notice of Termination of prime contract is approved for use. With appropriate modifications, it is suitable for use in terminating subcontracts.

#### LETTER NOTICE OF TERMINATION TO PRIME CONTRACTORS (NOVEMBER 1964)

8. Employees Affected. (a) If this termination, together with all other outstanding terminations, will necessitate a significant reduction in your work force, as described in (b) below, you are urged to (1) Promptly inform the local State Employment Service of your reduction-in-force schedule in numbers and occupations, so that they can take timely action in assisting displaced workers; (2) give affected employees maximum practical advance notice of the employment reduction, and inform them of the facilities and services available to them through the local State Employment Service Offices; (3) advise affected employees to file applications with State Employment Service in order to qualify for unemployment insurance, if necessary; (4) inform officials of local unions having agreements with you of the impending reduction-in-force; and (5) inform local Chamber of Commerce and other appropriate organizations, which are prepared to offer practical assistance in finding employment for displaced workers, of impending reduction-in-force.

(b) Normally, a reduction of 200 or more workers during any one month of the period of the reduction-in-force will be considered significant. However, a reduction of a lesser number of workers in any one month, or in several successive months, also may have a serious adverse impact in a small community affected by other layoffs.

(c) To the extent appropriate and practicable, you are requested to urge subcontractors, if any, to take actions similar to those described above.

9. The Officer named below will be in charge of the settlement of your claim. As to any matters not covered by this Notice, you should consult the Officer named below.

10. Please acknowledge receipt of the Notice as shown below.

Enclosures.

(Contracting Officer)

(Name of Office)

(Address)

#### ACKNOWLEDGMENT OF NOTICE

The undersigned hereby acknowledges receipt of a signed copy of the foregoing Notice

on \_\_\_\_\_, 19\_\_\_\_. Two copies of this Notice, both signed, are herewith returned.

(Name of Contractor)

By \_\_\_\_\_

(Title)

### PART 9—PATENTS, DATA, AND COPYRIGHTS

21. In § 9.103-1, the clause in paragraph (a) is revised; and in § 9.107-5, the introductory text of paragraph (a) is revised and clause paragraph (c) (1) (ii) is revised, as follows:

#### § 9.103-1 Patent indemnification in formally advertised contracts—commercial status predetermined.

(a) \* \* \*

##### PATENT INDEMNITY (SEPTEMBER 1964)

If the amount of this contract is in excess of \$5,000, the Contractor shall indemnify the Government and its officers, agents, and employees against liability, including costs, for infringement of any United States letters patent (except letters patent issued upon an application which is now or may hereafter be kept secret or otherwise withheld from issue by order of the Government) arising out of the manufacture or delivery of supplies or out of construction, alteration, modification, or repair of real property (hereinafter referred to as "construction work") under this contract, or out of the use or disposal by or for the account of the Government of such supplies or construction work. The foregoing indemnity shall not apply unless the Contractor shall have been informed as soon as practicable by the Government of the suit or action alleging such infringement, and shall have been given such opportunity as is afforded by applicable laws, rules, or regulations to participate in the defense thereof; and further, such indemnity shall not apply to: (i) An infringement resulting from compliance with specific written instructions of the Contracting Officer directing a change in the supplies to be delivered or in the materials or equipment to be used, or directing a manner of performance of the contract not normally used by the Contractor; (ii) an infringement resulting from addition to, or change in, such supplies or components furnished or construction work performed which addition or change was made subsequent to delivery or performance by the Contractor; or (iii) a claimed infringement which is settled without the consent of the Contractor, unless required by final decree of a court of competent jurisdiction.

#### § 9.107-5 Clauses for domestic contracts

(a) *Patent Rights (Title) Clause.* If the contracting officer has determined that the contract comes within § 9.107-4 (b) or (d), he shall include the following clause in the contract. This clause provides for the Government to acquire title in "Subject Inventions," subject to the Contractor's retaining a royalty-free license in such inventions; however, the Government may permit the contractor, under certain circumstances, to acquire greater rights than the license.

##### PATENT RIGHTS (TITLE) (MAY 1964)

(c) *Invention disclosures and reports.*

(1) \* \* \*

(ii) Interim reports at least every twelve (12) months, the initial period of which shall commence with the date of this contract, each report listing all such Inventions conceived or first actually reduced to practice more than three (3) months prior to the date of the report and not listed on a prior interim report, or certifying that there are no such unreported Inventions;

### PART 10—BONDS, INSURANCE, AND INDEMNIFICATION

22. Sections 10.303, 10.305, 10.401(c), and 10.402 are revised, and in § 10.404 (a), the clause heading and clause paragraph (c) (4) are revised, as follows:

#### § 10.303 Responsibility for loss of or damage to Government property.

The responsibility of the contractor for loss of or damage to Government property in the possession or control of contractors is set forth in the contract provisions as set forth in Subpart G, Part 7, and Subpart G, Part 13 of this chapter.

#### § 10.305 Procedures to be followed in the event of loss of or damage to Government property.

Upon the happening of loss of or damage to any Government property, concerning which the contractor is relieved of responsibility by contract provision, the procedure shall be as prescribed in subparagraph (g) (3) of the clause in § 13.702 or § 13.703 of this chapter.

#### § 10.401 Policy.

(c) Where Government property is involved,

#### § 10.402 Government property.

The contractors' responsibilities for loss of or damage to Government property under fixed-price contracts are set forth in the clause in § 13.702 of this chapter.

#### § 10.404 Aircraft—ground and flight risk.

(a) Negotiated fixed-price type contracts for the production, modification, maintenance, or overhaul of aircraft shall, except as provided in paragraph (b) of this section, include the following clause:

##### GROUND AND FLIGHT RISK (NOVEMBER 1964)

(c) \* \* \*

(4) In the event the Government's assumption of risk under this clause is terminated in accordance with (3) above, the risk of loss with respect to Government-furnished property shall be determined in accordance with the clause of this contract, if any, entitled "Government Property" until the Government's assumption of risk is reinstated in accordance with (5) below.

23. Section 10.503 is revised, and in § 10.504, paragraph (a) is amended by revising the clause heading and clause paragraph (a), and paragraph (b) is revised, as follows:

#### § 10.503 Government property.

The contractor's responsibilities for loss of or damage to Government prop-

erty under cost-reimbursement-type contracts are set forth in the clause in § 13.703 of this chapter.

#### § 10.504 Aircraft-flight risk.

(a) Cost-reimbursement-type contracts for the development, production, modification, maintenance, or overhaul of aircraft, or otherwise involving the furnishing of aircraft to the contractor by the Government, shall, except as provided in paragraph (b) of this section, include the following clause.

##### FLIGHT RISKS (NOVEMBER 1964)

(a) Notwithstanding any other provision of this contract, and particularly subparagraph (g) (1) of the Government Property clause and paragraph (c) of the Insurance-Liability to Third Persons clause, the Contractor shall not (i) be relieved of liability for, damage to, or loss or destruction of, aircraft sustained during flight, or (ii) be reimbursed for liabilities to third persons for loss of or damage to property, or for death or bodily injury, which are caused by aircraft during flight, unless the flight crew members have previously been approved in writing by -----.

(b) In the foregoing clause, the definition of "aircraft" may be appropriately modified in the Schedule if the contract covers helicopters, vertical take-off aircraft, lighter-than-air airships, or other nonconventional types of aircraft.

### PART 11—TAXES

24. Paragraphs (b) and (c) in § 11.401-4 are revised to read as follows:

§ 11.401-4 Matters requiring special consideration.

(b) Special consideration should be accorded taxes assessed on the contractor's possession of, interest in, or use of Government-owned real or personal property. The following provision may be inserted in any fixed-price type contract under which the contractor has possession of property to which the Government has title on tax assessment date, pursuant to progress payment clauses or otherwise:

All property taxes assessed on the contractor's possession of, interest in, or use of property, title to which is in the Government, are excluded from the contract price.

(c) When Government property is provided under a facilities contract, the contracting officer shall review the facilities contract when negotiating a subsequent supply contract to assure that the contractor is not reimbursed twice for the same taxes.

### PART 13—GOVERNMENT PROPERTY

25. Part 13 is revised to read as follows:

Sec.  
13.000 Scope of part.

#### Subpart A—General

13.101 Definitions.  
13.101-1 Property.  
13.101-2 Government property.

Sec.  
13.101-3 Provide.  
13.101-4 Material.  
13.101-5 Special tooling.  
13.101-6 Special test equipment.  
13.101-7 Military property.  
13.101-8 Facilities.  
13.101-9 Government production and research property.  
13.101-10 Nonseverable.  
13.101-11 Facilities contract.  
13.101-12 Facilities project.  
13.101-13 Nonprofit organization.  
13.102 Responsibility and liability for Government property.  
13.102-1 Prime contractors.  
13.102-2 Subcontractors.  
13.103 Furnishing military property.  
13.104 Profits and fees.

#### Subpart B—Material

13.201 Policy on furnishing material.  
13.202 Procedure.  
13.203 Disposition.

#### Subpart C—Providing Government Production and Research Property to Contractors

13.301 Providing facilities.  
13.302 Securing approval for facilities projects.  
13.303 Use of facilities contracts.  
13.304 Furnishing existing Government-owned special tooling.  
13.305 Acquisition of special tooling.  
13.305-1 General.  
13.305-2 Fixed-price contracts.  
13.305-3 Cost-reimbursement type contracts.  
13.306 Providing special test equipment.  
13.306-1 Furnishing existing special test equipment.  
13.306-2 Acquisition of new special test equipment.  
13.306-3 Contract provisions for acquiring special test equipment.  
13.306-4 Screening existing government-owned special test equipment.  
13.307 Providing government production and research property when disposal is limited.  
13.308 Offer to furnish government production and research property "As is".  
13.309 Changing government production and research property to be provided.  
13.310 Limited offers.  
13.311 Notices to defense industrial plant equipment center.  
13.312 Items to be screened by defense industrial plant equipment center.

#### Subpart D—Use and Rental of Government Production and Research Property

13.401 Policy.  
13.402 Authorizing a contractor to use government production and research property without charge.  
13.403 Rental of government production and research property.  
13.404 Rental rates and policies applicable to the use of government production and research property.  
13.405 Non-government use.  
13.406 Rent-free use of government production and research property on work for foreign governments.  
13.407 Use of government production and research property without charge by nonprofit organizations.

#### Subpart E—Competitive Advantage

13.501 Policy.  
13.502 Advertised procurements—use of existing government production and research property.  
13.502-1 General.

Sec.  
13.502-2 Procedures for use of evaluation factors.  
13.502-3 Limitations.  
13.502-4 Rent.  
13.503 Negotiated procurement—use of existing government production and research property.  
13.504 Residual value to the government of special tooling and special test equipment to be acquired in competitively negotiated procurements.  
13.505 Additional evaluation factors.  
13.506 Solicitations—description of evaluation procedure.

#### Subpart F—Administration of Government Production and Research Property

13.601 Maintenance.  
13.601-1 Facilities contracts.  
13.601-2 Contracts other than facilities contracts.  
13.602 Risk of loss or damage and liability.  
13.603 Termination of facilities contracts.  
13.604 Standby or layaway provision.  
13.605 Retention of special tooling and special test equipment.  
13.606 Disposition.  
13.607 Insurance.  
13.608 Property control and accounting procedures.

#### Subpart G—Contract Clauses

13.701 Applicability.  
13.702 Government property clause for fixed-price contracts.  
13.703 Government property clause for cost-reimbursement contracts.  
13.704 Special tooling clause for fixed-price contracts.  
13.705 Special test equipment clause for negotiated contracts.  
13.706 Government property clause for fixed-price type contracts with nonprofit institutions.  
13.707 Government property clause for cost-reimbursement type research and development contracts with nonprofit institutions.  
13.708 Government property clause for contracts with fixed-price and cost-reimbursement provisions.  
13.709 Clause for government property furnished "as is".  
13.710 Government-furnished property clause for short form contracts.

**AUTHORITY:** The provisions of this Part 13 issued under sec. 2202, 70A Stat. 120; 10 U.S.C. 2202. Interpret or apply sec. 2301-2314, 70A Stat. 127-133; 10 U.S.C. 2301-2314.

#### § 13.000 Scope of part.

This part sets forth:

(a) The policies of the Department of Defense with respect to providing property for use by contractors in connection with procurement by the military departments; and

(b) Applicable contract clauses for contracts other than facilities contracts. (For facilities contract clauses, see Subpart G, Part 7 of this chapter).

This part does not apply to the lease of property to contractors under 10 U.S.C. 2667 or other leasing authorities, or to property to which the Government has acquired a lien or title solely as a result of partial, advance or progress payments.

#### Subpart A—General

##### § 13.101 Definitions.

As used in this part, the following terms have the meaning stated below.

Additional definitions applicable to property administration are set forth in §§ 30.2 and 30.3 of this chapter.

#### § 13.101-1 Property.

Property includes all property, both real and personal. For the purpose of this part, it consists of five separate categories—material, special tooling, special test equipment, military property, and facilities.

#### § 13.101-2 Government property.

Government property means all property owned by or leased to the Government or acquired by the Government under the terms of a contract. Government property includes both Government-furnished property and contractor-acquired property as defined below:

(a) Government-furnished property is property in the possession of, or acquired directly by, the Government and subsequently delivered or otherwise made available to the contractor; and

(b) Contractor-acquired property is property procured or otherwise provided by the contractor for the performance of a contract, title to which is vested in the Government.

#### § 13.101-3 Provide.

Provide, as used in the context of such phrases as "Government property provided to the contractor" and "Government-provided property", means either to furnish, as in "Government-furnished property", or to acquire, as in "contractor-acquired property."

#### § 13.101-4 Material.

Material means property which may be incorporated into or attached to an end item to be delivered under a contract or which may be consumed or expended in the performance of a contract. It includes, but is not limited to, raw and processed material, parts, components, assemblies, and small tools and supplies which may be consumed in normal use in the performance of a contract.

#### § 13.101-5 Special tooling.

Special tooling means all jigs, dies, fixtures, molds, patterns, taps, gauges, other equipment and manufacturing aids, and replacements thereof, which are of such a specialized nature that, without substantial modification or alteration, their use is limited to the development or production of particular supplies or parts thereof, or the performance of particular services. The term includes all components of such items, but does not include:

- (a) Consumable property;
- (b) Special test equipment; or
- (c) Buildings, nonseverable structures (except foundations and similar improvements necessary for the installation of special tooling), general or special machine tools, or similar capital items.

#### § 13.101-6 Special test equipment.

Special test equipment means electrical, electronic, hydraulic, pneumatic, mechanical or other items or assemblies of equipment, which are of such a specialized nature that, without modification or alteration, the use of such items (if

they are to be used separately) or assemblies is limited to testing in the development or production of particular supplies or parts thereof, or in the performance of particular services. The term "special test equipment" includes all components of any assemblies of such equipment, but does not include:

- (a) Consumable property;
- (b) Special tooling; or
- (c) Buildings, nonseverable structures (except foundations and similar improvements necessary for the installation of special test equipment), general or special machine tools, or similar capital items.

#### § 13.101-7 Military property.

Military property means personal property peculiar to military operations which is under the cognizance of a military inventory control point. It includes weapons systems, components thereof, and related support equipment, but does not include items which are consumed in the performance of a procurement contract or incorporated in the end items produced under a contract (see "material" in § 13.101-4).

#### § 13.101-8 Facilities.

Facilities means industrial property (other than material, special tooling, military property, and special test equipment) for production, maintenance, research, development, or test, including real property and rights therein, buildings, structures, improvements, and plant equipment (see § 30.2 of this chapter, item 103.8).

#### § 13.101-9 Government production and research property.

Government production and research property means:

- (a) Government-owned facilities,
- (b) Government-owned special test equipment, and
- (c) Special tooling to which the Government has title or the right to acquire title.

Nonseverable, when related to Government production and research property, means that such property cannot be removed after erection or installation without substantial loss of value or damage thereto, or to the premises where installed.

#### § 13.101-11 Facilities contract.

Facilities contract means a contract under which Government facilities, and occasionally special tooling and special test equipment, are provided to a contractor or a subcontractor by the Government for use in connection with the performance of a separate contract or contracts for supplies or services.

#### § 13.101-12 Facilities project.

Facilities project means an undertaking by the Government to provide facilities to a contractor for the performance of a Government contract or subcontract or to modernize or replace facilities for the same purpose.

#### § 13.101-13 Nonprofit organization.

Nonprofit organization means any corporation, foundation, trust, or institution operated for scientific, educational, or

medical purposes, not organized for profit, no part of the net earnings of which inures to the benefit of any private shareholder or individual.

#### § 13.102 Responsibility and liability for Government property.

##### § 13.102-1 Prime contractors.

It is the policy of the Department of Defense not to hold a contractor responsible for loss of or damage to Government property caused by certain perils when such Government property is provided under:

- (a) A facilities contract, or
- (b) A procurement contract for which cost or pricing data are required by § 3.807-3 of this chapter.

This policy is implemented in the required contract clauses for facilities contracts, and the contract clauses set forth in Subpart G of this Part.

##### § 13.102-2 Subcontractors.

(a) If Government property is provided to a subcontractor directly by the Government, § 13.102-1 shall apply.

(b) If Government property is provided to a subcontractor by a prime contractor, the latter shall be required to hold the subcontractor liable for any loss of or damage to such property: *Provided, however, That:*

(1) If both the prime contract and the subcontract require the submission of certified cost or pricing data (see § 3.807-3 of this chapter), the prime contractor may, with the prior approval of the contracting officer, include in such subcontract a provision similar to § 13.702(b); and

(2) A prime contractor holding a cost-reimbursement contract may, with the prior approval of the contracting officer—

(i) Include in any cost-reimbursement subcontract thereunder provisions similar to those contained in § 13.703(g); and

(ii) Include in any fixed-price type subcontract under which the subcontractor is required to submit certified cost or pricing data (see § 3.807-3 of this chapter) a provision similar to § 13.702(b).

Contracting officers shall, prior to approving the inclusion of the provisions referred to above in any subcontract, balance the need for the protection and care of Government property against the cost thereof. A prime contractor who provides Government property to a subcontractor shall not be relieved of any responsibility to the Government that he may have under the terms of his contract.

##### § 13.103 Furnishing military property.

(a) Military property may be furnished to contractors when necessary for use as a standard or model, for testing the contractors' end item where suitable commercial equipment is not available, to establish equipment compatibility, or for such other similar reasons as the head of a procuring activity or his designee determines to be in the best interest of the Government.

(b) Military property may be furnished to contractors under a facilities

contract, a supply or service contract, or a special bailment contract. Each contract under which such property is furnished shall provide that:

(1) Each item of the property be identified by its Federal Item Identification Number and Government nomenclature;

(2) The property be accounted for under that contract; and

(3) Upon its completion or termination, the contractor shall request and comply with disposition instructions from the contracting officer.

#### § 13.104 Profits and fees.

No fee is to be provided or allowed a facilities contractor under a facilities contract. Where Government production and research property is provided under facilities contracts, profit or fee (plus or minus) shall be considered in the negotiation of the related separate contract or contracts for supplies or services, consistent with the profit guidelines established in § 3.808 of this chapter.

### Subpart B—Material

#### § 13.201 Policy on furnishing material.

It is the general policy of the Department of Defense that contractors will furnish all material required for the performance of Government contracts. However, the Government should furnish material to a contractor when it is determined to be in the best interest of the Government by reason of economy, standardization, the expediting of production, or other appropriate circumstances.

#### § 13.202 Procedure.

(a) Material to be furnished by the Government shall be set forth in the solicitation in sufficient detail to permit evaluation by prospective contractors. At any time after a contract has been entered into, whether as a result of formal advertising or negotiation, the contract may be bilaterally modified to provide for the furnishing of Government material, or to increase the amount to be furnished. *Provided*, There is adequate consideration for such modification. Unilateral decreases in or substitutions for the material specified under a contract to be provided by the Government may be ordered by the contracting officer, subject to the equitable adjustment of the contract, in accordance with paragraph (b) of the appropriate Government Property clause in Subpart G of this part.

(b) Where material is to be furnished by the Government, the contract shall state whether the requisitioning documentation is to be prepared by the contractor or the procuring activity. When the responsibility is placed upon the contractor, such documentation shall be prepared in accordance with the "Manual for Military Standard Requisitioning and Issue Procedure (MILSTRIP) for Defense Contractors," Appendix H (§ 30.6 of this chapter).

#### § 13.203 Disposition.

The disposition of residual Government material shall be in accordance with Departmental regulations governing the

disposition of surplus property. See Part 8 of this chapter for disposition of contractor inventory.

### Subpart C—Providing Government Production and Research Property to Contractors

#### § 13.301 Providing facilities.

(a) It is the policy of the Department of Defense that contractors will furnish all facilities required for the performance of Government contracts, except under the conditions set forth in paragraph (b) of this section. Competitive solicitations shall not include an offer by the Government to provide new facilities, although such solicitations may include an offer to furnish existing Government-owned facilities.

(b) Subject to paragraphs (c) and (d) of this section, facilities may be provided by the Government when:

(1) Necessary to obtain contract performance; or

(2) Furnishing existing Government-owned facilities (including facilities in possession of a prospective contractor) is likely to result in substantially lower cost to the Government of the items produced, when all costs involved, such as costs of transporting, installing, maintaining, and reactivating such facilities, are compared with the cost to the Government of the contractor's use of privately-owned facilities.

(c) New facilities shall not be provided by the Government where an economical, practical and appropriate alternative exists. Examples include:

(1) Procuring from sources not requiring Government-owned facilities;

(2) Requiring the contractor to make full utilization of subcontractors possessing adequate and available capacity;

(3) Having the contractor rent facilities from commercial sources; and

(4) Using existing Government-owned facilities.

(d) New construction or improvements having general utility shall not be provided with appropriations for research or development unless authorized by law.

(e) Facilities shall not be provided by the Government to contractors under this part solely for non-government use.

(f) Prior to acquiring new facilities listed in § 13.312 and having an item acquisition cost of \$1,000 or more, DOD Production Equipment Requisition/Non-Availability Certificate (DD Form 1419) shall be submitted to the Defense Industrial Plant Equipment Center, Memphis, Tenn., 38102, to ascertain whether existing Government-owned facilities can be utilized. No acquisition of any listed item shall be made until a certificate of nonavailability is received from the Defense Industrial Plant Equipment Center.

#### § 13.302 Securing approval for facilities projects.

(a) Requests for approval of facilities projects involving expenditures of \$1,000,000 or more shall be forwarded to the Secretary concerned, who shall submit the matter to:

(1) The Assistant Secretary of Defense (Installations and Logistics) for production programs; or

(2) The Director of Defense Research and Engineering for research and development programs.

(b) Facilities projects involving expenditures of less than \$1,000,000 shall be approved in accordance with Departmental procedures consistent with § 1.108 of this chapter.

(c) Facilities projects that involve real property transactions shall not be undertaken prior to reporting such transactions to the Committees on Armed Services of the House of Representatives and the Senate, as required by 10 U.S.C. 2662, and during the 30 day period prescribed therein. Such reporting shall be accomplished in accordance with Departmental procedures consistent with § 1.108 of this chapter.

#### § 13.303 Use of facilities contracts.

(a) Except as provided in paragraph (b) of this section, facilities shall be provided by the Government to a contractor or subcontractor only under a facilities contract.

(b) Facilities may be provided to a contractor under a contract other than a facilities contract when:

(1) The cumulative total acquisition cost (actual or estimated) of the facilities provided to the contractor at one plant or general location does not exceed \$50,000;

(2) The contract is for construction;

(3) The contract is for the performance of work within an establishment or installation operated by the Government; or

(4) The contract is for the performance of services involving the operation of a Government-owned plant or installation and the facilities provided are to be used only in connection with such contract, which shall, to the extent practicable, contain the clauses in Subpart G, Part 7 of this chapter.

When facilities are provided under a contract other than a facilities contract, the contract shall contain the appropriate Government Property clause, except where, pursuant to subparagraph (4) of this paragraph, adequate contractual coverage is obtained through the use of clauses set forth in Subpart G, Part 7 of this chapter.

(c) Unless the contracting officer determines it to be impracticable, all facilities provided by a procuring activity for use by a contractor at any one plant or general location shall be governed by a single facilities contract.

(d) Special tooling and special test equipment will normally be provided to a contractor under a supply contract, but may be provided under a facilities contract when to do so is administratively desirable.

#### § 13.304 Furnishing existing Government-owned special tooling.

(a) *General.* It is the policy of the Department of Defense that existing special tooling to which the Government has title, or the right to acquire title pursuant to the Special Tooling clause in § 13.704, be offered to prospective contractors for use in performing Government contracts and subcontracts, if:

(1) To do so will not interfere with production or program schedules having a greater priority;

(2) To do so is otherwise advantageous to the Government; and

(3) Its use would be authorized pursuant to § 13.402 or § 13.403 were it furnished.

(b) *Contract provisions.* Special tooling shall be furnished pursuant to either the appropriate clause in Subpart G of this part or a facilities contract. In any case, the contract under which the special tooling is furnished shall contain a description thereof, and the terms and conditions applicable to its shipment to the plant of the contractor and to the cost of adapting and installing it.

### § 13.305 Acquisition of special tooling.

#### § 13.305-1 General.

(a) *Policy.* It is the policy of the Department of Defense that contractors provide and retain title to special tooling required for the performance of defense contracts to the maximum extent consistent with sound procurement objectives. Government acquisition of title or the right to title in special tooling creates substantial administrative burden, encumbers the competitive procurement process and frequently results in the retention of special tooling without advantage commensurate with such burden. In certain instances, however, the acquisition of special tooling or rights thereto may help the Government obtain fair prices, recover the residual value of special tooling paid for by the Government, and increase competition in subsequent procurements by increasing the number of sources, where the tooling is susceptible of use by more than one contractor, considering its adaptability and all costs of movement. Additionally, the Government may require all or a substantial part of the tooling for subsequent in-house use. The particular circumstances of each procurement must be considered in determining whether the advantages of acquiring special tooling or rights thereto outweigh the disadvantages.

(b) *Application of policy in competitive and noncompetitive procurements.* In procurements where there is adequate price competition, the Government usually relies on the competition to obtain a fair charge for the amortization of special tooling provided by the contractor. Furthermore, in a competitive area, ownership of special tooling by one contractor is not likely to prevent others from competing in follow-on procurements. Thus, it is not generally appropriate for the Government to acquire special tooling or rights thereto in competitive procurements. However, where there is not adequate price competition, the Government typically pays the full cost of the special tooling regardless of who owns or has rights to it, and therefore it is usually appropriate for the Government to acquire special tooling or rights thereto. Moreover, Government ownership may make it easier to create competition in follow-on procurements. Where a decision is made not to take title to special tooling in a procurement

without price competition, consideration shall be given to the need for special contract provisions covering contractor plans for future recovery of any initial special tooling costs in follow-on non-competitive procurements (see § 3.813 of this chapter).

#### § 13.305-2 Fixed-price contracts.

(a) *General.* In fixed-price contracts where a certificate of current cost or pricing data is not required, special tooling or rights thereto shall not be acquired unless the contracting officer determines such acquisition to be advantageous to the Government, considering the factors set forth in paragraph (b) of this section.

(b) *Criteria for acquisition.* In deciding whether to acquire special tooling or rights thereto, or to exercise the Government's acquisition rights under contracts or subcontracts pursuant to the Special Tooling clause set forth in § 13.704, the following factors shall be considered:

(1) The current or probable future need of the Government for the items involved and the estimated cost of reproducing them if not acquired;

(2) Their estimated residual value;

(3) The administrative and other expense incident to reporting, record keeping, preparation, handling, transportation, and storage;

(4) The effect on pricing future contracts;

(5) The feasibility and probable cost of making the items available to other bidders or offerors in the event of future procurement;

(6) The amount offered by the contractor for the right to retain the items; and

(7) The contribution Government acquisition makes to future competition.

#### (c) *Procedures.*

(1) If the contracting officer has decided not to acquire special tooling or rights thereto, he may include in the solicitation such information as he may have of current planning for future procurements of the item involved, consistent with security requirements. Offerors shall be advised in the solicitation that such statements are estimates and there is no assurance that any quantity will be procured.

(2) In formally advertised procurements, each item of special tooling to be acquired by the Government under the standards set forth above shall be clearly identified in the invitation for bids as a separate item, or by category if individual items are low in value, and the Special Tooling clause in § 13.704 shall not be used.

(3) In negotiated procurements, each item of special tooling to be acquired under the standards set forth above shall be identified as a separate item in the solicitation and contract to the maximum extent practicable, or by category if individual items are low in value. If such identification is impracticable, title to special tooling may be obtained through use of the Special Tooling clause in § 13.704. If the use of this clause will result in an undesirable acquisition of rights to some special tooling, the Sched-

ule shall specify the special tooling not covered by the clause.

(d) *Protecting Government interest in contractor-owned special tooling.* Where the Government does not acquire special tooling or the rights thereto pursuant to paragraph (c) of this section, but will pay for a substantial portion of the special tooling in the price paid for supplies or services, special provisions may be included in the Schedule of a contract to give recognition to the equitable interest of the Government in the special tooling, if such interest is significant. For example:

(1) Where there is a distinct possibility that the Government eventually may decide to acquire title to the special tooling, the contract may provide for an option in the Government to acquire the special tooling at a specified price or for an amount to be determined in accordance with specified standards (the criteria set forth in paragraph (b) of this section shall be considered in exercising such options); or

(2) If the Government does not acquire or reserve the right to acquire title to the special tooling, the contract may provide for the contractor's future amortization of the special tooling under Government contracts.

#### § 13.305-3 Cost-reimbursement type contracts.

Title to special tooling under cost-reimbursement type contracts shall be acquired pursuant to the clauses set forth in §§ 13.703 and 13.707.

#### § 13.306 Providing special test equipment.

##### § 13.306-1 Furnishing existing special test equipment.

It is the policy of the Department of Defense to offer existing Government-owned special test equipment to contractors when advantageous to the Government in the light of the factors set forth in § 13.304. Government-owned components to be incorporated into special test equipment may also be offered in accordance with this policy. These components may be facilities, special test equipment, or cannibalized components of other special test equipment for which there is no further need.

##### § 13.306-2 Acquisition of new special test equipment.

New special test equipment may be acquired by a contractor for the Government when:

(a) Advantageous to the Government in the light of the criteria set forth in § 13.305-2(b) for special tooling in fixed-price contract, and

(b) Existing Government-owned special test equipment or components thereof cannot be made available.

##### § 13.306-3 Contract provisions for acquiring special test equipment.

(a) In formally advertised procurements, each item of special test equipment to be acquired by the Government shall be clearly identified in the invitation for bids as a separate item, or by category if individual items are low in value.

(b) In negotiated procurements, with respect to special test equipment the exact nature of which is known when the contract is signed, the contract shall identify each item of special test equipment to be acquired by the Government as a separate item or by category if individual items are low in value.

(c) In negotiated procurements, with respect to special test equipment the exact nature of which is not known when the contract is signed, the contract shall define the extent to which the contractor will be responsible for acquiring special test equipment for the Government. In such cases, the clause set forth in § 13.705 shall be used to permit the Government to furnish special test equipment in kind and thereby obtain an equitable adjustment.

#### § 13.306-4 Screening existing Government-owned special test equipment.

In order to minimize the acquisition of new special test equipment or components thereof, the contracting officer shall, if the acquisition cost of any item is \$1,000 or more, screen existing Government-owned special test equipment, components thereof, and facilities, to ascertain whether any Government-owned items can be furnished in accordance with the policy set forth in § 13.306-1. When such screening is for general purpose items, DOD Production Equipment Requisition/Non-Availability Certificate (DD Form 1419) shall be submitted to the Defense Industrial Plant Equipment Center, Memphis, Tenn., 38102, for any items listed in § 13.312. Where special test equipment is to be acquired in the manner described in § 13.306-3(b), the screening shall be accomplished before contract award. Where special test equipment is to be acquired in the manner described in § 13.306-3(c), the contracting officer shall normally accomplish the screening and notify the contractor of the Government's election within the notice period provided in the special test equipment clause in § 13.705. Thereafter, the Government-owned items to be furnished shall be promptly shipped to the contractor and the contract shall be equitably adjusted pursuant to the special test equipment clause. However, if the contracting officer determines that the savings anticipated from furnishing Government-owned items would be exceeded by costs that might be incurred as a result of delays or administrative actions, he may, except as to items listed in § 13.312, waive the screening and shall immediately advise the contractor that the Government will not furnish the equipment. For items listed in § 13.312, when warranted by the urgency of the situation, requests for screening may be submitted to the Defense Industrial Plant Equipment Center by whatever means deemed expedient but must be followed by a DD Form 1419 for each item as specified above. When submitting urgent screening requirements other than on a DD Form 1419, the following elements of information must be furnished for each item of equipment:

- (a) Case number;
- (b) PEC/SCC/FSN;

(c) Description data sufficient to enable DIPEC to make an urgency determination of availability;

(d) Date item required;

(e) Name and address of requiring agency;

(f) Contract, appendix, item number and program;

(g) Statement as to whether item is for production or mobilization, replacement or modernization, whether item will be procured if not available from DIPEC, and the date of availability from procurement; and

(h) Assigned urgency rating.

If DIPEC does not have the item available for supply, an informal notice of nonavailability will be furnished to the contracting officer. If DIPEC cannot supply the item within the time specified by the contracting officer, DIPEC will so advise the contracting officer in order that he may notify the contractor that the Government will not furnish the equipment. Upon issuance of an informal notice of nonavailability in this latter situation, DIPEC will annotate the file to show that the item could not be supplied from Government inventory in sufficient time to meet the urgency situation. The confirming DD Form 1419 submitted by the contracting officer shall be annotated to reflect the informal action.

#### § 13.307 Providing Government production and research property when disposal is limited.

(a) *Nonseverable property.* Government production and research property, other than foundations and similar improvements necessary for the installation of special tooling, special test equipment, and plant equipment (see § 30.2 of this chapter, item 103.8), shall not be installed or constructed on land not owned by the Government in such fashion as to be nonseverable, unless the head of a procuring activity determines that such location is necessary, and:

(1) The contract under which such property is provided contains a provision for reimbursing the Government for the fair value of the property at the completion or termination of the contract or within a reasonable time thereafter (for example, in appropriate cases, such a provision may require the contractor to purchase the property at a value to be determined by appraisal, or at a price equal to its acquisition cost less depreciation at a specified rate considering its estimated useful life, or may require the contractor to reimburse the Government for its scrap or salvage value if the head of a procuring activity determines that its estimated useful life will not extend beyond the expiration of the facilities contract or the completion of the work for which the property was provided);

(2) The Government has an option to acquire the underlying land; or

(3) The contract under which such property is provided contains an alternate provision that the Secretary considers to be adequate to protect the interests of the Government therein (the authority of the Secretary under this subparagraph may not be delegated).

(b) *Property subject to patent or other proprietary rights.* If patent or other

proprietary rights of a contractor may restrict the disposal of Government production and research property, the condition in either paragraph (a) (1) or (3) of this section shall be satisfied before such property is provided.

#### § 13.308 Offer to furnish Government production and research property "as is".

(a) Government production and research property may be offered on an "as is" basis in any solicitation for fixed-price type contracts, whether such property is in storage or in the possession of a contractor. In the latter event, the offer will be subject to the policy stated in § 13.304(a) (1) regarding the relative priorities of the work involved.

(b) Government production and research property may be offered on an "as is" basis for the performance of fixed-price type contracts only if it can be inspected by bidders or proposers prior to the submission of their offers. In such cases, the solicitation shall state:

(1) The availability and location of the property, and the conditions under which it may be inspected;

(2) That the property will be offered in its current condition, f.o.b. present location;

(3) That bidders or proposers must satisfy themselves that the property is suitable for their use;

(4) That any costs of transporting, installing, modifying, repairing, or otherwise making the property suitable for use shall be borne by the successful bidder or proposer;

(5) That evaluations will be made to eliminate any competitive advantage from the use of the property (see Subpart E of this part); and

(6) The bidders or proposers to whom the property is offered, if it is not to be offered to all.

(c) If, in accordance with the policy stated in §§ 13.402 and 13.403, the successful bidder or proposer is authorized to use property furnished on an "as is" basis, the Government shall furnish the property in its current condition, f.o.b. present location. If a facilities contract is used to furnish Government production and research property offered on an "as is" basis, the Schedule shall state that the contractor shall not be reimbursed thereunder for transporting, installing, modifying, repairing, or otherwise making the property ready for use.

#### § 13.309 Changing Government production and research property to be provided.

The amount of Government production and research property specified under a contract to be provided may be increased by a bilateral modification of the contract. Such increases shall be made only when approved in accordance with the policies prescribed in this subpart and when the Government receives adequate consideration therefor. Unilateral decreases in or substitutions for the Government production and research property specified under a contract to be provided by the Government may be ordered by the contracting officer, subject to the equitable adjustment of the contract, in accordance with paragraph

(b) of the appropriate Government Property clause in Subpart G of this part.

#### § 13.310 Limited offers.

If it is not feasible to make Government production and research property available to all bidders or proposers, solicitations offering to furnish such property under this subpart may limit the offer accordingly.

#### § 13.311 Notices to Defense Industrial Plant Equipment Center.

(a) When acquiring an item of facilities with an acquisition cost of \$1,000 or more, in Federal Supply Classes 3220, 3411 through 3419, 3422, 3424, 3426, 3428, 3431, 3432, 3433, 3436, 3438, 3441 through 3449, and 3450, the contracting officer shall furnish to the Defense Industrial Plant Equipment Center, Attn: DIPEC-PP, Memphis, Tenn., 38102:

(1) A copy of the contract authorizing such purchase, annotated to reflect the number and date of the certificate of nonavailability for each item purchased;

(2) A copy of the contractor's purchase order for the item, annotated to reflect the number and date of the certificate of nonavailability for each item purchased; and

(3) Any purchase description, specification, or other data not included in subparagraph (1) or (2) of this paragraph which are used to describe the items except Federal or coordinated military specifications.

(b) When acquiring general purpose components of special test equipment of any class as listed in § 13.312 and costing \$1,000 or more, the contracting officer shall report acquisition of such components using DD Form 1342. When such components become idle, DIPEC shall be notified thereof using DD Form 1342s.

#### § 13.312 Items to be screened by Defense Industrial Plant Equipment Center.

The items to be screened by the Defense Industrial Plant Equipment Center (DIPEC) in accordance with §§ 13.301(f) and 13.306-4 are as follows:

##### LIST I

[This list is for use by all Department of Defense activities using the Plant Equipment Code/Standard Commodity Code as the basis for equipment classification.]

Plant equipment code	Standard commodity code	Description
	2432	Pressure and Vacuum Tanks, Enclosures Only.
	2433	Storage and Processing Tanks, Enclosures Only.
	3111	Generators, Alternating Current.
	3112	Generators, Direct Current.
	3123	Motors, A.C. Integral, One Horsepower and over.
	3126	Motors, D.C. Integral, One Horsepower and over.
	3129	Motors, Universal, Integral, One Horsepower and over.
	3131	Prime Mover Generator Sets, Gasoline Engine.
	3132	Prime Mover Generator Sets, Diesel Engine.
	3133	Prime Mover Generator Sets, Gas Turbine.
	3134	Prime Mover Generator Sets, Steam Engine.
	3135	Prime Mover Generator Sets, Steam Turbine.
	3139	Miscellaneous Prime Mover Generator Sets.

##### LIST I—Continued

Plant equipment code	Standard commodity code	Description
	3140	Rotating Converting Equipment: Includes Dynamometers, Motor Converters, Phase Converters, Phase Modifiers, Frequency Changers, Synchronous Converters, Synchronous Booster Converters.
	3148	Motor Generator Sets.
	3149	Rotating Converting Equipment Miscellaneous.
	3191	Dynamometers.
	3311	Compressors, Air, Reciprocating, Stationary, Tank Mounted.
	3312	Compressors, Air, Reciprocating, Stationary, Except Tank Mounted.
	3313	Compressors, Air, Reciprocating, Portable.
	3314	Compressors, Industrial Gases.
	3321	Compressors, Rotary, Lobe Type, Except Refrigeration.
	3322	Compressors, Rotary, Vane Type, Except Refrigeration.
	3323	Compressors, Rotary, Screw Type, Except Refrigeration.
	3324	Compressors, Rotary, Gear Type, Except Refrigeration.
	3329	Compressors, Rotary, Miscellaneous, Except Refrigeration.
	3331	Vacuum Pumps, Reciprocating.
	3332	Vacuum Pumps, Rotary.
	3339	Vacuum Pumps, Miscellaneous.
	3341	Pumps, Reciprocating, Power Driven.
	3342	Pumps, Centrifugal, Power Driven.
	3343	Pumps, Turbine, Power Driven.
	3344	Pumps, Rotary, Power Driven.
	3345	Pumps, Diaphragm, Power Driven.
	3349	Pumps, Miscellaneous, Power Driven.
	3399	Compressors and Pumps, Miscellaneous.
3411	-----	Boring Machines.
3412	-----	Broaching Machines.
3413	-----	Drilling Machines.
3414	-----	Gear Cutting and Finishing Machines.
3415	-----	Grinding Machines.
3416	-----	Lathes.
3417	-----	Milling Machines.
3418	-----	Planers.
3419	-----	Miscellaneous Machine Tools.
	3421	Boring Machines, Portable.
	3422	Drilling Machines, Portable.
	3423	Facing Machines, Portable.
	3424	Milling Machines, Portable.
	3425	Planers, Portable, Except Rotary Type.
	3426	Turning Machines, Portable.
	3427	Keyway Cutters, Shaft, Portable.
	3428	Shapers and Slotters, Portable.
	3429	Portable Machine Tools, Not Elsewhere Classified.
	3431	Rolling Mills and Allied Equipment.
	3432	Drawing Machines and Drawing Benches.
	3433	Finishing Equipment.
	3439	Primary Metal Forming Machines and Equipment Not Elsewhere Classified.
3431	-----	Electric Arc Welding Equipment.
3432	-----	Electric Resistance Welding Equipment.
3433	-----	Gas Welding and Heat Cutting and Metalizing Equipment.
3436	-----	Welding Positioners and Manipulators.
3438	-----	Miscellaneous Welding Equipment.
	3441	Bending and Forming Machines.
	3442	Hydraulic and Pneumatic Presses, Power Driven.
	3443	Mechanical Presses, Power Driven.
	3444	Manual Presses.
	3445	Punching and Shearing Machines.
	3446	Forging Machinery and Hammers.
	3447	Wire and Metal Ribbon Forming Machines.
	3448	Riveting Machines.
	3449	Miscellaneous Secondary Metal Forming and Cutting Machines.
	3473	Surface Plates.
	3521	Plant-to-Fiber Machinery.
	3522	Fiber-to-Fabric Machinery.
	3523	Fabric Machinery.
	3524	Bleaching, Dyeing, and Finishing Machinery.
	3525	Sewing Machinery Industrial.
	3526	Clothing and Other Fabric Working Machinery.

##### LIST I—Continued

Plant equipment code	Standard commodity code	Description
	3527	Cordage and Rope Machinery.
	3529	Miscellaneous Textile Industries Machinery.
	3531	Pulp Mill Machinery.
	3532	Paper Mill Machinery.
	3533	Wallboard Machinery.
	3534	Paperboard Machinery.
	3535	Box and Carton Making Machinery.
	3536	Fiber Can, Tube, Drum, and Pail Making Machinery.
	3537	Bag and Envelope Making Machinery.
	3539	Miscellaneous Paper Converting Machinery.
	3551	Rubber Processing Machinery.
	3552	Rubber Fabricating Machinery.
	3553	Vulcanizing Machinery and Presses.
	3554	Rubber Reclaiming Machinery.
	3555	Miscellaneous Rubber Working Machinery.
	3562	Sawing Machines, Except Sawmills.
	3563	Surfacing Machines.
	3564	Lathes, Woodworking.
	3565	Jointer, Matchers, Molders, Mortisers and Tenoners, Etc.
	3566	Veneer and Plywood Machinery.
	3569	Miscellaneous Woodworking Machinery.
	3571	Metallurgical and Metal Melting Furnaces.
	3572	Metal Heat Treating Furnaces and Ovens.
	3573	Kilns, Except Wood Industry Kilns.
	3574	Wood Industry Kilns.
	3575	Ovens, Except Metal Heat Treating and Food Industry Including Reheating Furnaces.
	3577	Lehrs.
	3578	Ammonia Dissociators and Gas Generators.
	3579	Industrial Furnaces, Miscellaneous.
	3581	Core Making Machines.
	3582	Molding Machines.
	3583	Shakeout Equipment.
	3584	Tumbling Barrels and Mills.
	3585	Blast Cleaning Equipment for Castings, Except Barrels and Mills.
	3586	Casting Machines.
	3587	Sand Conditioning and Reclamation Equipment, Multiple Purpose Units.
	3589	Miscellaneous Foundry Equipment Except Furnaces and Ovens.
	3593	Special Machinery for Glass Industry (Forming, Polishing, Grinding, and Finishing).
	3597	Special Machines for the Chemical and Pharmaceutical Products Manufacturing Industries, Including Synthetic Rubber Manufacturing Machinery.
	3598	Special Machines for Ammunition and Ordnance.
	3599	Special Industry Machinery, Not Elsewhere Classified.
	3611	Crushers.
	3612	Pulverizers, Grinders, and Granulators.
	3613	Shredders, Chippers, and Knife Hogs.
	3614	Screens, Sifters, and Other Sizers.
	3615	Mixing Machines, Except Construction Material Mixers.
	3619	Miscellaneous Crushing, Pulverizing and Screening Machines and Equipment, Except Construction Material Mixers.
	3621	Filling Machines (Packaging).
	3622	Wrapping Machines.
	3623	Cartoning Machines and Carton Closing Machines.
	3624	Package Sealing, Stapling, and Closing Machines.
	3625	Capping Machines.
	3626	Labeling Machines.
	3627	Combination Packaging Machines.
	3629	Wrapping Packaging Machinery, Miscellaneous.
	3631	Cabinet Driers and Dehydrators.
	3632	Multipass Driers.
	3633	Tunnel Driers and Dehydrators.
	3634	Rotary Driers and Dehydrators.
	3635	Spray Driers.
	3636	Flash Driers.
	3637	Gas Driers, Includes Activated Alumina Towers.

LIST I—Continued

Plant equipment code	Standard commodity code	Description
	3939	Miscellaneous Thermal Driers, Dehydrators and Anhydrators.
	3941	Closed Heat Exchangers.
	3942	Open Heat Exchangers.
	3943	Direct Contact Heat Exchangers Intermixed Fluids.
	3944	Pebble Heat Exchangers.
	3949	Miscellaneous Industrial Heat Exchangers.
	3951	Steam Boilers, Stationary, Over 15 Pounds W.S.P.
	3952	Steam Boilers, Marine, Over 15 Pounds W.S.P.
	3961	Industrial Fans and Blowers, Centrifugal, Except Turbo-Fans and Blowers.
	3962	Industrial Fans and Blowers, Centrifugal, Turbo.
	3963	Industrial Fans and Blowers, Axial, Except Turbo-Blowers.
	3964	Industrial Fans and Blowers, Axial Turbo.
	3965	Industrial Fans and Blowers, Rotary.
	3966	Industrial Fans and Blowers, Mechanical Draft Type.
	3969	Miscellaneous Industrial Fans and Blowers.
	3971	Pressure Type Filters for Liquids.
	3972	Vacuum Type Filters for Liquids.
	3973	Combination Pressure and Vacuum Type Filters for Liquids.
	3991	Centrifugals.
	3992	Separators.
	3994	Feeders.
	3995	Metallizing Equipment.
	3996	Dust Collection and Other Air Purification Equipment. (For Removal of Solid and Gaseous Foreign Matter.)
	3999	General Purpose Industrial Machinery Not Elsewhere Classified.
	5211	Air Condition Units, Mechanical, Self-Contained, Room.
	5231	Air Conditioning Units, Mechanical, Self-Contained, Except Room.
	5212	Refrigerators, Commercial, Mechanical, Reach In.
	5232	Refrigerators, Commercial, Mechanical, Walk In.
	5239	Refrigerators, Commercial, Mechanical, Miscellaneous.
	5272	Refrigeration Units, Industrial, Mechanical, Cutting Tool Coolers, Rivet Coolers.
	5291	Air Conditioning Units, Non-Mechanical, Water Ice.
	5293	Refrigerators, Commercial, Non-Mechanical, Water Ice.
	5412	Transformers, Instrument.
	5413	Transformers, Special Purpose, Except Specialty and Instrument Transformers, Includes Luminous Tube Illumination, Constant Current, Street Lighting, Rotary Converter, and Mercury Arc Rectifier Transformers.
	5414	Regulators, Induction Step Type Booster.
	5415	Transformers, Distribution and Network, 1 1/2 Kilovolt Amperes Through 500 Kilovolt Amperes.
	5416	Transformers, Power, Over 500 Kilovolt Amperes.
	5419	Transformers, Miscellaneous.
	5421	Mercury Pool, Arc Rectifier, and Inverting Units.
	5422	Hot Cathode Rectifier and Inverting Units.
	5423	Cold Cathode Rectifier and Inverting Units.
	5424	Electrolytic Rectifier Units.
	5425	Metallic Junction Rectifier Units.
	5426	Mechanical (Vibrating) Rectifier and Inverting Units.
	5429	Miscellaneous Non-Rotating Rectifying and Inverting Equipment.
	5431	Switchgear, Complete Units.
	5432	Wired Switchboards.
	5433	Circuit Breakers, Except Feeder Type, Including Automatic Circuit Reclosers.
	5434	Knife Switches, Including Disconnect and Switchboard Mounting Type Switches.
	5441	Electronic Control Apparatus.
	5442	Motor Control Equipment, Except Electronic.
	5443	Motor Braking Devices.
	5444	Variable Resistors, Potentiometers and Rheostats.
	5445	Fixed and Adjustable Resistors.

LIST I—Continued

Plant equipment code	Standard commodity code	Description
	5447	Pilot Devices and Servo Mechanisms.
	5449	Miscellaneous Industrial Control Equipment.
	5451	Primary Substations.
	5452	Secondary Substations, Load Centers, Power Centers.
	5473	Circuit Breakers, Feeder Type.
	5499	Electrical Control and Distribution Equipment Not Elsewhere Classified.
	5511	Gravity Conveyors, Wheel and Roller.
	5512	Power Conveyors, Except Overhead Trolley, Pneumatic Tube, and Portable, Including Vertical Conveyors.
	5513	Overhead Trolley Conveyor Systems.
	5514	Pneumatic Tube Systems, Including Foot Power Units.
	5515	Portable Conveyor Units.
	5516	Straight and Spiral Chutes.
	5519	Miscellaneous Conveyors and Conveying Systems.
	5542	Overhead Traveling Cranes.
	5543	Charging and Discharging Machines and Manipulators.
	5544	Gantry and Portal Type Cranes and Ore Bridges.
	5545	Whirley Cranes.
	5546	Jib Cranes, Including Bracket and Pillar Cranes.
	5547	Derricks.
	5549	Miscellaneous Cranes.
	5551	Hoists.
	5552	Winches.
	5553	Windlasses.
	5554	Capstans.
	5561	Powered Trucks, Industrial (Warehouse).
	5562	Hand Trucks, Including Dollies.
	5563	Tractors, Warehouse.
	5564	Trailers for Warehouse Tractors.
	5565	Stackers, Portable Platform Type Elevators.
	5590	Conveying, Elevating, Materials Handling Equipment, Misc.
	5621	Voltmeters and Millivoltmeters.
	5622	Ammeters and Milliammeters.
	5623	Wattmeters and Power Instruments, Including Power Factor Meters.
	5624	Frequency Meters, Low Frequency, and Synchroscopes.
	5625	Ohmmeters.
	5626	Watt Hr. Meters and Watt Hr. Demand Meters.
	5627	Laboratory Measuring Instruments, Electric.
	5628	Radio and Radar Test Equipment.
	5629	Miscellaneous Electrical Quantity Measuring Instruments.
	5631	Temperature Measuring Instruments.
	5632	Humidity Measuring Instruments.
	5633	Pressure and Vacuum Measuring Instruments.
	5634	Fluid Flow and Liquid Level Measuring Instruments.
	5635	Tachometers.
	5636	Instruments for Measuring PH Acidity, Alkalinity, Density, and Constituents of Gases.
	5638	Combination Measuring Instruments.
	5639	Miscellaneous Measuring Instruments Except Aircraft and Electrical Quantity Measuring Instruments.
	5641	Temperature Controlling & Measuring Apparatus.
	5642	Humidity & Moisture Controlling & Measuring Apparatus.
	5643	Pressure and Vacuum Controlling & Measuring Apparatus Except Refrigeration Controls and Barometers.
	5644	Fluid Flow and Liquid Level Controlling and Measuring Apparatus.
	5646	Acidity, PH Controlling & Measuring Apparatus.
	5651	Hardness Testing Machines.
	5652	Strength of Materials Testing Machines.
	5653	Pressure Testing Machines.
	5654	Spring Testing and Checking Machines.
	5655	Wear, Abrasion and Aging Testing Machines.
	5656	Balancing Machines.

LIST I—Continued

Plant equipment code	Standard commodity code	Description
	5657	Inspection, Testing, & Measuring Machines.
	5658	Insulation, Heating, Ventilation, and Air Conditioning Testing Machines.
	5659	Miscellaneous Physical Properties Testing Equipment, Industrial Production Type, Excludes X-ray and Gamma Ray Equipment.
	5661	Drafting (Lifting) Machines, Numerically Controlled.
	5671	Chemical Laboratory Apparatus.
	5672	Laboratory Testing Instruments and Apparatus.
	5673	Clinical, Bacteriological, and Pathological Laboratory Instruments and Apparatus.
	5676	Constant Temperature Apparatus & Devices, Laboratory.
	5677	Balances, Weights and Laboratory Scales.
	5679	Miscellaneous Laboratory Instruments and Apparatus, Except Measuring.
	5683	Microscopes and Magnifiers.
	5684	Laboratory and Industrial Optical Instruments, Except Microscopes.
	5685	Microprojectors.
	5686	Optical Elements and Assemblies.
	5689	Miscellaneous Optical Apparatus & Instruments.
	5693	Electronic Devices for Scientific Research and Related Application.
	5694	Ordinance Testing Equipment.
	5695	Performance Testing Equipment of Aircraft and Aircraft Instrument Testing Equipment.
	5859	Sine Bars and Plates.
	(part-of-class)	
	6327	Electronic Computing Equipment (Class not listed in SCC) (Air Force Assigned Code).
	6342	Overhead, Supported or Suspended Scales, Except Platform Type.
	6343	Platform Scales.
	6345	Hopper and Tank Scales, Except Suspended.
	6346	Trip Scales.
	6347	Special Scales.
	6350	Electronic Testing and Measuring Instruments.
		Note: Nomenclature has been changed from "Radio Equipment and Related Devices" to "Electronic Testing and Measuring Instruments". DIFEC does not desire to control Radar Equipment and Related Devices per se but control of electronic and measuring equipment used in the manufacture of such items. Also listed under SCC 5628.
	6640	Electronic Testing and Measuring Instruments.
		Note: Nomenclature has been changed from "Radar Equipment and Related Devices" to "Electronic Testing and Measuring Instruments". DIFEC does not desire to control Radar Equipment and Related Devices per se but the electronic and measuring equipment used in the manufacture of such items. Also listed under SCC 5628.
	6649	See SCC 6640, same nomenclature and Note applies to the Miscellaneous Radar and Related Devices.
	6670	Power Supplies.
		Note: Includes Precision Supplies that are specifically designed for use with electronic testing and measuring equipment.
	6721	Still Picture Cameras.
	6723	Readers and Viewers.
	6732	Still Picture Processing and Finishing Equipment.
	6738	Densitometers (Part of Class SCC 6738).
	6814	Complete Industrial X-Ray Units.
	6891	Electromagnet Lifting.
	9748	Aeromedical (Altitude Chambers).

## LIST II

This list is for use by all Department of Defense activities using the Federal Supply Classification as the basis for equipment classification.

Federal supply classification	Description
3220----	Woodworking Machines.
3411----	Boring Machines.
3412----	Broaching Machines.
3413----	Drilling Machines.
3414----	Gear Cutting and Finishing Machines.
3415----	Grinding Machines.
3416----	Lathes.
3417----	Milling Machines.
3418----	Planers.
3419----	Miscellaneous Machine Tools.
3422----	Rolling Mills and Drawing Machines.
3424----	Metal Heat Treating Equipment.
3426----	Metal Finishing Equipment.
3428----	Foundry Equipment and Supplies.
3431----	Electric Arc Welding Equipment.
3432----	Electric Resistance Welding Equipment.
3433----	Gas Welding, Heat Cutting and Metallizing Equipment.
3436----	Welding Positioners and Manipulators.
3438----	Miscellaneous Welding Equipment.
3441----	Bending and Forming Machines.
3442----	Hydraulic and Pneumatic Presses, Power Driven.
3444----	Manual Presses.
3445----	Punching and Shearing Machines.
3446----	Forging Machinery and Hammers.
3447----	Wire and Metal Ribbon Forming Machinery.
3448----	Riveting Machines.
3449----	Miscellaneous Secondary Metal Forming and Cutting Machines.
3450----	Machine Tools, Portable.
3460----	Machine Tool Accessories, Plates, Duplex, Surface and Lapping.
3530----	Industrial Sewing Machines and Mobile Textile Repair Shops Industrial Sewing Machines.
3540----	Wrapping and Packaging Machinery.
	Adhesive Applying Machines, Label.
	Baling Presses, Industrial.
	Bottle Capping Machines.
	Bottle Filling Machines.
	Boxes and Cutters, Steel Strapping Coil.
	Capping Machines.
	Filling Machines.
	Labeling Machines.
	Measuring and Cutting Machines, Paper.
	Nailing Machines, Automatic.
	Package Sealing Machines.
	Preservation and Packaging Equipment Sets.
	Sealers, Box Strapping.
	Sealing Machines, Heat.
	Sealing Plates, Electric.
	Staplers, Box.
	Stapling Machines, Except Office Type.
	Steel Strapping and Sealing Kits.
	Stretching Machines, Steel Strapping, Electric.
	Supplementary Equipment, Depot, Packaging and Preservation.
	Twisters, Wire Typing, Hand.
	Typing Machines, Bundle, Industrial.
3615----	Pulp and Paper Industries, Machinery.
3620----	Rubber Working Machinery.
3625----	Textile Industries Machinery.
3635----	Glass Industries Machinery.
3650----	Chemical and Pharmaceutical Products Manufacturing Machinery.

## LIST II—Continued

Federal supply classification	Description
3655----	Gas Generating Equipment.
	Gas Generators, Except Semi-trailer Mounted Types.
	Ammonia Dissociators.
3695----	Miscellaneous Special Industry Machines.
	Ammunition Loading (filling and assembling) Machinery, Specialized.
	Crystal Fabricating Equipment.
	Crystal Platers, Metallic Vapor.
	Drum Manufacturing Machinery.
	Explosives Loading (filling and assembling) Machinery, Specialized.
	Jerrican Manufacturing Machinery.
	Lapping Machinery, Quartz Crystal.
	Marking Machines, Electric, Electric Wire-flexible Insulating Sleeveing.
	Optical Goods Manufacturing Machinery.
	Optical Lens Cutting Machines.
	Optical Lens Grinding Machines.
	Petroleum Refinery Machinery.
	Strippers, Wire, Power Operated.
	Tapes, Electric Wire-flexible Insulating Sleeveing Marking Machine.
3815----	Crane and Crane-Shovel Attachments.
	Electromagnets, Lifting.
3820----	Mining, Rock Drilling, Earth Boring and Related Equipment.
	Crushers, Gyratory Type
	Crushers, Jaw Type
	Crushers, Roll Type
	Crushers, Ring Type
	Crushers, Hammer Type.
	Mills, Ball and Pebble Type.
	Mills, Flaking Type.
	Mills, Jar Type.
	Mills, Preliminary Type.
	Mills, Rod Type.
	Mills, Tube Type.
	Mills, Outside Screen Type.
	Mills, Roller Type.
	Pulverizers.
	Screens.
	Sifters.
	Sizers.
3895----	Miscellaneous Construction Equipment.
	Feeders Material.
3910----	Conveyors.
3920----	Materials Handling Equipment, Nonself-Propelled.
	Dolly Trucks.
	Hand Trucks.
	Stackers, Hand Propelled.
	Trailers, Materials Handling.
	Trailers, Platform, Airborne.
	Trailers, Platform, Warehouse.
	Trailers, Rack, Sheet Stock.
	Trailer Bodies, Warehouse Trailer.
	Trucks, Barrel.
	Trucks, Dolly.
	Trucks, Hand, Adjustable, General Purpose.
	Trucks, Hand, Box, Except Specially Designed Laundry & Dry Cleaning Type.
	Trucks, Hand, Lift.
	Trucks, Hand, Platform, General Purpose.
3930----	Warehouse Trucks and Tractors: Self-Propelled.
3950----	Winches, Hoists, Cranes, and Dericks.
3990----	Miscellaneous Materials Handling Equipment.
4110----	Self-Contained Refrigeration Units and Accessories.
	Refrigerators, Mechanical, Commercial.
	Refrigerators, Nonmechanical, Water Ice.

## LIST II—Continued

Federal supply classification	Description
4120----	Self-Contained Air Conditioning Units and Accessories.
4310----	Compressors and Vacuum Pumps.
	Compressors, Axial Flow, Except Refrigeration.
	Compressors, Centrifugal.
	Compressors, Mixed Flow, Except Refrigeration.
	Compressors, Reciprocating, Direct Acting.
	Compressors, Reciprocating, Power Driven, Multiapplication.
	Compressors, Rotary, Power Driven.
	Compressors, Trilled Mounted.
	Compressors, Truck Mounted.
	Compressor Assemblies, Power Driven.
	Compressor Sets, Power Driven.
	Compressor Units, Reciprocating, Multiapplication.
	Pumps, High Vacuum, Rotary.
	Pumps, Vacuum, Diffusion.
	Pumps, Vacuum, Mechanical.
	Pumps, Vacuum, Reciprocating.
	Pump Assemblies, Vacuum.
	Tanks, Pressure.
	Vacuum Pumps, Diffusion and Rotary, Power Driven.
4320----	Power and Hand Pumps.
	Pumps, Axial Piston.
	Pumps, Centrifugal.
	Pumps, Centrifugal-jet.
	Pumps, Radial Piston.
	Pumps, Reciprocating, Power Driven.
	Pumps, Rotary, Power Driven.
	Pumps, Variable Delivery, Hydraulic.
	Pumps, Vertical Turbine.
	Pump Assemblies, Centrifugal, Power Driven.
	Pump Units, Centrifugal-Vacuum, Power Driven.
	Pumping Assemblies, Deep Well.
	Pumping Assemblies, Flammable Liquid, Bulk Transfer.
	Pumping Units, Hydraulic.
	Rams and Pumps, Hydraulic.
4330----	Centrifugals, Separators, and Pressure and Vacuum Filters.
4410----	Industrial Boilers.
4420----	Heat Exchangers and Steam Condensers.
4430----	Industrial Furnaces, Kilns, Lehrs, and Ovens.
4440----	Driers, Dehydrators, and Anhydrotors.
4450----	Industrial Fan and Blower Equipment.
4460----	Air Purification Equipment.
4920----	Aircraft Maintenance and Repair Shop Specialized Equipment.
4925----	Ammunition Maintenance and Repair Shop Specialized Equipment.
4940----	Miscellaneous Maintenance and Repair Shop Specialized Equipment.
	Blast Cleaning Cabinets.
	Blast Cleaning Machines.
5220----	Inspection Gages and Precision Layout Tools.
	Sine Bars and Plates.
	Surface Plates.
5430----	Storage Tanks.
	Enclosures for Pressure and Vacuum Tanks.
	Gasoline Storage Tanks.
	Liquid Storage Tanks, Metal.
	Metal Tanks, Liquid Storage.
	Oil Storage Tanks.
	Storage Tanks, Metal, Liquid.
	Tanks, Liquid, Storage, Metal.

## List II—Continued

Federal supply classification	Description
5905.....	Resistors. Variable Resistors, Potentiometers and Rheostats. Fixed and Adjustable Resistors
5925.....	Circuit Breakers. Circuit Breakers, Feeder Type.
5930.....	Switches. Knife Switches, Including Disconnect and Switchboard Mounting Type Switches.
5950.....	Coils and Transformers. Attenuators, Fixed, Inductive Type. Attenuators, Variable, Inductive Type. Attenuator Assemblies, Inductive Type. Audio Frequency Autotransformers. Autotransformers. Autotransformer Assemblies. Booster Transformers. Demagnetizers. Discriminator Transformers. Transformers, Audio. Transformers, Audio Frequency. Transformers, Audio Oscillator. Transformers, Battery Charging. Transformers, Blocking Tube Oscillator. Transformers, Constant Voltage. Transformers, Current. Transformers, Discriminator. Transformers, Driver. Transformers, Frequency Modulation. Transformers, Grid Modulation. Transformers, Instrument Potential. Transformers, Intermediate Frequency. Transformers, Microphone. Transformers, Modulation. Transformers, Plate to Grid. Transformers, Potential. Transformers, Power, Filament. Transformers, Power, Filament and Plate. Transformers, Power, Fixed Autotransformer. Transformers, Power Isolation. Transformers, Power, Isolation and Step-down. Transformers, Power, Isolation and Step-down and Step-up. Transformers, Power, Isolation and Step-up. Transformers, Power, Phase Conversion. Transformers, Power, Plate. Transformers, Power, Step-down. Transformers, Power, Step-down and Step-up. Transformers, Power, Step-up. Transformers, Power, Vibrator. Transformers, Power, Voltage Regulating. Transformers, Pulse. Transformers, Radio Frequency. Transformers, Rotatable. Transformers, Synchro Overload. Transformers, Universal Bias. Transformers, Variable, Power. Transformers, Variable, Radio Frequency. Transformers, Vibrator. Transformer Assemblies. Transformer Sets.
6105.....	Motors, Electrical. Motors, Electrical, AC, One Horsepower and Over. Motors, Electrical, DC, One Horsepower and Over. Motors, Electrical, Universal, One Horsepower and Over.

## List II—Continued

Federal supply classification	Description
6110.....	Electrical Control Equipment.
6115.....	Generators and Generator Sets, Electrical. All Generator Sets, Except Aircraft and Trailer Mounted Types.
6120.....	Transformers: Distribution and Power Station.
6125.....	Converters, Electrical.
6130.....	Rectifying Equipment, Electrical.
6625.....	Electrical and Electronic Properties Measuring and Testing Instruments.
6630.....	Chemical Analysis Instruments.
6635.....	Physical Properties Testing Equipment.
6636.....	Environmental Chambers and Related Equipment.
6640.....	Laboratory Equipment and Supplies. Baths, Water, Electric. Burners, Alcohol. Burners, Bunsen. Burners, Gas, Laboratory. Cabinets, Constant Temperature. Centrifuges, Laboratory. Crucibles. Culture Apparatus, Anaerobic. Distilling Apparatus, Laboratory. Drying Chambers, Vacuum. Extraction Apparatus, Soxhlet. Extraction Assemblies. Incubators, Bacteriological. Laboratory Furnaces. Ovens, Laboratory. Presses, Cork, Laboratory. Pumps, Vacuum. Shaking Machines, Laboratory. Water Baths, Nonelectric.
6650.....	Optical Instruments. Cathetometers. Clinometers, Elevation. Magnifiers, Except Ophthalmological. Microscopes, Binocular. Microscopes, Optical. Microscopes, Spectrum Measuring. Microscopes, Toolmakers'. Polarimeters. Projectors, Microscopic Slide. Projectors, Retical Image. Reducing Glasses. Refractometers. Spectrographs. Spectrophotometers. Spectroscopes, Direct Vision. Spotting Instruments, Optical. Stereoscopes, Prism-mirror.
6670.....	Scales and Balances. Balances, Analytical. Balances, Laboratory. Balances, Trip. Scales, Industrial. Scales, Laboratory. Scales, Platform. Scales, Airplane Type.
6675.....	Drafting, Surveying and Mapping Instruments. Drafting and Lifting Machines, Numerically Controlled Type.
6680.....	Liquid and Gas Flow, Liquid Level, and Mechanical Motion Measuring Instruments.
6685.....	Pressure, Temperature, and Humidity Measuring and Controlling Instruments.
6695.....	Combinations and Miscellaneous Instruments. Dynamometers. Flow-pressure Instruments. Meters, Frequency. Meters, Wire and Cable Measuring.

## List II—Continued

Federal supply classification	Description
6720.....	Cameras, Still Pictures. Cameras, Aircraft and/or Aerial. Cameras, Microfilm. Cameras, Still Pictures. Cameras, Stereo.
6730.....	Photographic, Projection Equipment. Microfilm, Readers, Viewers and Projectors.
6740.....	Photographic Developing and Finishing Equipment. Developing Machines. Developing Tanks, Film. Driers, Photographic Film, Except Radiographic and Photofluorographic. Driers, Photographic Plate. Driers, Photographic Print. Dry, Mounting Presses. Film, Cleaning Machines. Hangers, Photographic Film and Plate. Printers, Contact, Photographic. Printing Frames. Processing Machines, Photographic Film, Except Radiographic. Processing Machines, Photographic Film and Paper. Siphons, Photographic Tray, Automatic. Tanks, Processing, Photographic. Washers, Photographic Print.
6760.....	Photographic Equipment and Accessories. Cabinets, Film Storage. Densitometers, Except Radiographic. Focusing Aids, Photographic, Projection Printer.
7440.....	Automatic Data Processing Systems: Industrial, Scientific and Office Types. Analog Computer Systems. Digital Computer Systems.

## Subpart D—Use and Rental of Government Production and Research Property

## § 13.401 Policy.

It is the policy of the Department of Defense to put Government production and research property which is in the possession of a contractor or subcontractor to the greatest possible use in the performance of Government contracts or subcontracts, so long as such use does not confer a competitive advantage on the contractor or subcontractor contrary to the policies set forth in Subpart E of this part.

## § 13.402 Authorizing a contractor to use Government production and research property without charge.

(a) A contractor may use Government production and research property without charge:

- (1) In the performance of—
- (i) Prime contracts which specifically authorize use without charge;
- (ii) Subcontracts of any tier if the contracting officer having cognizance over the prime contract concerned has authorized use without charge by:

(a) Approving a subcontract specifically authorizing such use;

(b) Including such authorization in the prime contract; or

(c) By otherwise approving such use in writing;

(iii) Contracts of foreign government if use without charge has been authorized in writing pursuant to § 13.406; or

(iv) Research, development, or educational work by non-profit organizations if the contracting officer having cognizance of such property approves such use in writing after obtaining the authorization required by § 13.407;

(2) *Provided*, as to subparagraph (1) (i) and (ii) of this paragraph:

(i) The procedures set forth in Subpart E of this part are complied with;

(ii) The contracting officer having cognizance of the prime contract determines that the Government will receive adequate consideration for the use of the property through reduced costs for the supplies or services or otherwise; and

(iii) A concurrence in the proposed use of the property in accordance with paragraphs (b) and (c) of this section is obtained.

(b) (1) A contracting officer desiring to authorize use of Government production and research property under the cognizance of another contracting officer may request the latter to give his concurrence in such use. If concurrence is denied, the resolution procedures set forth in paragraph (c) of this section shall be employed.

(2) Unless its use is authorized by the solicitation, each solicitation shall require that any contractor or subcontractor desiring to use Government production and research property in his possession without charge in the performance of the proposed Government contract or subcontract shall request the contracting officer having cognizance of such property to give his written concurrence in such use. Such concurrence shall be given whenever possible and shall contain any information required by § 13.502 or § 13.503.

(c) If the contracting officer having cognizance of Government production and research property refuses to give the concurrence called for by paragraph (b) (2) of this section, the contractor may report the matter to the procurement contracting officer, who may then request permission of the contracting officer having cognizance over such property to authorize its use. The latter shall respond promptly to this request. In the event of a disagreement between the two contracting officers, they shall refer the matter to the heads of their respective procuring activities as promptly as may be practicable. If the latter are unable to reach agreement, they shall refer the matter to their respective higher echelons of procurement authority for resolution. Any interdepartmental issue shall be referred to the Secretaries of the Departments concerned for resolution.

(d) Notwithstanding paragraph (a) of this section, a contract may be modified to provide for the use of Government production and research property on a rent-free basis, if the contract is equitably adjusted to reflect the elimination

of rent and any other amount attributable thereto.

#### § 13.403 Rental of Government production and research property.

(a) When use of Government production and research property is authorized by the contracting officer having cognizance of the property, rent computed in accordance with § 13.404 shall be charged for such use except where use without charge is authorized under § 13.402. If this contracting officer refuses to grant such authorization with respect to work for the Government, the contracting officer having cognizance of the procurement may refer the matter to the higher echelons of authority referred to in § 13.402(c).

(b) When Government production and research property is no longer required for the performance of Government contracts or subcontracts, it shall not continue to be made available to a contractor solely for commercial use pursuant to this part (see § 13.301(e)).

(c) Each contracting officer having cognizance of Government production and research property shall be responsible for the collection of rent thereon.

#### § 13.404 Rental rates and policies applicable to the use of Government production and research property.

(a) Except as provided below, the rent for all Government production and research property shall be computed in accordance with the Use and Charges clause set forth in § 7.702-12 of this chapter for facilities. Rent for machine tools (Production Equipment Codes 3411-341999) and secondary metalforming and cutting machines (Production Equipment Codes 3441-34490) shall be based on the time such property is available for use. Rent for other classes of Government production and research property is normally charged on the same basis; however, if the Secretary concerned, or his designee, determines it to be in the best interest of the Government, rent may be charged on an actual use or other basis. In such cases, the Use and Charges clause should be appropriately modified.

(b) The rental charge required by paragraph (a) of this section shall not be applicable to:

(1) Wholly Government-owned plants operated by private contractors on a fee basis;

(2) Items of equipment which are of such size or complexity, or have such performance characteristics, that they present unusual problems in relation to the time required for their preparation for shipment, installation, and preparation for operation; *Provided*, That the Office of Emergency Planning has approved the general program involving such equipment;

(3) Government production and research property left in place or installed on contractor-owned property for mobilization or future production purposes of the Government: *Provided*, That a rental charge computed in accordance with paragraph (a) of this section shall apply to so much of such property or its capacity as may be used or authorized for use; or

(4) Such other Government production and research property as may be otherwise excepted by the Office of Emergency Planning.

#### § 13.405 Non-Government use.

Prior approval of the Office of Emergency Planning shall be obtained through the Assistant Secretary of Defense (Installations and Logistics) before more than 25 percent non-Government use of Government-owned machinery and tools (Production Equipment Code Nos. 3411-341999 and 3441-34490) having a unit acquisition cost of \$500 or more may be authorized. For purposes of this paragraph, use for a foreign government authorized under § 13.406 is Government use.

#### § 13.406 Rent-free use of Government production and research property on work for foreign governments.

(a) It is the policy of the Department of Defense to encourage the maximum feasible sales of supplies manufactured or services performed in the United States to friendly foreign governments or organizations thereof. Rent-free use of Government production and research property to promote this policy should be authorized when the requirements of paragraph (b) of this section are satisfied. Requests made for such use shall be processed as expeditiously as possible.

(b) Upon the request of a foreign government, or a contractor certifying that he is acting on behalf of a foreign government, the Secretary or his designee cognizant of Government production and research property located in the United States, its possessions, or Puerto Rico, may give written approval for its use without charge on contracts of foreign governments or subcontracts thereunder if:

(1) The foreign government would be authorized to place the contract with the Department concerned under the Foreign Assistance Act of 1961, as amended, or such use is authorized by an agreement with the foreign government;

(2) The foreign government's placement of the contract directly with the contractor is consistent with the best interest of the United States;

(3) It appears that the foreign government will place the contract with the contractor whether or not such use is authorized, or that no competitive pricing advantage will accrue to the contractor by virtue of such use;

(4) The contractor agrees that no charge for the use of such property will be included in the price charged the foreign government under the contract; and

(5) Such use will not interfere with foreseeable requirements of the United States.

#### § 13.407 Use of Government production and research property without charge by nonprofit organizations.

The head of a procuring activity or his designee may authorize the contracting officer cognizant of Government production and research property in the possession of a nonprofit organization to approve the use of such property by such organization without charge, for re-

search, development or educational work, if:

(a) Such use is directly or indirectly in the national interest;

(b) Such use is not for the direct benefit of a profit-making organization; and

(c) The Government receives some direct benefit from such use (such benefit shall, at a minimum, include the furnishing of a report by the contractor on the work for which the property was provided, and may include rights to use the results of the work without charge, or any other benefit that may be appropriate).

#### Subpart E—Competitive Advantage

##### § 13.501 Policy.

It is the policy of the Department of Defense to eliminate the competitive advantage that might otherwise arise from the acquisition or use of Government production and research property. This is accomplished by charging rental or by use of rental equivalents in evaluating bids and proposals as provided in §§ 13.502 and 13.503. It is also Department of Defense policy that costs or savings to the Government related to providing such property to contractors be considered in determining the lowest cost to the Government, price and other factors considered. Therefore, related costs and savings shall be considered, as provided in §§ 13.504 and 13.505, even though an advantage may accrue to one contractor to the disadvantage of another.

##### § 13.502 Advertised procurements—use of existing Government production and research property.

###### § 13.502-1 General.

In formally advertised procurements, the competitive advantage that might otherwise accrue to a contractor from the use of existing Government production and research property shall be eliminated by adding an evaluation factor to each bid for which such use is requested, or where the use of an evaluation factor is not practical, by charging rent for such use.

###### § 13.502-2 Procedures for use of evaluation factors.

Where an evaluation factor is used, it shall be equal to the rent, allocable to the contract, which would otherwise have been charged for such use. The invitation for bids shall set forth a description of the evaluation procedure to be followed, as required by § 13.506, and it shall require all bidders to submit with their bids:

(a) A list or description of all Government production and research property which the bidder or his anticipated subcontractors propose to use on a rent-free basis, including property offered for use in the invitation for bids, as well as property already in possession of the bidder and his subcontractors under other contracts;

(b) With respect to such property already in possession of the bidder and his proposed subcontractors, identification of the facilities contract or other instrument under which the property is held,

and the written permission of the contracting officer having cognizance of the property for use of that property without charge;

(c) The amount of use (in months) to be made of such property, and, with respect to any such property which will be used concurrently in performance of two or more contracts, the amounts of the respective uses in sufficient detail to support the proration required by § 13.502-3(b); and

(d) The amount of rent which would otherwise be charged for such use, computed in accordance with § 13.404.

###### § 13.502-3 Limitations.

(a) The invitation for bids shall provide that no use of Government production and research property other than as described and permitted pursuant to § 13.502-2 shall be authorized unless such use is approved in writing by the contracting officer cognizant of the property, and either rent calculated in accordance with § 13.404 is charged, or the contract price is reduced by an equivalent amount.

(b) If Government production and research property will be used on other work for which use has been authorized (see §§ 13.402 and 13.403), the evaluation factor shall be determined by prorating the rent between the proposed contract and such other work. The pro rata share applicable to a proposed contract shall be determined by multiplying the full rental charge for the use of Government production and research property for the period for which rent-free use is requested (i.e., the full charge for the requisite number of rental periods computed in accordance with paragraph (b) (2) of the Use and Charges clause in § 7.702-12 of this chapter, before application of the credit for rent-free use) by a fraction the numerator of which is the amount of use of such property requested by the contractor under that contract determined in accordance with paragraph (b) (1) (iv) of the Use and Charges clause and the denominator of which is the sum of the previously authorized use of the property by the contractor for the period and the use requested under the proposed contract.

###### § 13.502-4 Rent.

If competitive advantage is to be eliminated by charging rent, any bidder or subcontractor may use Government production and research property after obtaining the written approval of each contracting officer having cognizance of such property. Rent shall be charged for such use in accordance with § 13.404.

##### § 13.503 Negotiated procurement—use of existing Government production and research property.

In negotiated procurements, competitive advantage arising from the use of Government production and research property shall be eliminated by the use of an evaluation factor established in accordance with § 13.502, except when the procurement contracting officer determines that the use of an evaluation factor would not affect the choice of contractors.

##### § 13.504 Residual value to the Government of special tooling and special test equipment to be acquired in competitively negotiated procurements.

(a) In competitively negotiated procurements that permit the acquisition of special tooling or special test equipment, an evaluation of the residual value of such property to the Government may be made where practicable in accordance with paragraphs (b) and (c) of this section. Such an evaluation is appropriate in cases where the contracting officer has determined that such property will have a reasonably foreseeable future usefulness and related residual value beyond the period of use on the award under consideration, and it is anticipated that the cost of such property as proposed by the several offerors may be a factor in making the award. Such an evaluation is not appropriate in cases where the resulting contract is to provide for the acquisition of the special tooling or special test equipment as an end item.

(b) The purpose of evaluating the residual value of special tooling or special test equipment is to apportion to each proposal under consideration only that part of the total cost of such property which represents the amount of useful life to be consumed during performance of the resulting contract. Accordingly, the proposed price or cost of such property may be reduced for evaluation purposes by an amount representing the residual value to the Government of such property. In estimating such residual value, the following factors shall be considered:

(1) The useful life of the special tooling and special test equipment to be acquired;

(2) Its adaptability for use by other contractors or by the Government;

(3) The reasonably foreseeable requirements for its future use; and

(4) Its scrap or salvage value.

(c) If the contracting officer decides to consider the residual value of special tooling or special test equipment in a competitively negotiated procurement, the solicitation shall give notice thereof and a statement of the reasonably foreseeable future requirements of the Government for the supplies in question, in order to afford offerors the opportunity to consider such residual value as a factor in making their proposals. If the solicitation does not contain such notice and statement but the contracting officer decides to consider the residual value of special tooling or special test equipment after receipt of the proposals, he shall during the negotiations give all offerors within a competitive range a notice and statement as above, and shall permit them to make such changes in their proposals as they may consider necessary as a result of the addition of the residual value factor.

##### § 13.505 Additional evaluation factors.

Additional factors, expressed either in the form of a dollar amount or a formula, shall be employed in the evaluation of bids or proposals to reflect costs the

Government incurs, or savings the Government realizes, as set forth below, solely because it furnishes Government production and research property under a particular contract. For example, such factors will include:

- (a) Cost of reactivation from base package or storage;
- (b) Cost of rehabilitation, conversion, expansion and modernization;
- (c) Cost of making such property available on an f.o.b. basis; and
- (d) Savings of idle maintenance, layaway, or storage costs that may result if such property is used during the authorized period.

#### § 13.506 Solicitations — description of evaluation procedure.

Generally, where Government production and research property is offered for use in a competitive procurement, the solicitation should provide that the user will assume all costs related to making the property available (such as transportation or rehabilitation costs), to avoid the need for separate evaluation of such costs. Where this is not feasible, or it is otherwise in the Government's interest, the Government may assume certain of such costs provided they are included in the evaluation of bids or proposals. The rental charges or equivalent factors to be used to eliminate competitive advantage, as well as all costs or savings to be evaluated, shall be clearly shown in the solicitation to insure that all prospective bidders or offerors understand the basis to be used for selection of the lowest bid or proposal and take these factors into account in preparing their bids or proposals.

### Subpart F—Administration of Government Production and Research Property

#### § 13.601 Maintenance.

##### § 13.601-1 Facilities contracts.

(a) To the extent practicable, the Schedule of each facilities contract containing the Maintenance clause set forth in § 7.702-14 of this chapter shall specify or incorporate by reference a normal maintenance program.

(b) Where no provisions are made pursuant to paragraph (a) of this section, the contractor shall be required to submit a normal maintenance program to the contracting officer as promptly as practicable after the execution of the facilities contract. The contracting officer shall examine such program and shall negotiate with the contractor for an agreement thereon.

(c) Any normal maintenance program that is agreed to pursuant to either paragraph (a) or (b) of this section shall provide specific details which will insure protection, preservation, maintenance, and repair of the Government production and research property in accordance with sound industrial practice. In addition, such program shall include general language covering any aspects of maintenance which are not specifically provided for. Such program may also provide for:

(1) A specified degree of inspection procedures, maintenance, and repairs

that is less than sound industrial practice as to any part of the Government production and research property which is determined by the Department concerned to be nonessential to future utilization of the property as a whole; and

(2) Reimbursement by the Government for the cost of protecting, preserving, maintaining, and repairing Government production and research property not authorized for use by the contractor.

(d) The contracting officer shall order a decrease in maintenance when the current maintenance is not necessary to assure the standards set forth in paragraph (c) of this section, and when such an order will result in savings to the Government.

(e) The contracting officer may order more than the normal maintenance when necessary, but only after authority has been obtained pursuant to § 13.302 and adequate funds are available therefor. The Government shall reimburse the contractor for the costs incurred.

##### § 13.601-2 Contracts other than facilities contracts.

Government production and research property provided under a contract other than a facilities contract shall be maintained in accordance with sound industrial practice pursuant to the appropriate clause of the contract under which it is provided. However, the Schedule of any contract under which such Government production and research property is provided may contain specific maintenance requirements for such property when appropriate.

##### § 13.602 Risk of loss or damage and liability.

When justified by the circumstances of any particular contract, the contract may require the contractor to assume greater risks than those enumerated in the clause set forth in § 7.702-18 of this chapter, or the applicable contract clause set forth in Subpart G of this part, as appropriate.

##### § 13.603 Termination of facilities contracts.

A facilities contract shall be terminated when the Government production and research property covered thereby is no longer required for the performance of Government contracts or subcontracts, unless such termination is detrimental to the Government's interests. The contractor shall not be granted the unilateral right, at his election, to extend the time during which he is entitled to use the property provided under the facilities contract.

##### § 13.604 Standby or layaway provision.

(a) A facilities contract may include appropriate provisions for maintenance and storage of Government production and research property in standby or layaway status. Such provisions shall include specifications for the care and maintenance of the property appropriate for its intended future use. These provisions may be the same as or different from the Maintenance clause set forth in § 7.702-14 of this chapter, depending upon the purpose and scope of the standby or layaway provisions, the

expected duration of the standby or layaway status and other pertinent considerations.

(b) If the Government is required to pay the contractor for maintenance and storage of Government production and research property in standby or layaway, the facilities contract shall define with particularity what constitutes standby or layaway, and when and under what circumstances such payments will commence and terminate with respect to all or any part of the property.

(c) The facilities contract shall provide that, if the contractor is required to pay any state or local property tax measured by his possession of or interest in Government production and research property in standby or layaway, he shall be reimbursed therefor to the extent provided under § 15.205-41 of this chapter.

##### § 13.605 Retention of special tooling and special test equipment.

Upon termination or completion of a contract under which the Government has obtained title to or the right to acquire title to special tooling or special test equipment, the procuring activity shall review the Government's need for its continued retention. In addition, the procuring activity shall periodically review the Government's need for retaining all special tooling and special test equipment, not currently in use, to which it has title or the right to acquire title. In either case, consideration shall be given to the factors set forth in § 13.305-2(b) in determining the Government's need for retention of the special tooling and special test equipment.

##### § 13.606 Disposition.

(a) Disposition of Government production and research property shall be in accordance with applicable regulations and contract provisions (see, for example, § 13.307). See Part 8 of this chapter for disposition of contractor inventory and Departmental regulations for disposition of surplus property generally.

(b) Contracts under which Government production and research property is provided to a contractor shall reserve to the Government the right to abandon such property in place, without any obligation to restore or rehabilitate the premises of the contractor. However, this right may be waived if the prior approval of the head of a procuring activity is obtained. The authority of the head of a procuring activity to grant such approval shall not be delegated.

##### § 13.607 Insurance.

When less than 75 percent of the total use of facilities is for Government work, consideration shall be given to requiring that the contractor procure and maintain insurance against loss of or damage to the facilities. If necessary, facilities contracts may be modified to require such insurance.

##### § 13.608 Property control and accounting procedures.

Property control and accounting procedures shall be maintained in accordance with the provisions of the "Manual

for Control of Government Property in Possession of Contractors", Appendix B, "Manual for Control of Government Property in Possession of Nonprofit Research and Development Contractors", Appendix C (§§ 30.2 and 30.3 of this chapter).

### Subpart G—Contract Clauses

#### § 13.701 Applicability.

(a) As used throughout this subpart, the term "fixed-price contract" shall include any advertised or negotiated fixed-price type contract (see § 3.404 of this chapter) and any letter contract which will be converted into a fixed-price type definitive contract, but shall exclude small purchases made under Subpart F, Part 3 of this chapter, and short form negotiated supply contracts (see § 16.202 of this chapter) under which Government property having an acquisition cost of \$25,000 or less is to be furnished.

(b) As used throughout this subpart, the term "cost-reimbursement contract" shall include any cost-reimbursement type contract (see § 3.405 of this chapter) and any letter contract which will be converted to a cost-reimbursement type definitive contract, but shall exclude facilities contracts (see § 13.101-11).

(c) As used throughout this subpart, the term "short form contract" shall include small purchases made under Subpart F, Part 3 of this chapter, and short form negotiated supply contracts (see § 16.202 of this chapter) under which Government property having an acquisition cost of \$25,000 or less is to be furnished.

#### § 13.702 Government property clause for fixed-price contracts.

(a) Except as provided in paragraph (b) of this section, the following clause shall be used in fixed-price contracts (except contracts for experimental, developmental, or research work with educational or nonprofit institutions, where no profit to the contractor is contemplated) under which a Department is to furnish to the contractor, or the contractor is to acquire, Government property.

##### GOVERNMENT PROPERTY (FIXED PRICE) (NOVEMBER 1964)

(a) *Government-furnished property.* The Government shall deliver to the Contractor, for use in connection with and under the terms of this contract, the property described in the Schedule or specifications, together with such related data and information as the Contractor may request and as may reasonably be required for the intended use of such property (hereinafter referred to as "Government-furnished property"). The delivery or performance dates for the supplies or services to be furnished by the Contractor under this contract are based upon the expectation that Government-furnished property suitable for use (except for such property furnished "as is") will be delivered to the Contractor at the times stated in the Schedule or, if not so stated, in sufficient time to enable the Contractor to meet such delivery or performance dates. In the event that Government-furnished property is not delivered to the Contractor by such time or times, the Contracting Officer shall, upon timely written request made by the Contractor, make a determination of the delay, if any, occasioned the Contractor thereby, and

shall equitably adjust the delivery or performance dates or the contract price, or both, and any other contractual provision affected by any such delay, in accordance with the procedures provided for in the clause of this contract entitled "Changes." Except for Government-furnished property furnished "as is", in the event the Government-furnished property is received by the Contractor in a condition not suitable for the intended use the Contractor shall, upon receipt thereof, notify the Contracting Officer of such fact and, as directed by the Contracting Officer, either (i) return such property at the Government's expense or otherwise dispose of the property, or (ii) effect repairs or modifications. Upon the completion of (i) or (ii) above, the Contracting Officer upon written request of the Contractor shall equitably adjust the delivery or performance dates or the contract price, or both, and any other contractual provision affected by the rejection or disposition, or the repair or modification, in accordance with the procedures provided for in the clause of this contract entitled "Changes." The foregoing provisions for adjustment are exclusive and the Government shall not be liable to suit for breach of contract by reason of any delay in delivery of Government-furnished property or delivery of such property in a condition not suitable for its intended use.

(b) *Changes in Government-furnished property.* (1) By notice in writing, the Contracting Officer may (i) decrease the property provided or to be provided by the Government under this contract, or (ii) substitute other Government-owned property for property to be provided by the Government, or to be acquired by the Contractor for the Government, under this contract. The Contractor shall promptly take such action as the Contracting Officer may direct with respect to the removal and shipping of property covered by such notice.

(2) In the event of any decrease in or substitution of property pursuant to subparagraph (1) above, or any withdrawal of authority to use property provided under any other contract or lease, which property the Government had agreed in the Schedule to make available for the performance of this contract, the Contracting Officer, upon the written request of the Contractor (or, if the substitution of property causes a decrease in the cost of performance, on his own initiative), shall equitably adjust such contractual provisions as may be affected by the decrease, substitution, or withdrawal, in accordance with the procedures provided for in the "Changes" clause of this contract.

(c) *Title.* Title to all property furnished by the Government shall remain in the Government. In order to define the obligations of the parties under this clause, title to each item of facilities, special test equipment, and special tooling (other than that subject to a "Special Tooling" clause) by the Contractor for the Government pursuant to this contract shall pass to and vest in the Government when its use in the performance of this contract commences, or upon payment therefor by the Government, whichever is earlier, whether or not title previously vested. All Government-furnished property, together with all property acquired by the Contractor title to which vests in the Government under this paragraph, is subject to the provisions of this clause and is hereinafter collectively referred to as "Government property". Title to Government property shall not be affected by the incorporation or attachment thereof to any property not owned by the Government, nor shall such Government property, or any part thereof, be or become a fixture or lose its identity as personalty by reason of affixation to any realty.

(d) *Property administration.* The Contractor shall comply with the provisions of the "Manual for Control of Government

Property in Possession of Contractors" (Appendix B, Armed Services Procurement Regulation) as in effect on the date of the contract, which Manual is hereby incorporated by reference and made a part of this contract. Material to be furnished by the Government shall be ordered or returned by the Contractor, when required, in accordance with the "Manual for Military Standard Requisitioning and Issue Procedure (MIL-STRIP) for Defense Contractors" (Appendix H, Armed Services Procurement Regulation) as in effect on the date of this contract, which Manual is hereby incorporated by reference and made a part of this contract.

(e) *Use of Government property.* The Government property shall, unless otherwise provided herein or approved by the Contracting Officer, be used only for the performance of this contract.

(f) *Maintenance and repair of Government property.* The Contractor shall maintain and administer, in accordance with sound industrial practice, a program for the maintenance, repair, protection, and preservation of Government property, until disposed of by the Contractor in accordance with this clause. In the event that any damage occurs to Government property the risk of which has been assumed by the Government under this contract, the Government shall replace such items or the Contractor shall make such repair of the property as the Government directs: *Provided, however,* That if the Contractor cannot effect such repair within the time required, the Contractor shall dispose of such property in the manner directed by the Contracting Officer. The contract price includes no compensation to the Contractor for the performance of any repair or replacement for which the Government is responsible, and an equitable adjustment will be made in any contractual provisions affected by such repair or replacement of Government property made at the direction of the Government, in accordance with the procedures provided for in the "Changes" clause of this contract. Any repair or replacement for which the Contractor is responsible under the provisions of this contract shall be accomplished by the Contractor at his own expense.

(g) *Risk of loss.* Unless otherwise provided in this contract, the Contractor assumes the risk of, and shall be responsible for, any loss of or damage to Government property provided under this contract upon its delivery to him or upon passage of title thereto to the Government as provided in paragraph (c) hereof, except for reasonable wear and tear and except to the extent that such property is consumed in the performance of this contract.

(h) *Access.* The Government, and any persons designated by it, shall at all reasonable times have access to the premises wherein any Government property is located, for the purpose of inspecting the Government property.

(i) *Final accounting and disposition of Government property.* Upon the completion of this contract, or at such earlier dates as may be fixed by the Contracting Officer, the Contractor shall submit, in a form acceptable to the Contracting Officer, inventory schedules covering all items of Government property not consumed in the performance of this contract (including any resulting scrap) or not theretofore delivered to the Government, and shall prepare for shipment, deliver f.o.b. origin, or dispose of the Government property, as may be directed or authorized by the Contracting Officer. The net proceeds of any such disposal shall be credited to the contract price or shall be paid in such other manner as the Contracting Officer may direct.

(j) *Restoration of Contractor's premises.* Unless otherwise provided herein, the Government:

(i) May abandon any Government property in place, and thereupon all obligations of the Government regarding such abandoned property shall cease; and

(ii) Shall not be under any duty or obligation to restore or rehabilitate, or to pay the costs of the restoration or rehabilitation of, the Contractor's plant or any portion thereof which is affected by the abandonment or removal of any Government property.

(k) *Communications.* All communications issued pursuant to this clause shall be in writing or in accordance with the "Manual for Military Standard Requisitioning and Issue Procedure (MILSTRIP) for Defense Contractors" (Appendix H, Armed Services Procurement Regulation).

(b) In fixed-price contracts under which the contractor is required to submit certified cost or pricing data (see §§ 3.807-3 of this chapter), substitute the following for paragraph (g) of the clause in paragraph (a) of this section:

(g) *Risk of loss.* (1) Except for loss, destruction or damage resulting from a failure of the Contractor due to willful misconduct or lack of good faith of any of the Contractor's managerial personnel as defined herein, to maintain and administer the program for the maintenance, repair, protection and preservation of the Government property as required by paragraph (f) hereof, and except as specifically provided in the clause or clauses of this contract designated in the Schedule, the Contractor shall not be liable for loss or destruction of or damage to the Government property provided under this contract:

(i) Caused by any peril while the property is in transit off the Contractor's premises; or

(ii) Caused by any of the following perils while the property is on the Contractor's or subcontractor's premises, or on any other premises where such property may properly be located, or by removal therefrom because of any of the following perils—

(A) Fire; lightning, windstorm, cyclone, tornado, hail; explosion; riot, riot attending a strike, civil commotion; vandalism and malicious mischief; sabotage; aircraft or objects falling therefrom; vehicles running on land or tracks, excluding vehicles owned or operated by the Contractor or any agent or employee of the Contractor; smoke; sprinkler leakage; earthquake or volcanic eruption; flood, meaning thereby rising of a body of water; nuclear reaction, nuclear radiation or radioactive contamination; hostile or warlike action, including action in hindering, combating, or defending against an actual, impending or expected attack by any government or sovereign power (de jure or de facto), or by any authority using military, naval, or air forces; or by an agent of any such government, power, authority, or forces; or

(B) Other peril, of a type not listed above, if such other peril is customarily covered by insurance (or by a reserve for self-insurance) in accordance with the normal practice of the Contractor, or the prevailing practice in the industry in which the Contractor is engaged with respect to similar property in the same general locale.

The perils as set forth in (i) and (ii) above are hereinafter called "excepted perils."

If the Contractor transfers Government property to the possession and control of a subcontractor, the transfer shall not affect the liability of the Contractor for loss or destruction of or damage to the property as set forth above. However, the Contractor shall require the subcontractor to assume the risk of, and be responsible for, any loss or destruction of or damage to the property while in the latter's possession or control, except to the extent that the subcontract,

with the prior approval of the Contracting Officer, provides for the relief of the subcontractor from such liability. In the absence of such approval, the subcontract shall contain appropriate provisions requiring the return of all Government property in as good condition as when received, except for reasonable wear and tear or for the utilization of the property in accordance with the provisions of the prime contract.

The term "Contractor's managerial personnel" as used herein means the Contractor's directors, officers and any of his managers, superintendents, or other equivalent representatives who have supervision or direction of:

(i) All or substantially all of the Contractor's business;

(ii) All or substantially all of the Contractor's operation at any one plant or separate location at which the contract is being performed; or

(iii) A separate and complete major industrial operation in connection with the performance of this contract.

(2) The Contractor represents that he is not including in the price hereunder, and agrees that he will not hereafter include in any price to the Government, any charge or reserve for insurance (including any self-insurance funds or reserve) covering loss or destruction of or damage to the Government property caused by any excepted peril.

(3) Upon the happening of loss or destruction of or damage to any Government property caused by an excepted peril, the Contractor shall notify the Contracting Officer thereof, and shall communicate with the Loss and Salvage Organization, if any, now or hereafter designated by the Contracting Officer, and with the assistance of the Loss and Salvage Organization so designated (unless the Contracting Officer has directed that no such organization be employed), shall take all reasonable steps to protect the Government property from further damage, separate the damaged and undamaged Government property, put all the Government property in the best possible order, and furnish to the Contracting Officer a statement of:

(i) The lost, destroyed, and damaged Government property;

(ii) The time and origin of the loss, destruction, or damage;

(iii) All known interests in commingled property of which the Government property is a part; and

(iv) The insurance, if any, covering any part of or interest in such commingled property.

The Contractor shall be entitled to an equitable adjustment in the contract price for the expenditures made by him in performing his obligations under this subparagraph (3) (including charges made to the Contractor by the Loss and Salvage Organization, except any of such charges the payment of which the Government has, at its option, assumed directly), in accordance with the procedures provided for in the "Changes" clause of this contract.

(4) With the approval of the Contracting Officer after loss or destruction of or damage to Government property, and subject to such conditions and limitations as may be imposed by the Contracting Officer, the Contractor may, in order to minimize the loss to the Government or in order to permit resumption of business or the like, sell for the account of the Government any item of Government property which has been damaged beyond practicable repair, or which is so commingled or combined with property of others, including the Contractor, that separation is impracticable.

(5) Except to the extent of any loss or destruction of or damage to Government property for which the Contractor is relieved of liability under the foregoing provisions of

this clause, and except for reasonable wear and tear or depreciation, or the utilization of the Government property in accordance with the provisions of this contract, the Contractor assumes the risk of, and shall be responsible for, any loss or destruction of or damage to the Government property, and such property (other than that which is permitted to be sold) shall be returned to the Government in as good condition as when received by the Contractor in connection with this contract, or as repaired under paragraph (f) above.

(6) In the event the Contractor is reimbursed or compensated for any loss or destruction of or damage to the Government property, caused by an excepted peril, he shall equitably reimburse the Government. The Contractor shall do nothing to prejudice the Government's rights to recover against third parties for any such loss, destruction or damage and, upon the request of the Contracting Officer, shall at the Government's expense, furnish to the Government all reasonable assistance and cooperation (including the prosecution of suit and the execution of instruments of assignment in favor of the Government) in obtaining recovery. In addition, where a subcontractor has not been relieved from liability for any loss or destruction of or damage to the Government property, the Contractor shall enforce the liability of the subcontractor for such loss or destruction of or damage to the Government property for the benefit of the Government.

(7) If this contract is for the development, production, modification, maintenance or overhaul of aircraft, or otherwise involves the furnishing of aircraft by the Government, the "Ground and Flight Risk" clause of this contract shall control to the extent it is applicable, in the case of loss or destruction of, or damage to, aircraft.<sup>2</sup>

#### § 13.703 Government property clause for cost-reimbursement contracts.

The following clause shall be used in cost-reimbursement contracts for supplies and services (except contracts for experimental, developmental, or research work with educational or nonprofit institutions, where no profit to the contractor is contemplated) under which a Department is to furnish to the contractor, or the contractor is to acquire, Government property.

#### GOVERNMENT PROPERTY (COST-REIMBURSEMENT) (NOVEMBER 1964)

(a) *Government-furnished property.* The Government shall deliver to the Contractor, for use in connection with and under the terms of this contract, the property described in the Schedule or specifications, together with such related data and information as the Contractor may request and as may reasonably be required for the intended use of such property (hereinafter referred to as "Government-furnished property"). The delivery or performance dates for the supplies or services to be furnished by the Contractor under this contract are based upon the expectation that Government-furnished property suitable for use will be delivered to the Contractor at the times stated in the Schedule or, if not so stated, in sufficient time to enable the Contractor to meet such delivery or performance dates. In the event that Government-furnished property is not delivered to the Contractor by such time or times, the Contracting Officer shall, upon timely written request made by the Contractor, make a determination of the delay, if

<sup>2</sup> This subparagraph may be omitted where it is clearly inapplicable and shall be deleted when the Ground and Flight Risk clause is omitted pursuant to § 10.404(b)(2) of this chapter.

any, occasioned the Contractor and shall equitably adjust the estimated cost, fixed fee, or delivery or performance dates, or all of them, and any other contractual provisions affected by any such delay, in accordance with the procedures provided for in the clause of this contract entitled "Changes." In the event that Government-furnished property is received by the Contractor in a condition not suitable for the intended use, the Contractor shall, upon receipt thereof notify the Contracting Officer of such fact and, as directed by the Contracting Officer, either (1) return such property at the Government's expense or otherwise dispose of the property or (2) effect repairs or modifications. Upon completion of (1) or (2) above, the Contracting Officer upon written request of the Contractor shall equitably adjust the estimated cost, fixed fee, or delivery or performance dates, or all of them, and any other contractual provision affected by the return or disposition, or the repair or modification in accordance with the procedures provided for in the clause of this contract entitled "Changes." The foregoing provisions for adjustment are exclusive and the Government shall not be liable to suit for breach of contract by reason of any delay in delivery of Government-furnished property or delivery of such property in a condition not suitable for its intended use.

(b) *Changes in Government-furnished property.* (1) By notice in writing, the Contracting Officer may (i) decrease the property furnished or to be furnished by the Government under this contract, or (ii) substitute other Government-owned property for property to be furnished by the Government, or to be acquired by the Contractor for the Government, under this contract. The Contractor shall promptly take such action as the Contracting Officer may direct with respect to the removal and shipping of property covered by such notice.

(2) In the event of any decrease in or substitution of property pursuant to paragraph (1) above, or any withdrawal of authority to use property provided under any other contract or lease, which property the Government had agreed in the Schedule to make available for the performance of this contract, the Contracting Officer, upon the written request of the Contractor (or, if the substitution of property causes a decrease in the cost of performance, on his own initiative), shall equitably adjust such contractual provisions as may be affected by the decrease, substitution or withdrawal, in accordance with the procedures provided for in the "Changes" clause of this contract.

(c) *Title.* Title to all property furnished by the Government shall remain in the Government. Title to all property purchased by the Contractor, for the cost of which the Contractor is entitled to be reimbursed as a direct item of cost under this contract, shall pass to and vest in the Government upon delivery of such property by the vendor. Title to other property, the cost of which is reimbursable to the Contractor under the contract, shall pass to and vest in the Government upon (1) issuance for use of such property in the performance of this contract, or (2) commencement of processing or use of such property in the performance of this contract, or (3) reimbursement of the cost thereof by the Government in whole or in part, whichever first occurs. All Government-furnished property, together with all property acquired by the Contractor title to which vests in the Government under this paragraph, are subject to the provisions of this clause and are hereinafter collectively referred to as "Government property". Title to the Government property shall not be affected by the incorporation or attachment thereof to any property not owned by the Government, nor shall such Government property, or any part thereof, be or become a

fixture or lose its identity as personalty by reason of affixation to any realty.

(d) *Property administration.* The Contractor shall comply with the provisions of the "Manual for Control of Government Property in Possession of Contractors" (Appendix B, Armed Services Procurement Regulation), as in effect on the date of the contract, which Manual is hereby incorporated by reference and made a part of this contract. Material to be furnished by the Government shall be ordered or returned by the Contractor, when required, in accordance with the "Manual for Military Standard Requisitioning and Issue Procedure (MIL-STRIP) for Defense Contractors" (Appendix H, Armed Services Procurement Regulation), as in effect on the date of this contract, which Manual is hereby incorporated by reference and made a part of this contract.

(e) *Use of Government property.* The Government property shall, unless otherwise provided herein or approved by the Contracting Officer, be used only for the performance of this contract.

(f) *Maintenance of Government property.* The Contractor shall maintain and administer in accordance with sound industrial practice, a program for the maintenance, repair, protection and preservation of Government property so as to assure its full availability and usefulness for the performance of this contract. The Contractor shall take all reasonable steps to comply with all appropriate directions or instructions which the Contracting Officer may prescribe as reasonably necessary for the protection of Government property.

(g) *Risk of loss.* (1) The Contractor shall not be liable for any loss of or damage to the Government property, or for expenses incidental to such loss or damage, except that the Contractor shall be responsible for any such loss or damage (including expenses incidental thereto):

(i) Which results from willful misconduct or lack of good faith on the part of any one of the Contractor's directors or officers, or on the part of any of his managers, superintendents, or other equivalent representatives, who has supervision or direction of—

(A) All or substantially all of the Contractor's business; or

(B) All or substantially all of the Contractor's operations at any one plant or separate location, in which this contract is being performed; or

(C) A separate and complete major industrial operation in connection with the performance of this contract;

(2) Which results from a failure on the part of the Contractor, due to the willful misconduct or lack of good faith on the part of any of his directors, officers, or other representatives mentioned in subparagraph (1) above—

(A) To maintain and administer, in accordance with sound industrial practice, the program for maintenance, repair, protection and preservation of Government property as required by paragraph (f) hereof; or

(B) To take all reasonable steps to comply with any appropriate written directions of the Contracting Officer under paragraph (f) hereof;

(3) For which the Contractor is otherwise responsible under the express terms of the clause or clauses designated in the Schedule;

(4) Which results from a risk expressly required to be insured under this contract, but only to the extent of the insurance so required to be procured and maintained, or to the extent of insurance actually procured and maintained, whichever is greater; or

(5) Which results from a risk which is in fact covered by insurance or for which the Contractor is otherwise reimbursed, but only to the extent of such insurance or reimbursement;

Provided, That, if more than one of the above exceptions shall be applicable in any case, the Contractor's liability under any one exception shall not be limited by any other exception. If the Contractor transfers Government property to the possession and control of a subcontractor, the transfer shall not affect the liability of the Contractor for loss or destruction of or damage to the property as set forth above. However, the Contractor shall require the subcontractor to assume the risk of, and be responsible for, any loss or destruction of or damage to the property while in the latter's possession or control, except to the extent that the subcontract, with the prior approval of the Contracting Officer, provides for the relief of the subcontractor from such liability. In the absence of such approval, the subcontract shall contain appropriate provisions requiring the return of all Government property in as good condition as when received, except for reasonable wear and tear or for the utilization of the property in accordance with the provisions of the prime contract.

(2) The Contractor shall not be reimbursed for, and shall not include as an item of overhead, the cost of insurance, or any provision for a reserve, covering the risk of loss of or damage to the Government property, except to the extent that the Government may have required the Contractor to carry such insurance under any other provisions of this contract.

(3) Upon the happening of loss or destruction of or damage to the Government property, the Contractor shall notify the Contracting Officer thereof, and shall communicate with the Loss and Salvage Organization, if any, now or hereafter designated by the Contracting Officer, and with the assistance of the Loss and Salvage Organization so designated (unless the Contracting Officer has designated that no such organization be employed), shall take all reasonable steps to protect the Government property from further damage, separate the damaged and undamaged Government property, put all the Government property in the best possible order, and furnish to the Contracting Officer a statement of—

(i) The lost, destroyed and damaged Government property;

(ii) The time and origin of the loss, destruction or damage;

(iii) All known interests in commingled property of which the Government property is a part; and

(iv) The insurance, if any, covering any part of or interest in such commingled property.

The Contractor shall make repairs and renovations of the damaged Government property or take such other action, as the Contracting Officer directs.

(4) In the event the Contractor is indemnified, reimbursed, or otherwise compensated for any loss or destruction of or damage to the Government property, he shall use the proceeds to repair, renovate or replace the Government property involved, or shall credit such proceeds against the cost of the work covered by the contract, or shall otherwise reimburse the Government, as directed by the Contracting Officer. The Contractor shall do nothing to prejudice the Government's right to recover against third parties for any such loss, destruction, or damage and, upon the request of the Contracting Officer, shall, at the Government's expense, furnish to the Government all reasonable assistance and cooperation (including the prosecution of suit and the execution of instruments of assignment in favor of the Government) in obtaining recovery. In addition, where the subcontractor has not been relieved from liability for any loss or destruction of or damage to Government property, the Contractor shall enforce the liability of the subcontractor for such loss or destruction.

tion of or damage to the Government property for the benefit of the Government.

(5) If this contract is for the development, production, modification, maintenance, or overhaul of aircraft, or otherwise involves the furnishing of aircraft by the Government, the clause of this contract entitled "Flight Risks" shall control, to the extent it is applicable, in the case of loss or destruction of, or damage to, aircraft.<sup>2</sup>

(h) Access. The Government, and any persons designated by it, shall at all reasonable times have access to the premises where any of the Government property is located, for the purpose of inspecting the Government property.

(i) Final accounting and disposition of Government property. Upon the completion of this contract, or at such earlier dates as may be fixed by the Contracting Officer, the Contractor shall submit to the Contracting Officer in a form acceptable to him, inventory schedules covering all items of the Government Property not consumed in the performance of this contract, or not theretofore delivered to the Government, and shall deliver or make such other disposal of such Government Property as may be directed or authorized by the Contracting Officer. The net proceeds of any such disposal shall be credited to the cost of the work covered by the contract or shall be paid in such manner as the Contracting Officer may direct. The foregoing provisions shall apply to scrap from Government Property; provided, however, that the Contracting Officer may authorize or direct the Contractor to omit from such inventory schedules any scrap consisting of faulty castings or forgings, or cutting and processing waste, such as chips, cuttings, borings, turnings, short ends, circles, trimmings, clippings, and remnants, and to dispose of such scrap in accordance with the Contractor's normal practice and account therefor as a part of general overhead or other reimbursable cost in accordance with the Contractor's established accounting procedures.

(j) Restoration of contractor's premises. Unless otherwise provided herein, the Government:

(1) May abandon any Government property in place, and thereupon all obligations of the Government regarding such abandoned property shall cease; and

(2) Shall not be under any duty or obligation to restore or rehabilitate, or to pay the costs of the restoration or rehabilitation of, the Contractor's plant or any portion thereof which is affected by the abandonment or removal of any Government property.

(k) Communications. All communications issued pursuant to this clause shall be in writing or in accordance with the "Manual for Military Standard Requisitioning and Issue Procedure (MILSTRIP) for Defense Contractors" (Appendix H, Armed Services Procurement Regulation).

As provided in paragraph (i) of the above clause, the contracting officer may, subject to Departmental procedures, authorize or approve use of the contractor's established scrap disposal and accounting procedures whenever the amount and recoverable value of scrap from Government property are relatively minor and the contractor's established procedures for accumulating and disposing of scrap and crediting the proceeds thereof to general overhead or other general cost will permit the Government to share equitably in such scrap recovery through a reduction of overhead or other cost

<sup>2</sup> This subparagraph may be omitted where it is clearly inapplicable.

factor affecting reimbursement under the contract.

#### § 13.704 Special tooling clause for fixed-price contracts.

The following clause shall be used in negotiated fixed-price contracts for supplies or services under which the Government is to acquire full rights in special tooling other than as a line item (see § 13.305).

##### SPECIAL TOOLING (NOVEMBER 1964)

(a) Definition. (1) The term "special tooling" means all jigs, dies, fixtures, molds, patterns, taps, gauges, other equipment and manufacturing aids, and replacements thereof, which are of such a specialized nature that, without substantial modification or alteration, their use is limited to the development or production of particular supplies or parts thereof, or the performance of particular services. The term includes all components of such items, but does not include:

- (i) Consumable property;
- (ii) Special test equipment; or
- (iii) Buildings, nonseverable structures (except foundations and similar improvements necessary for the installation of special tooling), general or special machine tools, or similar capital items.

(2) For the purposes of this clause, the term "special tooling" does not include:

- (i) Items acquired by the Contractor prior to the effective date of this contract, or replacements of such items, whether or not altered or adapted for use in the performance of this contract; or
- (ii) Items specifically excluded by the Schedule.

(b) Use of special tooling. The Contractor agrees not to use any items of special tooling except in the performance of this contract, or as approved by the Contracting Officer.

(c) List of special tooling. Within sixty (60) days after delivery of the first production end items under this contract, or such later date as may be prescribed by the Contracting Officer, the Contractor shall if the Contracting Officer so requests, furnish the Contracting Officer a list of all special tooling acquired or manufactured by the Contractor for use in the performance of this contract. The list shall specify the nomenclature, tool number and related product part number or service, and unit or group cost of the special tooling. Upon completion or termination of all or a substantial part of the work under this contract the Contractor shall furnish a final list in the same form covering all items not previously reported under this paragraph: *Provided, however*, That the Contracting Officer may by written notice waive this requirement or extend it until the completion of this contract and other contracts and subcontracts as to which approval has been obtained under paragraph (b) above. Special tooling which has become obsolete as a result of changes in design or specification need not be reported, except as provided for in paragraph (d).

(d) Changes in design. In the event of any changes in design or specifications which affect interchangeability of parts, the Contractor shall, unless otherwise agreed to by the Contracting Officer, give the Contracting Officer notice of any part which is not interchangeable with the new or superseding part and the usable special tooling for each part covered in such notice shall be retained by the Contractor subject to the provisions of paragraph (i), pending disposition under paragraph (f).

(e) Contractor's offer to retain special tooling. At the time he furnishes any list or notice under (c) or (d) above, the Contractor may designate those items of special tooling

(either specifically or by listing the particular products, parts, or services for which such items were used or designed) which he desires to retain, together with a written offer:

(i) To retain any or all of such items, free and clear of any Government interest, for an amount designated therein, which should ordinarily not be less than the then fair value of such items which fair value takes into account, among other things, the value of such items to the Contractor for use in further work by him; or

(ii) To retain any or all such items for such period of time and subject to such terms and conditions as may be agreed to by the parties hereto, subject to ultimate retention or disposition of such items in accordance with paragraph (f) hereof.

(f) Disposition of special tooling. Within ninety (90) days after receipt of any list or notice under paragraph (c) or (d) hereof, or such further period as may be agreed upon by the parties, the Contracting Officer shall furnish to the Contractor:

(1) A list specifying the particular products, parts, or services for which the Government may require special tooling, together with a request that the Contractor transfer title (to the extent not previously transferred under any other clause of this contract) and deliver to the Government all usable items of special tooling which were used or designed for the manufacture or performance of any designated portion of such products, parts, or services, and which were on hand when production of such products or parts, or performance of such services, ceased;

(2) An acceptance or rejection of any offer made by the Contractor under paragraph (e) above, or a request for further negotiation with respect thereto;

(3) A direction of the Contractor to sell, or to dispose of as scrap, for the account of the Government, any or all of the special tooling covered by such list;

(4) A statement with respect to any or all of the special tooling covered by such list that the Government has no further interest therein and waives its rights therein; or

(v) Any combination of the foregoing, as the circumstances warrant.

The Contractor shall promptly comply with any request by the Contracting Officer under this paragraph to transfer title to any items of special tooling, and shall: (1) Immediately prepare such items for shipment by proper packaging, packing, and marking, in accordance with any instructions which may be issued by the Contracting Officer, and shall promptly deliver such items to the Government f.o.b. origin, as directed by the Contracting Officer; or (2) If a storage agreement has been entered into, prepare such items for storage in accordance therewith, as directed by the Contracting Officer. Any items of special tooling so delivered or stored shall be accompanied by such operation sheets or other appropriate data as are necessary to show the manufacturing operations or processes for which such items were used or designed. If the Contracting Officer has requested further negotiations under (ii) of this paragraph, the Contractor agrees that he will enter into such negotiations in good faith with the Contracting Officer. Any items of special tooling which are not disposed of by transfer of title and delivery to the Government, or by acceptance of an offer of the Contractor made under paragraph (e), or of such offer as modified in the course of negotiations, shall be disposed of in the manner set forth in (iii) or (iv) of this paragraph. Any failure of the Contracting Officer to give the instructions required above within the specified period shall be construed as a direction pursuant to (iii) above.

(g) Proceeds of retention or disposition of special tooling. If the Contracting Officer

accepts an offer of the Contractor to retain any items of special tooling, or if any such items are sold to third parties or disposed of as scrap, the net proceeds shall: (i) Be deducted from the amounts due to the Contractor under this contract and the contract amended accordingly; or (ii) be otherwise paid as the Contracting Officer may direct.

(h) *Property control.* The Contractor agrees that he will follow his normal industrial practice in maintaining property control records on all the special tooling, and that he will make such records available for inspection by the Government at all reasonable times. The Contractor further agrees that, to the extent practicable, he will identify by appropriate stamp, tag or other mark all special tooling subject to this clause.

(i) *Maintenance pending disposition.* The Contractor agrees that between the date any usable items of special tooling are no longer needed by him, within the meaning of this clause, and the date of final disposition of such items under this clause, he will take all reasonable steps necessary to maintain the identity and existing conditions of such items, unless the Contracting Officer has directed that such items be disposed of as scrap or has given notice under (f) (iv). The Contractor shall not be required to keep any such items in place.

(j) *Special tooling provisions for subcontracts.* The Contractor agrees that, in placing any subcontracts or purchase orders under this contract which involve the use of special tooling, the full cost of which is charged to such subcontract or purchase order, he will include therein appropriate provisions to obtain rights comparable to those granted to the Government by this clause, and agrees that he will exercise such rights for the benefit of the Government, as the Contracting Officer may direct.

#### § 13.705 Special test equipment clause for negotiated contracts.

The following clause shall be used in negotiated contracts which provide that the contractor will acquire special test equipment for the Government but do not specify the items to be acquired (see § 13.306-3(c)).

#### SPECIAL TEST EQUIPMENT (NOVEMBER 1964)

(a) *Definition.* Special test equipment means electrical, electronic, hydraulic, pneumatic, mechanical or other items or assemblies of equipment, which are of such a specialized nature that their use is limited to testing in the development or production of particular supplies or parts thereof, or in the performance of particular services: *Provided*, That if equipment which would otherwise qualify as special test equipment can be made suitable for general purpose use and have a value as such commensurate with its value for the special purpose, such equipment shall be considered as facilities. The term "special test equipment" includes all components of any assemblies of such equipment, but does not include:

- (i) Consumable property;
- (ii) Special tooling; or
- (iii) Buildings, nonseverable structures (except foundations and similar improvements necessary for the installation of special test equipment, general or special machine tools, or similar capital items).

(b) *Contractor notice of intent to acquire special test equipment.* This contract provides that the Contractor will acquire special test equipment for the Government, but does not specify its exact nature. Before acquiring any such special test equipment or components thereof having an item acquisition cost of \$1,000 or more, the Contractor shall give the Contracting Officer thirty (30) days' notice of his intention to do so including a full description of all such items and a list of alternate items that could be used. The

Government may elect to furnish the special test equipment or any components thereof to the Contractor by giving written notice of its election to the Contractor within the thirty (30) day period. In the event the Contractor has not received such written notice within the period prescribed, he may proceed to acquire such equipment or components, subject to any other applicable provisions of this contract.

(c) *Government-furnished special test equipment.* In the event the Government elects to furnish special test equipment or any components thereof pursuant to paragraph (b) above, such items shall be furnished subject to the Government Property clause hereof: *Provided, however*, That the Government shall not be obligated to deliver such items any sooner than the Contractor could have procured them after expiration of the thirty (30) day notice period prescribed in paragraph (b) above.

(d) *Equitable adjustment.* If the Government furnishes any special test equipment or components thereof under paragraph (c) above, any affected provision of this contract shall be equitably adjusted in accordance with the procedures of the Changes clause hereof.

#### § 13.706 Government property clause for fixed-price type contracts with nonprofit institutions.

(a) Except as provided in paragraph (b) of this section, the following clause shall be used in fixed-price research and development contracts with nonprofit institutions (provided such contracts are executed on a nonprofit basis) under which a Department is to furnish to the contractor, or the contractor is to acquire, Government property.

#### GOVERNMENT PROPERTY (FIXED PRICE, NONPROFIT) (NOVEMBER 1964)

(a) *Government-furnished property.* The Government shall deliver to the Contractor, for use in connection with and under the terms of this contract, the property described in the Schedule or specifications, together with such related data and information as the Contractor may request and as may reasonably be required for the intended use of such property (hereinafter referred to as "Government-furnished property"). The delivery or performance dates for the supplies or services to be furnished by the Contractor under this contract are based upon the expectation that Government-furnished property suitable for use (except for such property furnished "as is") will be delivered to the Contractor at the times stated in the Schedule, or, if not so stated, in sufficient time to enable the Contractor to meet such delivery or performance dates. In the event that Government-furnished property is not delivered to the Contractor by such time or times, the Contracting Officer shall, upon timely written request made by the Contractor, make a determination of the delay, if any, occasioned the Contractor thereby, and shall equitably adjust the delivery or performance dates or the contract price, or both, and any other contractual provision affected by any such delay. Except for Government-furnished property furnished "as is", in the event that Government-furnished property is received by the Contractor in a condition not suitable for its intended use, the Contractor shall, upon receipt thereof, notify the Contracting Officer of such fact and, as directed by the Contracting Officer, either (i) return such property at the Government's expense or otherwise dispose of such property, or (ii) effect repairs or modifications. Upon completion of (i) or (ii) above, the Contracting Officer upon timely written request of the Contractor shall equitably adjust the delivery or performance dates or

the contract price, or both, and any other contractual provision effected by the return, disposition, repair or modification. The foregoing provisions for adjustment are exclusive and the Government shall not be liable to suit for breach of contract by reason of any delay in delivery of Government-furnished property or delivery of such property in a condition not suitable for its intended use.

(b) *Changes in Government-furnished property.* (1) By notice in writing, the Contracting Officer may (i) decrease the property furnished or to be furnished by the Government under this contract, or (ii) substitute other Government-owned property for property to be furnished by the Government, or to be acquired by the Contractor for the Government, under this contract. The Contractor shall promptly take such action as the Contracting Officer may direct with respect to the removal and shipping of property covered by such notice.

(2) In the event of any decrease in or substitution of property pursuant to paragraph (1) above, or any withdrawal of authority to use property provided under any other contract or lease, which property the Government had agreed in the Schedule to make available for the performance of this contract, the Contracting Officer, upon the written request of the Contractor (or, if the substitution of property causes a decrease in the cost of performance, on his own initiative), shall equitably adjust such contractual provisions as may be affected by the decrease, substitution or withdrawal, in accordance with the procedures provided in the "Changes" clause of this contract.

(c) *Title.* (1) Title to all property furnished by the Government shall remain in the Government. In order to define the obligations of the parties under this clause, title to each item of facilities, special test equipment, and special tooling (other than that subject to a "Special Tooling" clause) acquired by the Contractor for the Government pursuant to this contract shall pass to and vest in the Government when its use in the performance of this contract commences, or upon payment therefor by the Government, whichever is earlier, whether or not title previously vested. All Government-furnished property, together with all property acquired by the Contractor title to which vests in the Government under this paragraph, is subject to the provisions of this clause and is hereinafter collectively referred to as "Government property".

(2) Title to Government property shall not be affected by the incorporation or attachment thereof to any property not owned by the Government, nor shall such Government property, or any part thereof, be or become a fixture or lose its identity as personally by reason of affixation to any realty.

(d) *Property administration.* The Contractor shall comply with the provisions of Part III of the "Manual for Control of Government Property in Possession of Nonprofit Research and Development Contractors" (Appendix C, Armed Services Procurement Regulation) as in effect on the date of the contract, which Part III is hereby incorporated by reference and made part of this contract. Material to be furnished by the Government shall be ordered or returned by the Contractor, when required, in accordance with the "Manual for Military Standardization and Issue Procedure (MILSTRIP) for Defense Contractors" (Appendix H, Armed Services Procurement Regulation) as in effect on the date of this contract, which Manual is hereby incorporated by reference and made a part of this contract.

(e) *Use of Government property.* The Government property shall, unless otherwise provided herein or approved by the Contracting Officer, be used only for the performance of this contract.

(f) Maintenance and repair of Government property. The Contractor shall maintain and administer, in accordance with sound business practice, a program for the maintenance, repair, protection and preservation of Government property, until disposed of by the Contractor in accordance with this clause. In the event that any damage occurs to Government property the risk of which has been assumed by the Government under this contract, the Government shall replace such items or the Contractor shall make such repair of the property as the Government directs: *Provided, however,* That if the Contractor cannot effect such repair within the time required, the Contractor may reject such property. The contract price includes no compensation to the Contractor for the performance of any repair or replacement for which the Government is responsible, and an equitable adjustment will be made in any contractual provision affected by the repair or replacement of Government property made at the direction of the Government. Any repair or replacement for which the Contractor is responsible under the provisions of this contract shall be accomplished by the Contractor at his own expense.

(g) Risk of loss. (1) The Contractor shall not be liable for any loss of or damage to the Government property, or for expenses incidental to such loss or damage except that the Contractor shall be liable for any loss or damage to Government property provided under this contract upon its delivery to him or passage of title to the Government as provided in paragraph (c) above (including expenses incidental thereto):

(i) Which results from willful misconduct or lack of good faith on the part of any of the Contractor's directors or officers, or on the part of his managers, superintendents, or other equivalent representatives who have supervision or direction of all or substantially all of the Contractor's business, or all or substantially all of the Contractor's operations at any one plant, laboratory, or separate location in which this contract is being performed;

(ii) Which results from a failure on the part of the Contractor, due to the willful misconduct or lack of good faith on the part of any of his directors, officers, or other representatives mentioned in subparagraph (i) above, to maintain and administer, in accordance with sound business practice, the program for maintenance, repair, protection and preservation of Government property as required by paragraph (f) above;

(iii) For which the Contractor is otherwise responsible under the express terms of the clause or clauses designated in the Schedule;

(iv) Which results from a risk expressly required to be insured under some other provision of this contract, or of the schedules or task orders thereunder, but only to the extent of the insurance so required to be procured and maintained or to the extent of insurance actually procured and maintained, whichever is greater; or

(v) Which results from a risk which is in fact covered by insurance or for which the Contractor is otherwise reimbursed, but only to the extent of such insurance or reimbursement;

*Provided, That,* if more than one of the above exceptions shall be applicable in any case, the Contractor's liability under any one exception shall not be limited by any other exception.

(2) The Contractor represents that he is not including in the price hereunder, and agrees that he will not hereafter include in any price to the Government, any charge or reserve for insurance (including self-insurance funds or reserves) covering loss or destruction of or damage to the Government property, except to the extent that the risk of loss is imposed on the Contractor under

(1)(iii) above, or insurance has been required under (1)(iv) above.

(3) Upon the happening of loss or destruction of or damage to any Government property, the Contractor shall notify the Contracting Officer thereof and shall communicate with the Loss and Salvage Organization, if any, now or hereafter designated by the Contracting Officer, and with the assistance of the Loss and Salvage Organization so designated (unless the Contracting Officer has directed that no such organization be employed) shall take all reasonable steps to protect the Government property from further damage, separate the damaged and undamaged Government property, put all the Government property in the best possible order, and furnish to the Contracting Officer a statement of:

(i) The lost, destroyed, and damaged Government property;

(ii) The time and origin of the loss, destruction, or damage;

(iii) All known interests in commingled property of which the Government property is a part; and

(iv) The insurance, if any, covering any part of or interest in such commingled property.

The Contractor shall be entitled to an equitable adjustment in the contract price for the expenditures made by him in performing his obligations under this subparagraph (3) (including charges made to the Contractor by the Loss and Salvage Organization, except any of such charges the payment of which the Government has, at its option, assumed directly).

(4) With the approval of the Contracting Officer after loss or destruction of or damage to Government property, and subject to such conditions and limitations as may be imposed by the Contracting Officer, the Contractor may, in order to minimize the loss to the Government or in order to permit resumption of business or the like, sell for the account of the Government any item of Government property which has been damaged beyond practicable repair, or which is so commingled or combined with property of others, including the Contractor, that separation is impracticable.

(5) Except to the extent of any loss or destruction of or damage to Government property for which the Contractor is relieved of liability under the foregoing provisions of this clause, and except for reasonable wear and tear or depreciation, or the utilization of the Government property in accordance with the provisions of this contract, the Contractor assumes the risk of, and shall be responsible for, any loss or destruction of or damage to the Government property, and such property (other than that which is permitted to be sold) shall be returned to the Government in as good condition as when received by the Contractor in connection with this contract, or as repaired under paragraph (f) above.

(6) In the event the Contractor is reimbursed or compensated for any loss or destruction of or damage to the Government property, he shall equitably reimburse the Government. The Contractor shall do nothing to prejudice the Government's rights to recover against third parties for any such loss, destruction or damage and, upon the request of the Contracting Officer, shall at the Government's expense, furnish to the Government all reasonable assistance and cooperation (including assistance in the prosecution of suit and the execution of instruments of assignment in favor of the Government) in obtaining recovery.

(7) If this contract is for the development, production, modification, maintenance or overhaul of aircraft, or otherwise involves the furnishing of aircraft by the Government, the "Ground and Flight Risk" clause of this contract shall control, to the extent

it is applicable, in the case of loss or destruction of, or damage to, aircraft.<sup>2</sup>

(h) Access. The Government, and any persons designated by it, shall at all reasonable times have access to the premises wherein any Government property is located, for the purpose of inspecting the Government property.

(i) Disposition of Government property. Upon completion or expiration of this contract, any Government property which has not been consumed in the performance of this contract, or which has not been disposed of pursuant to this clause, or for which the Contractor has not otherwise been relieved of responsibility, shall be disposed of in the same manner, and subject to the same procedures, as is provided in paragraph (g) of the clause of this contract entitled "Termination for the Convenience of the Government" with respect to termination inventory. The proceeds of any such disposition shall be applied in reduction of any payments to be made by the Government to the Contractor under this contract, or shall otherwise be credited to the price or costs of the work covered by this contract, or shall be paid in such other manner as the Contracting Officer may direct. Pending final disposition of such property, the Contractor agrees to take such action as may be necessary, or as the Contracting Officer may direct, for the protection and preservation thereof.

(j) Removal of Government property. If the Contracting Officer determines that the interests of the Government require removal of any Government property, or if the Contractor determines any Government property to be in excess of his needs under this contract, such Government property shall be disposed of in the same manner as covered by paragraph (i) above. In the event that the Contracting Officer requires the removal of any Government property under this paragraph (j) or paragraph (i) above, upon timely written request of the Contractor, an equitable adjustment shall be made in the contract price to cover the direct cost to the Contractor of such removal and of any property damage occasioned thereby.

(k) Communications. All communications issued pursuant to this clause shall be in writing or in accordance with the "Manual for Military Standard Requisitioning and Issue Procedure (MILSTRIP) for Defense Contractors" (Appendix H, Armed Services Procurement Regulation).

(b) In accordance with § 4.214-4(d) of this chapter, the following alternative subparagraph (2) may be substituted for (c) (2) of the clause in paragraph (a) of this section:

(2) Notwithstanding subparagraph (1) above, the Contracting Officer may, at any time during the term of this contract, or upon completion of termination, transfer title to equipment to the Contractor upon such terms and conditions as may be agreed upon; *Provided, That,* the Contractor shall not under any Government contract, or subcontract thereunder, charge for any depreciation, amortization, or use of such equipment as is donated under this paragraph. Upon the transfer of title to equipment under this paragraph, such equipment shall cease to be Government property. Title to Government property, not otherwise transferred to the Contractor, shall not be affected by the incorporation or attachment thereof to any property not owned by the Government, nor shall such Government property, or any part thereof, be or become a fixture or lose its identity as personality by reason of affixation to any realty.

<sup>2</sup> This subparagraph may be omitted where it is clearly inapplicable and shall be deleted when the Ground and Flight Risk clause is omitted pursuant to § 10.404(b)(2) of this chapter.

**§ 13.707 Government property clause for cost-reimbursement type research and development contracts with non-profit institutions.**

(a) Except as provided in paragraph (b) of this section, the following clause shall be used in cost-reimbursement type research and development contracts with nonprofit institutions (provided such contracts are executed on a no-fee basis) under which a Department is to furnish to the contractor, or the contractor is to acquire, Government property.

**GOVERNMENT PROPERTY (COST-REIMBURSEMENT, NONPROFIT) (NOVEMBER 1964)**

(a) *Government-furnished property.* The Government shall deliver to the Contractor, for use in connection with and under the terms of this contract, the property described in this contract, together with such related data and information as the Contractor may request and as may reasonably be required for the intended use of such property (hereinafter referred to as "Government-furnished property"). The delivery or performance dates for the supplies or services to be furnished by the Contractor under this contract are based upon the expectation that Government-furnished property suitable for use will be delivered to the Contractor at the times stated in the Schedule of this contract or, if not so stated, in sufficient time to enable the Contractor to meet such delivery or performance dates. In the event that Government-furnished property is not delivered to the Contractor by such time or times, the Contracting Officer shall, upon timely written request made by the Contractor, make a determination of the delay, if any, occasioned the Contractor and shall equitably adjust the estimated cost, or delivery or performance dates, or both, and any other contractual provisions affected by any such delay. In the event that the Government-furnished property is received by the Contractor in a condition not suitable for the intended use, the Contractor shall, upon receipt thereof, notify the Contracting Officer of such fact and, as directed by the Contracting Officer, either (i) return such property, or (ii) effect repairs or modifications. Upon completion of (i) or (ii) above, the Contracting Officer upon timely written request of the Contractor shall equitably adjust the estimated cost, or delivery or performance dates, or both, and any other contractual provision affected by the return, disposition, repair or modification. The foregoing provisions for adjustment are exclusive and the Government shall not be liable for suit for breach of contract by reason of any delay in delivery of Government-furnished property or delivery of such property in a condition not suitable for its intended use.

(b) *Changes in Government-furnished property.* (1) By notice in writing, the Contracting Officer may (i) decrease the property furnished or to be furnished by the Government under this contract, or (ii) substitute other Government-owned property for property to be furnished by the Government, or to be acquired by the Contractor for the Government, under this contract. The Contractor shall promptly take such action as the Contracting Officer may direct with respect to the removal and shipping of property covered by such notice.

(2) In the event of any decrease in or substitution of property pursuant to subparagraph (1) above, or any withdrawal of authority to use property provided under any other contract or lease, which property the Government had agreed in the Schedule to make available for the performance of this contract, the Contracting Officer, upon the written request of the Contractor (or if the substitution of property causes a decrease

in the cost of performance, on his own initiative), shall equitably adjust such contractual provisions as may be affected by the decrease, substitution or withdrawal, in accordance with the procedures provided for in the "Changes" clause of this contract.

(c) *Title.* (1) Title to all property furnished by the Government shall remain in the Government. Title to all property purchased by the Contractor, for the cost of which the Contractor is to be reimbursed as a direct item of cost under this contract, shall pass to and vest in the Government upon delivery of such property by the vendor. Title to other property, the cost of which is to be reimbursed to the Contractor under this contract, shall pass to and vest in the Government upon (i) issuance for use of such property in the performance of this contract, or (ii) commencement of processing or use of such property in the performance of this contract, or (iii) reimbursement of the cost thereof by the Government, whichever first occurs. All Government-furnished property, together with all property acquired by the Contractor, title to which vests in the Government under this paragraph, are subject to the provisions of this clause and are hereinafter collectively referred to as "Government property".

(2) Title to the Government property shall not be affected by the incorporation or attachment thereof to any property not owned by the Government, nor shall such Government property, or any part thereof, be or become a fixture or lose its identity as personalty by reason of affixation to any realty.

(d) *Property administration.* The Contractor shall comply with the provisions of Part III of the "Manual for Control of Government Property in Possession of Nonprofit Research and Development Contractors" (Appendix C, Armed Services Procurement Regulation) as in effect on the date of the contract, which Part III is hereby incorporated by reference and made a part of this contract. Material to be furnished by the Government shall be ordered or returned by the Contractor, when required, in accordance with the "Manual for Military Standard Requisitioning and Issue Procedure (MIL-STRIP) for Defense Contractors" (Appendix H, Armed Services Procurement Regulation) as in effect on the date of this contract, which Manual is hereby incorporated by reference and made a part of this contract.

(e) *Use of Government property.* The Government property shall, unless otherwise provided herein or approved by the Contracting Officer, be used only for the performance of this contract.

(f) *Maintenance of Government property.* The Contractor shall maintain and administer in accordance with sound business practice a program for the maintenance, repair, protection and preservation of Government property so as to assure its full availability and usefulness for the performance of this contract. The Contractor shall take all reasonable steps to comply with all appropriate directions or instructions which the Contracting Officer may prescribe as reasonably necessary for the protection of the Government property.

(g) *Risk of loss.* (1) The Contractor shall not be liable for any loss of or damage to the Government property, or for expenses incidental to such loss or damage, except that the Contractor shall be responsible for any such loss or damage (including expenses incidental thereto):

(i) Which results from willful misconduct or lack of good faith on the part of any of the Contractor's directors or officers, or on the part of any of his managers, superintendents, or other equivalent representatives, who has supervision or direction of all or substantially all of the Contractor's business, or all or substantially all of the Con-

tractor's operations at any one plant, laboratory, or separate location in which this contract is being performed;

(ii) Which results from a failure on the part of the Contractor, due to the willful misconduct or lack of good faith on the part of any of his directors, officers, or other representatives mentioned in (i) above, (A) to maintain and administer, in accordance with sound business practice, the program for maintenance, repair, protection and preservation of Government property as required by (f) above, or (B) to take all reasonable steps to comply with any appropriate written directions of the Contracting Officer under (f) above;

(iii) For which the Contractor is otherwise responsible under the express terms of the clause or clauses designated in the schedule;

(iv) Which results from a risk expressly required to be insured under some other provision of this contract, but only to the extent of the insurance so required to be procured and maintained, or to the extent of insurance actually procured and maintained, whichever is greater; or

(v) Which results from a risk which is in fact covered by insurance or for which the Contractor is otherwise reimbursed, but only to the extent of such insurance or reimbursement: *Provided*, That, if more than one of the above exceptions shall be applicable in any case, the Contractor's liability under any one exception shall not be limited by any other exception.

(2) The Contractor shall not be reimbursed for, and shall not include as an item of overhead, the cost of insurance, or any provision for a reserve, covering the risk of loss of or damage to the Government property, except to the extent that the Government may have required the Contractor to carry such insurance under any other provision of this contract.

(3) Upon the happening of loss or destruction of or damage to the Government property, the Contractor shall notify the Contracting Officer thereof, and shall communicate with the Loss and Salvage Organization, if any, now or hereafter designated by the Contracting Officer, and with the assistance of the Loss and Salvage Organization so designated (unless the Contracting Officer has designated that no such organization be employed), shall take all reasonable steps to protect the Government property from further damage, separate the damaged and undamaged Government property, put all the Government property in the best possible order, and furnish to the Contracting Officer a statement of:

(i) The lost, destroyed, and damaged Government property;

(ii) The time and origin of the loss, destruction, or damage;

(iii) All known interests in commingled property of which the Government property is a part; and

(iv) The insurance, if any, covering any part of or interest in such commingled property.

The Contractor shall make repairs and renovations of the damaged Government property or take such other action as the Contracting Officer directs.

(4) In the event the Contractor is indemnified, reimbursed, or otherwise compensated for any loss or destruction of or damage to the Government property, he shall use the proceeds to repair, renovate or replace the Government property involved, or shall credit such proceeds against the cost of the work covered by the contract, or shall otherwise reimburse the Government, as directed by the Contracting Officer. The Contractor shall do nothing to prejudice the Government's right to recover against third parties for any such loss, destruction or damage, and upon the request of the Contracting Officer,

shall, at the Government's expense, furnish to the Government all reasonable assistance and cooperation (including assistance in the prosecution of suit and the execution of instruments of assignment in favor of the Government) in obtaining recovery.

(5) If this contract is for the development, production, modification, maintenance or overhaul of aircraft, or otherwise involves the furnishing of aircraft by the Government, the clause of this contract entitled "Flight Risks" shall control, to the extent it is applicable, in the case of loss or destruction of, or damage to, aircraft.<sup>2</sup>

(h) Access. The Government, and any persons designated by it, shall at all reasonable times have access to the premises where in any of the Government property is located, for the purpose of inspecting the Government property.

(i) Disposition of Government property. Upon completion or expiration of this contract, or at such earlier dates as may be fixed by the Contracting Officer, any Government property which has not been consumed in the performance of this contract, or which has not been disposed of as provided in paragraph (j) of this clause, or for which the Contractor has not otherwise been relieved of responsibility, shall be disposed of in the same manner, and subject to the same procedures, as is provided in paragraph (g) of the clause of this contract entitled "Termination for the Convenience of the Government" with respect to termination inventory. The proceeds of any such disposition shall be applied in reduction of any payments to be made by the Government to the Contractor under this contract, or shall otherwise be credited to the cost of the work covered by this contract, or shall be paid in such other manner as the Contracting Officer may direct. Pending final disposition of such property, the Contractor agrees to take such action as may be necessary, or as the Contracting Officer may direct, for the protection and preservation thereof.

(j) Removal of Government property. If the Contracting Officer determines that the interests of the Government require removal of any Government property, or if the Contractor determines any Government property to be in excess of his needs under this contract, such Government property shall be disposed of in the same manner as provided by paragraph (i) above. In the event that the Contracting Officer requires the removal of any Government property under this paragraph (j) or paragraph (i) above, the direct cost to the Contractor of such removal and of any property damage occasioned thereby shall constitute an allowable cost thereunder.

(k) Restoration of Contractor's premises. Unless otherwise provided herein, the Government:

(1) May abandon any Government property in place, and thereupon all obligations of the Government regarding such abandoned property shall cease; and

(2) Shall not be under any duty or obligation to restore or rehabilitate, or to pay the costs of the restoration or rehabilitation of the Contractor's plant or any portion thereof which is affected by the removal of any Government property.

(l) Communications. All communications issued pursuant to this clause shall be in writing or in accordance with the "Manual for Military Standard Requisitioning and Issue Procedure (MILSTRIP) for Defense Contractors" (Appendix H, Armed Services Procurement Regulation).

(b) In accordance with § 4.214-4(d) of this chapter, the following may be added to subparagraph (c)(1) of the clause in paragraph (a) of this section:

<sup>2</sup> This subparagraph may be omitted where it is clearly inapplicable.

Notwithstanding the provisions of this subparagraph (c)(1) relative to title, the Contracting Officer may at any time during the term of this contract, or upon completion or termination, transfer title to equipment to the Contractor upon such terms and conditions as may be agreed upon: *Provided*, That the Contractor shall not under any Government contract, or subcontract thereunder, charge for any depreciation, amortization or use of such equipment as is donated under this paragraph. Upon the transfer of title to equipment under this paragraph, such equipment shall cease to be Government property.

#### § 13.708 Government property clause for contracts with fixed-price and cost-reimbursement provisions.

The clause set forth in § 13.702 shall be inserted in all contracts which set forth a fixed-price for a portion of the contract but also provide for reimbursement of the cost of certain materials, except that paragraph (c) thereof shall be deleted and replaced by the following:

(c) Title. Title to all property furnished by the Government shall remain in the Government. In order to define the obligations of the parties under this clause, title to each item of facilities, special test equipment, and special tooling (other than that subject to a "Special Tooling" clause) acquired by the Contractor for the Government pursuant to this contract shall pass to and vest in the Government when its use in the performance of this contract commences, or upon payment therefor by the Government, whichever is earlier, whether or not title previously vested. Title to all material purchased by the Contractor, for the cost of which the Contractor is entitled to be reimbursed as a direct item of cost under this contract, shall pass to and vest in the Government upon delivery of such material by the vendor. Title to other material, the cost of which is reimbursable to the Contractor under this contract, shall pass to and vest in the Government upon (i) issuance for use of such material in the performance of this contract, or (ii) commencement of processing or use of such material in the performance of this contract, or (iii) reimbursement of the cost thereof by the Government, whichever occurs first. All Government-furnished property, together with all property acquired by the Contractor title to which vests in the Government under this paragraph, is subject to the provisions of this clause and is hereinafter collectively referred to as "Government property". Title to Government property shall not be affected by the incorporation or attachment thereof to any property not owned by the Government, nor shall such Government property, or any part thereof, be or become a fixture or lose its identity as personalty by reason of affixation to any realty. (November 1964)

#### § 13.709 Clause for Government property furnished "as is".

The following clause shall be inserted in all contracts in which Government production and research property is furnished "as is" in accordance with § 13.308.

#### GOVERNMENT PROPERTY FURNISHED "AS IS" (NOVEMBER 1964)

(a) The Government makes no warranty whatsoever with respect to Government property furnished "as is" except that the property is in the same condition when placed at the f.o.b. point specified in the solicitation as when inspected by the Contractor pursuant to the solicitation, or, if not inspected by the Contractor, as when last available for inspection under the solicitation.

(b) The Contractor may repair any property made available to him "as is". Such repair will be at the Contractor's expense except as otherwise provided in this clause. Such property may be modified at the Contractor's expense, but only with the written permission of the Contracting Officer. Any repair or modification of property furnished "as is" shall not affect the title of the Government.

(c) If there is any change in the condition of Government property furnished "as is" from the time inspected or last available for inspection under the solicitation to the time placed on board at the location specified in the solicitation, and such change will adversely affect the Contractor, the Contractor shall, upon receipt of the property, notify the Contracting Officer of such fact, and, as directed by the Contracting Officer, either (i) return such property at the Government's expense or otherwise dispose of the property, or (ii) effect repairs to return the property to its condition when inspected under the solicitation, or if not inspected, when last available for inspection under the solicitation. Upon completion of (i) or (ii) above, the Contracting Officer upon written request of the Contractor shall equitably adjust any contractual provisions affected by the return, disposition or repair, in accordance with the procedures provided for in the "Changes" clause of this contract. The foregoing provisions for adjustment are exclusive and the Government shall not be liable for any delivery of Government property furnished "as is" in a condition other than that in which it was originally offered.

(d) Except as otherwise provided in this clause, Government property furnished "as is" shall be governed by the "Government Property" clause of this clause.

#### § 13.710 Government-furnished property clause for short form contracts.

The following clause shall be used in short form contracts under which the Government is to furnish to the contractor Government property having an acquisition cost of \$25,000 or less.

#### GOVERNMENT-FURNISHED PROPERTY (SHORT FORM) (NOVEMBER 1964)

(a) The Government shall deliver to the Contractor, for use only in connection with this contract, the property described in the schedule or specifications (hereinafter referred to as "Government-furnished property"), at the times and locations stated therein. If the Government-furnished property, suitable for its intended use, is not so delivered to the Contractor, the Contracting Officer shall, upon timely written request made by the Contractor, and if the facts warrant such action, equitably adjust any affected provision of this contract pursuant to the procedures of the "Changes" clause hereof.

(b) Title to Government-furnished property shall remain in the Government. The Contractor shall maintain adequate property control records of Government-furnished property in accordance with sound industrial practice.

(c) Unless otherwise provided in this contract, the Contractor, upon delivery to him of any Government-furnished property, assumes the risk of, and shall be responsible for, any loss thereof or damage thereto except for reasonable wear and tear, and except to the extent that such property is consumed in the performance of this contract.

(d) The Contractor shall, upon completion of this contract, prepare for shipment, deliver f.o.b. origin, or dispose of all Government-furnished property not consumed in the performance of this contract or not theretofore delivered to the Government, as may be directed or authorized by the Con-

tracting Officer. The net proceeds of any such disposal shall be credited to the contract price or paid in such other manner as the Contracting Officer may direct.

## PART 16—PROCUREMENT FORMS

26. Section 16.202(d) is revised and §§ 16.502, 16.502-1, 16.502-2, and 16.502-3 are revoked, as follows:

§ 16.202 Negotiated contract forms (DD Forms 1261 and 1270).

(d) *Special negotiated contracts*. DD Form 1261 (Negotiated Contracts) may be used for special procurements, where clauses other than those on DD Form 1270, Standard Form 32, or DD Form 748 have been authorized. For example, cost-reimbursement type research and development contracts with clauses prescribed by Subpart D, Part 7 of this chapter; contracts for stevedoring services; time and materials contracts; personal and professional services contracts; and contracts for instruction of military personnel at educational institutions.

§ 16.502 Negotiated contract form for stevedoring services (DD Form 674). [Revoked]

§ 16.502-1 General. [Revoked]

§ 16.502-2 Conditions for use. [Revoked]

§ 16.502-3 Single job stevedoring services. [Revoked]

## PART 30—APPENDIXES TO ARMED SERVICES PROCUREMENT REGULATIONS

27. In § 30.2, paragraph (f) in item 202 is revised to read as follows:

§ 30.2 Appendix B—Manual for control of Government property in possession of contractors.

202 Designation of Property Administrator.

(f) Property administration functions required by this subchapter will be performed by the designated property administrator who will generally follow his current operating procedures in performing property administration. Each Department will provide the designated property administrator with manuals, instructions, and directives pertaining to reports and documentation required by contractual provisions. Documents and records required by this section for property administration of current contracts, subcontracts, and purchase orders involving Government property will be provided to the designated property administrator prior to the effective date of an agreement. Copies of such contracts, subcontracts, and purchase orders and amendments thereto or extracts of property provisions thereof will accompany the transmittal. The name of the individual designated as property administrator for such contracts will be furnished to the procuring activity performing contract administration. New contracts, subcontracts, purchase orders and amendments thereto or extracts of property provisions thereof where Government property is involved will be transmitted to the designated property administrator. Contracts containing the special tooling clause (§ 13-

704 of this chapter) will likewise be transmitted to the designated property administrator for necessary surveillance.

28. A new § 30.6 is added, to read as follows:

§ 30.6 Appendix H—Manual for Military Standard Requisitioning and Issue Procedure (MILSTRIP) for Defense Contractors.

H-000 Scope of MILSTRIP. Military Standard Requisitioning and Issue Procedure (MILSTRIP), as the name implies, is a requisitioning and issue procedure for use by the Military Departments and contractors authorized by the terms of a contract, to requisition or move Government material to supply control cognizance. MILSTRIP is a system with uniform codes and punch-card formats designed to provide standard procedures of requisitioning, receiving, and returning Government material and to permit the maximum utilization of automatic data processing equipment.

### PART 1—INTRODUCTION

H-100 Scope of Manual. This Manual provides policies, procedures, forms and instructions for use by contractors in the requisitioning of Government-furnished material (GFM) and the return of such material when directed by the cognizant Military Department in accordance with the requirements of the MILSTRIP system.

H-101 Applicability of Manual. (a) These procedures, forms, and instructions for the requisitioning and returning of Government-furnished material are prescribed for use by contractors when required by the terms of a contract pursuant to the appropriate Government Property clause as set forth in Section XIII (Part 13 of this chapter).

(b) These procedures are not applicable to in-house control of Government-furnished material. Neither are MILSTRIP procedures applicable to the movement of Government-furnished material within or between contractors.

(c) These procedures do not prescribe the frequency of submitting requisitions, nor do they prescribe the source of supply or specify the material to be furnished by the Government, which shall be determined by the Military Department.

(d) Any requisition placed on a distribution system is a requirement for a serviceable item, unless otherwise agreed to between the Military Department and the contractor. However, this does not change the contractual obligations of the parties, and when the provisions of a contract are in conflict with this Manual, the specific terms of the contract shall govern.

H-102 Definitions. As used in this Manual, the following terms shall have the meanings set forth below.

H-102.1 Advice codes. A coding structure for the purpose of transmitting instructions considered by the originator of requisitions to be essential to the desired supply action. Insertion of advice codes is at the discretion of the initial document originator. These codes are opposite to status codes in that directional flow is reversed. (See H-607.)

H-102.2 Document identifier. A code that identifies the basic type of administrative action, the specific sub-type of supply transaction, and related modifying instructions for each type of supply document used throughout the requisitioning, processing, and issuing functions or other types of supply transactions within and between military supply and distribution systems. (See H-602.)

H-102.3 Routing identifier. A code that identifies a specific supply and distribution organization as to its Military Department

or governmental ownership and its geographical location. Routing identifier codes required by contractors will be furnished by the contracting officer.

H-102.4 Status codes. A coding structure for the purpose of transmitting status information from the inventory manager and/or supply source to the originator of a requisition or the consignee. These codes are the opposite of advice codes in that directional flow is reversed. (See H-607.)

H-102.5 Government-furnished material. Property in the possession of, or acquired directly by, the Government and subsequently delivered or otherwise made available to the contractor, and which may be incorporated into or attached to an end item to be delivered under a contract or which may be consumed or expended in the performance of a contract. It includes, but is not limited to, a raw and processed material, parts, components, assemblies, and small tools and supplies which may be consumed in normal use in the performance of the contract.

H-102.6 Passing actions (generic term). A general term identifying all types of supply actions associated with materiel demands within military supply distribution systems. The term is applicable when forwarding materiel demands from one military supply source to another military supply source. Specific types of passing actions are passing orders and referral orders.

H-102.7 Passing order. An order used to pass an erroneously routed requisition to the appropriate military depot or distribution point and to pass a requisition from one military distribution system to another.

H-102.8 Referral order. An order used between depots, inventory managers, or other managers in an established supply distribution system for the purpose of passing correctly routed requisitions for continued supply action when the initial activity cannot fill the demand.

### PART 2—GENERAL POLICIES

H-200 Scope of part. This part (I) sets forth procedures and instructions for amending and deviating from this Manual, (II) prescribes the forms for use by contractors, and (III) contains general policies on the use by contractors of the MILSTRIP system.

H-201 System maintenance. (a) The Defense Supply Agency (DSA) is responsible for the Military Standard Requisitioning and Issue Procedure as prescribed by this Manual. (b) Recommendations, revisions, or suggested changes originated by contractors shall be forwarded to the cognizant contract administration office.

(c) Recommendations, revisions, or suggested changes received and concurred in or originated by the Military Departments shall be forwarded to the Director, Defense Supply Agency, Attention: DSAH-LP, Cameron Station, Alexandria, Va., 22314.

(d) Changes to this Manual shall be coordinated by the Defense Supply Agency. The provisions of the Armed Services Procurement Regulation pertaining to deviations (see 1-109) and to amendments (see 1-105) do not apply to this Manual. Requests by the Military Departments for deviations or waivers from this Manual may be approved by the Defense Supply Agency, but only the Assistant Secretary of Defense (Installations and Logistics) may disapprove such requests.

H-202 Forms and use. H-202.1 DOD Single Line Item Requisition Document (Manual) (DD Form 1348). DD Form 1348 is a four or six part form consisting of either two electrical ac-

\*Forms mentioned in this manual have been filed with the Office of the Federal Register; copies of forms may be obtained at the cognizant contract administration office.

counting machine (EAM) cards—manila or paper (arranged as the first copy and the fourth or sixth copy), with two or four paper forms, carbon interleaved. The use of EAM cards or paper as the first and fourth or sixth copies is optional. However, when paper is used, the first copy shall be bond paper or equivalent, and the fourth or sixth copy may be bond paper or tissue. The form size shall remain unchanged when either cards or paper is used. All copies are identical in format except that the original copy does not provide for unit and total price data. In addition, the original card, when used, is upper left corner cut.

DD Form 1348 is used as a:

- (i) Manual requisition,
- (ii) Manual followup, and
- (iii) Manual cancellation.

H-202.2 DOD Single Line Item Requisition System Document (Mechanical) (DD Form 1348m). DD Form 1348m is a standard electrical accounting machine (EAM) card—"Natural," with upper left corner cut.

DD Form 1348m is used as a:

- (i) Requisition,
- (ii) Followup,
- (iii) Cancellation,
- (iv) Supply status card,
- (v) Followup answer,
- (vi) Shipment status card,
- (vii) Passing order, and
- (viii) Referral order.

H-202.3 DOD Single Line Item Release/Receipt Document (DD Form 1348-1). DD Form 1348-1 is a seven-part paper carbon interleaved continuous form of pin-feed, tear-away configuration, measuring 8 inches wide (usable), 9½ inches wide (overall), and 5½ inches in length (top to bottom). The form is designed to accept 10 printed characters to the inch. This form may be reproduced when additional copies are required.

DD Form 1348-1 is used as a:

- (i) Release document from distribution point to consignee resulting from a requisition, and
- (ii) Receipt document by the consignee.

H-202.4 Messages. Messages may be used for transmitting requisitions, followups, and cancellations. Set forth below is a sample of a message containing multi-requisitions.

#### SAMPLE MESSAGE FORMAT

(Insert Addressee)  
(Insert Message Number)

#### MILSTRIP REQUISITIONS:

1. A9A/FMI/2/83051234567/EA/00040/FB23-00/2150/0111/R/BLNK/A/12/089/BLNK/02/154/2B.
  2. A9A/FMI/B/83052345678/EA/00001/FB23-00/2150/0112/N/BLNK/A/19/089/BLNK/03/154/BLNK.
  3. A0E/FMI/B/12345123456/EA/00015/FB23-00/2150/0113/R/BLNK/A/19/089/BLNK/03/154/BLNK.
- Remarks: MFG Part number referenced on page 121 of Technical Instruction No. 45.
4. A9A/FMI/B/83102345678/EA/00011/FB23-00/2150/0114/BLNK/A/14/089/BLNK/02/155/BLNK.

For explanatory purposes, the first requisition (item 1) is segmented and explained.

First Line: A9A/ (Document Identifier), FMI (Routing Identifier), 2/ (Media and Status), 83051234567/ (Stock or Part Number), EA/ (Unit of Issue), 00040/ (Quantity), FB 2300/ (Requisitioner), 2150 (Julian Date), 0111/ (Serial Number), R/ (Demand Code), BLNK/ (Supplementary Address), A/ (Signal).

Second Line: 12/ (Fund Code), 089/ (Distribution Code), BLNK/ (Project), 02/ (Pri-

ority), 154/ (Required Delivery Date), 2B (Advice Code).

H-202.5 Shipping Document for GFM Turn-In (DD Form 1483). DD Form 1483 is the only document authorized for turn-in of Government-furnished material. It may be used for multi-line or single-line turn-ins. The form accommodates all requirements for essential data elements.

H-203 Issue priority designators on requisitions for Government-furnished material. (a) The contracting Military Department may issue specific instructions to contractors on the use of priority designators when contractor activities are operated in direct support of:

- (i) Military force activities, or
- (ii) Programs which have been given approval for top national priority.

(b) When contractors, other than those qualifying under (a) above, requisition Government-furnished material from the Department of Defense distribution system, the following priority designators and criteria shall be used on contractor requisitions:

- (i) Priority Designator 07 shall be used when an item is required to alleviate an existing work stoppage.
- (ii) Priority Designator 09 shall be used when nonavailability of the item required will impair the contractor's ability to meet contract commitments.
- (iii) Priority Designator 14 shall be used when an item is required for support of contract performance on a more urgent basis than stock replenishment.
- (iv) Priority Designator 19 shall be used when an item is required for stock replenishment or to establish initial operating stocks.

H-204 Time-frames. Time-frames have been established for furnishing supply status and for delivery of material as follows:

Priority designator	Dispatched after receipt of requisition
1 through 08.....	24 hours.
09 through 20.....	2 working days.

#### (ii) Delivery of material—

Priority designator	From requisition date to receipt of material by Consignee	
	CONUS	Overseas
1 through 03.....	120 hours <sup>1</sup> .....	168 hours <sup>1</sup> .....
04 through 08.....	8 days.....	15 days.....
09 through 15.....	20 days.....	45 days.....
16 through 20.....	30 days.....	60 days.....

<sup>1</sup> Based on 24-hour work schedule, 7 days per week. Time in days includes Saturdays, Sundays, and holidays.

#### H-205 Status data.

H-205.1 General. The MILSTRIP system requires that processing elements of the military supply activity show action taken or being taken on certain requisitions. The term for this information is known as "status data" and the specific types of such data are categorized as exception status, 100 percent supply status, and shipment status.

H-205.2 Exception status. Exception status is any of the following non-positive supply availability decisions, alone or in combination:

- (i) Back order,
- (ii) Procurement for direct delivery,
- (iii) Partial issue or partial other action,
- (iv) Substitution,
- (v) Change of unit of issue,
- (vi) Requisition return for specific cause,
- (vii) Passing order,
- (viii) Referral order,
- (ix) Cancellation acknowledgment, and

(x) Any circumstance which predicts that issue may not be made within the number of days established for the priority assigned.

H-205.3 100 percent supply status. The 100 percent supply status is each and every distribution decision, positive or negative. It applies to Priorities 01 through 10 only.

H-205.4 Shipment status. Shipment status is positive advice of shipment including date of shipment, mode of shipment, and bill of lading number or airway bill number, etc., as applicable (furnished in response to followup action only).

H-206 Followups. The MILSTRIP system provides for followups. A followup may be submitted by the requisitioner or supplementary addressee provided that status data is not on hand and the time-frame for receiving such data has elapsed, or the time-frame for the receipt of material has elapsed.

H-207 Media and transmission of MILSTRIP documents. The MILSTRIP forms and procedures are designed for both manual and mechanized application, transmission, and processing of requisitions and follow-on transactions. Methods of submission and transmission, in order of preference, are as follows:

- (i) Transceiver;
- (ii) Air or regular mail, with the container conspicuously marked "MILSTRIP";
- (iii) Courier;
- (iv) Administrative electrical message; and
- (v) Telephone or radio.

H-208 Required delivery date. (a) Normally, a required delivery date will not be placed on a requisition. However, if the prescribed time-frames for the priority assigned does not meet the "actual need date", a required delivery date may be placed on the requisition indicating that the material must be delivered by that specific date to preclude work stoppage.

(b) On Defense Supply Agency bailment type contracts, the required delivery date indicates the date on which the Government-furnished material must be ready for pickup at the Military Department distribution point by a carrier (contractor's truck or commercial carrier designated by the contractor).

H-209 Codes. Part 6 provides the codes and other data normally required by contractors on a repetitive basis to:

- (i) Requisition and turn-in Government-furnished material,
- (ii) Prepare cancellation of requisitions,
- (iii) Initiated followups on requisitions, and
- (iv) Interpret status.

Infrequently used codes and codes of limited application will be furnished to the contractor by the contracting officer.

H-210 Addresses. Contractors shall use their activity address codes, as assigned by the Military Departments, on MILSTRIP documents. These identifying codes are published for the Departments in the DOD Activity Address Directory (AR-725-50-1; DSAH 4140.1 (for the Department of the Navy and the Defense Supply Agency); AFM 75-6; MCO P4420.2A; CG 364).

#### PART 3—REQUISITIONS, FOLLOWUPS, AND CANCELLATIONS

H-300 Scope of part. This part sets forth uniform instructions for the preparation, submission, and distribution of MILSTRIP documents for use as requisitions, followups, and cancellations.

H-301 General. Depending on the mechanized capabilities of the contractor, the means of transmitting the request, and the urgency of need, the requisition may be prepared as a manual requisition on a DD Form

<sup>1</sup> When an element of data is not applicable, the field shall be recognized and entered as "BLNK".

1348, a prep inch x4 requisition on a DD Form 1348m, or as a message-type or telephonic requisition. Requisitions may be prepared by either the contractor or the Procuring Activity, as specified in the contract.

H-302.2 Preparation and Utilization of the DOD Single Line Item Requisition System Document (Manual) (DD Form 1348). See H-302.1.

**Item**

**Block A—Send to**..... Enter "in the clear" the source of supply addressee as indicated by the Military Department.

**Block B—Requisition is from**..... Enter "in the clear" contractor's name and activity address code furnished by the Military Department, and address of the contractor.

**NOTE:** Block C and heavy black-bordered blocks D through K and columns 67 through 80 in block 23 shall be left blank.

**Item**

**Block 1—Document identifier**..... Enter one of the following 3-digit document identifier codes:

Required for domestic shipment	Required for overseas shipment
A0A	A01
A0B	A02
A0C	A03
A0D	A04
A0E	A05

**Block 2—Routing identifier**..... Enter the 3-digit routing identifier code indicating the source of supply.

**Block 3—Media and status code**... Enter one of the following codes indicating the type of status required and the communication method by which status is to be transmitted:

- (a) For priorities 01 through 20:
- 1 No status to requisitioner or supplementary addressee.
  - 2 Exception status to requisitioner by transceiver.
  - 3 Exception status to requisitioner by other methods.
  - 4 Exception status to supplementary addressee by transceiver.
  - 5 Exception status to supplementary addressee by other methods.
- (b) For priorities 01 through 10 (optional):
- A Distribution status to requisitioner by transceiver.
  - B Distribution status to requisitioner by other methods.
  - C Distribution status to requisitioner by other methods.
  - D Distribution status to supplementary addressee by transceiver.
  - E Distribution status to supplementary addressee by other methods.

**NOTE:** Distribution status should not be requested except for those transactions warranting this additional effort and expense.

**Item**

**Blocks 4, 5, and 6—Stock or part number**..... In blocks 4 and 5, enter the federal stock number of item requested. Block 6 shall be utilized for additional identification data when required by the Military Department. See H-603.

**Item**

**Block 7—Unit of issue**..... Enter the two-letter abbreviation as shown in the applicable catalog or stock list; e.g., Ea, Lb, Ft.

**Block 8—Quantity**..... Enter the quantity being requisitioned. If the quantity exceeds 99,999, prepare additional requisitions as required. Zeros shall precede significant numerals.

**Blocks 9, 10, 11, and 12—Document number**..... Enter the 14-digit number constructed as set forth below (see also H-604).

**Block 9—Service**..... Enter the alphabetic code (For Contractor Use Only) used to identify the military organization. See H-601.

**Block 10—Requisitioner**..... Enter the applicable activity address code of the requisitioner as listed in the DoD Activity Address Directory.

**Block 11—Date**..... Enter the Julian day calendar date (see H-609), i.e., in the first column indicate the last numeric digit of the calendar year (for example, "3" for 1963, "4" for 1964) and in the last three columns indicate the numeric consecutive day of the calendar year (for example, "004" for 4 January, "157" for 5 June).

**Block 12—Serial number**..... Enter the serial number of the requisition. This number will be assigned by the requisitioner but shall not be duplicated on any one day. **NOTE:** May be used to code contract numbers, if desired.

**Block 13—Demand**..... Enter the appropriate demand code as follows:

(a) An "R" shall be used if it is a recurring demand (a demand to replenish material utilized on a day-to-day basis).

(b) An "N" shall be used if it is a nonrecurring demand (a demand made on a one-time basis).

**Blocks 14 and 15—Supplementary address**..... When material is to be "shipped to" or "billed to" an activity other than the requisitioner, the activity address code identifying the "ship to" or "bill to" activity shall be entered. See H-608.

**Block 16—Signal**..... Enter one of the following codes which indicate the "ship to" or "bill to" activity when applicable:

Ship to requisitioner	Bill to
A.....	Blocks 9 and 10.
B.....	Blocks 14 and 15.
C.....	Bill to activity designated by block 17.
D.....	No billing required (free issue).

Ship to supplementary address	Bill to
J.....	Blocks 9 and 10.
K.....	Blocks 14 and 15.
L.....	Bill to activity designated by block 17.
M.....	No billing required (free issue).

See H-605.

**NOTE:** Codes A, B, C, J, K, and L will be provided by the contract or otherwise furnished by the Military Department to the contractor.

**Item**

**Block 17—Fund code**..... Enter fund code furnished by the Military Department, if applicable. See H-606.

**Block 18—Distribution**..... Leave blank, unless directed otherwise by the Military Department.

**Block 19—Project**..... Leave blank, unless directed otherwise by the Military Department.

**Block 20—Priority**..... Enter appropriate issue priority designator in accordance with H-603.

**Block 21—Required delivery date**..... Will normally be left blank. The date will be entered only when conditions meet the requirements set forth in H-608.



Card columns	Field/Legend	Explanation and instructions
51	Signal (continued)	<p>Ship to supplementary address</p> <p>J Requisitioner. K Supplementary address. L Address written in "Remarks" block. M No billing required.</p> <p>Bill to</p> <p>See H-605. NOTE: Codes A, B, C, J, K, and L will be provided by the contractor or otherwise furnished by the Military Department to the contractor.</p>
53-53	Fund	Enter fund code furnished by the Military Department, as applicable. See H-607.
54-56	Distribution	Leave blank, unless directed otherwise by the Military Department.
57-59	Project	Leave blank, unless directed otherwise by the Military Department.
60-61	Priority	Enter appropriate issue priority designator in accordance with H-203.
62-64	Required delivery date	Will normally be left blank. The date shall be entered only when conditions meet the requirements set forth in H-208.
65-66	Advice	Enter applicable advice code to convey instructions to the supply source, if necessary. When code is not required, leave blank. See H-607.
67-80	Blank "Remarks" blocks	Leave blank. This field may be used to convey any additional information not provided for in the requisition format. When used, the document identifier code shall be A85 or A9E and the card shall not be transceived.

**H-303.2 Use of DD Form 1348 as a followup.** (a) Followups may be submitted only by the requisitioner or the supplementary addressee. Prior to submission, the contractor following up will ensure that status data are not on hand and that the time-frame for receipt of status has elapsed or that the time-frame for receipt of the material has elapsed.

(b) Followups shall be submitted to the point to which the requisition was submitted, except when supply status has been received indicating that another supply activity is responsible for processing the demand. In the latter case, followup shall be to the activity indicated as currently processing the requisition (i.e., "last known source of supply", which is the distribution point holding the demand for decision to issue the material). Transmission of followups will normally be by the same method employed for submission of requisitions.

(c) When used as a followup and when no status has been received from the supply source, the following entries shall be punched in the DD Form 1348m:

Card columns	Data	Explanation and instructions
1-3	Document identifier	Enter the code AF1 or AF2, as applicable to a followup.
4-66	All other fields of data	Duplicate entries from the original requisition.

(d) When used as a followup and when status has been received from a supply source, the following entries shall be punched in the DD Form 1348m:

Card columns	Data	Explanation and instructions
1-3	Document identifier	Enter the code AF1 or AF2 as applicable to a followup.
4-6	Routing identifier	Enter code identifying the last known supply source indicated on the supply status card in columns 67-69.
7-80	All other fields of data	Duplicate the entries from the last status card received.

**H-303.3 Use of DD Form 1348m as a cancellation.** (a) A cancellation, in whole or in part, shall be initiated only by the requisitioner or the supplementary addressee. Transmission of cancellation will normally be by the same method employed for submission of requisitions.

(b) Preparation of the DD Form 1348m for use as a cancellation shall be as follows:

Card columns	Field/Legend	Explanation and instructions
1-3	Document identifier	Enter code AC1 or AC2, as applicable to a cancellation.
4-5	Routing identifier	Enter code for last known source of supply.
7	Media and status	Enter code shown on requisition.
8-22	Stock number	Enter stock or part number as shown on requisition or on supply status card when such status has been received.
23-24	Unit of issue	Enter unit of issue as shown on requisition or status card.
25-29	Quantity	Enter quantity for which cancellation is requested.
30-43	Document number	Enter the document number of the requisition for which cancellation is requested.
44	Suffix or demand	Enter suffix code as shown in supply status card when applicable; otherwise, enter demand code from requisition.
45-80	All other fields	The data in the requisition (columns 45-66) or supply status card (columns 45-80) shall be included in the cancellation.

**H-304 Preparation and use of messages.**

**H-304.1 General.** Requisitions, followups, and cancellations may be transmitted by messages when time is of the essence and other means are not considered appropriate.

**H-304.2 Limitations.** When messages are used for any of the foregoing purposes, each

transmission shall be limited to a maximum of seven transactions. When explanatory comments are required, the appropriate entry shall be entered on the line immediately following each transaction. All transactions on a single message must be intended for the same elements within the recipient process-

ing point; i.e., the routing identifier codes must be identical on all transactions.

**H-304.3 Use of messages as requisitions.** The first line in the body of the message shall contain the words "MILSTRIP Requisition(s)". Thereafter, each transaction shall be numbered commencing with number 1 and the first 66 columns of data, except that dividing slashes (/) shall be inserted and divided exactly as shown in H-202.4. Each transaction shall consist of 18 separate field lengths of data.

**H-304.4 Use of messages as cancellations and followups.** Cancellations and followups by message shall be in the same format as that shown for a sample requisition, except that the first line in the body of the message shall be shown as "MILSTRIP Cancellation(s)" or "MILSTRIP Followup(s)", as appropriate. Data shown on cancellations and followups, except the first element of data which will show the correct document identifier, shall be a repeat of the original requisition. However, when later status data has been received, these amended elements shall be inserted in lieu of the original data.

**H-304.5 Confirmation copies.** When requisitions are relayed by electrical message, confirmation copies are not required and shall not be forwarded.

**H-305 Telephone and radio requisitions.**

**H-305.1 General.** Under exceptional circumstances when other methods of transmission are not adequate, requisitions may be submitted by telephone or radio. When considered necessary, requisitions will be prepared on DD Form 1348 or DD Form 1348m, as appropriate, and read to the supply source by telephone or radio in exact columnar alignment.

**H-305.2 Confirmation copies.** When requisitions are relayed by telephone or radio, confirmation copies are not required and shall not be forwarded.

**H-306 Formats for status and replies to followups.** The formats used by military processing elements (i.e., depots, inventory control points, inventory managers, etc.) in furnishing status and in replying to followups are as follows:

- (i) Exception status, see H-611;
- (ii) 100% supply status, see H-611;
- (iii) Shipment status, see H-612; and
- (iv) Reply to followup, see H-613.

#### PART 4—RELEASE/RECEIPT DOCUMENTATION

**H-400 Scope of part.** This Part sets forth instructions for the preparation and use of the MILSTRIP documentation prepared by the military supply activity to accompany Government-furnished material to contractors.

**H-401 General.** All contractor receipts of Government-furnished material under MILSTRIP will be accompanied by a Release/Receipt Document (DD 1348-1) (see H-202.3) prepared by the military supply activity regardless of whether shipment is in response to a contractor's requisition or is the result of action by a military supply activity. The military supply activity will supply a minimum of three copies of DD Form 1348-1 with the material. Additionally, if an advance copy of a bill of lading is received, a copy of the DD Form 1348-1 will be attached.

**H-402 Responsibilities.** On Military Department originated requisitions for Government-furnished material, it is the responsibility of the originating Military Department to insure that the contract number is referenced on the documentation accompanying the shipment; i.e., on the DD Form 1348-1.

**H-403 Data entries.**

**H-403.1 Minimum data entries.** The minimum data entries shown on the DD Form 1348-1 shall be as follows:

only document authorized for use by a contractor in returning Government-furnished material. The document is designed for either multiple or single line item entries (see H-202.5) (see also F-200.1483).

(b) Serviceable and unserviceable turn-ins shall be documented separately. The required:

Field/Legend	Card column or blocks	Explanation and instructions
Contract number	A	Enter full contract number.
Ship to	B	Enter name and address of storage activity or depot designated by the contracting officer to receive the Government-furnished material.
Mark for	C	As directed by the contracting officer.
Ship from	D	Enter name and address of shipping contractor as listed in DOD Activity Address Directory.
Office administering contract	E	Enter name and address of activity administering the contract.
Document identifier	1-3	Leave blank.
Routing identifier (Stock control activity or inventory control point)	4-6	Leave blank.
Document number (Basic)	7	Leave blank.
Service code	20-29	See H-604.
Shipper	30-35	Enter processing service code (see H-601).
Date	36-39	Enter activity address code of contractor from DOD Activity Address Directory.
Fund	40-49	Enter last digit of calendar year followed by Julian day calendar date on which document prepared. See H-609.
Project	50-59	Leave blank.
Priority	60-69	As directed by contracting officer.
Date received	70-79	As directed by contracting officer.
Routing identifier (Storage activity or depot)	80-89	As directed by contracting officer.
Stock number	90-99	Leave blank.
Unit of issue	100-109	Enter stock number in accordance with H-603.1 through H-603.4.
Quantity shipped	110-119	Enter appropriate unit of issue as indicated on document on which originally received.
Serial number	120-129	Enter quantity shipped.
Unit price	130-139	Leave blank.
Condition	140-149	For Air Force Contractors Only.
Remarks	150-159	Enter serial number in sequence from the block allocated by the property administrator. The serial number shall not be duplicated on any one day.
Date shipped	160-169	For All Other Contractors.
Mode of shipment	170-179	Enter serial number beginning with 0001 each day and continue in numerical sequence. The serial number shall not be duplicated on any one day.
Carrier	180-189	As directed by contracting officer.
Bill of lading number	190-199	Leave blank.
Number of containers	200-209	Enter, as applicable, manufacturers' code and part number, item description or publication reference, stock number over 16 digits as described in H-603.3 (c) and (d) and H-603.4.
Receipt	210-219	Enter date released to carrier.
	220-229	Enter appropriate code from H-610.
	230-239	Enter name of carrier.
	240-249	Enter bill of lading number, if shipped by commercial carrier. Enter transportation control number if shipped by military truck, LOGAIR, or QUICKTRANS.
	250-259	Enter total number of containers.
	260-269	For use of shipping contractor as required.
	270-279	Leave blank.

Serial number in combination with document number (Basic), columns 30-39, forms complete document number for each line item.

H-503 Distribution of DD Form 1483. Distribution of the individual copies of DD Form 1483 shall be as follows:

Identifies the source document used to prepare DD Form 1348-1. The routing identifier of the shipping activity. The code originally assigned to the requisition document. The stock or part number of the item shipped. The unit of issue of the stock or part number being shipped. The quantity being shipped. The document number originally assigned to the requisition. Blank if the document represents shipment of this total quantity required; otherwise, an appropriate character is assigned to indicate a partial quantity shipped.

The code as shown on the original requisition.

The Julian day calendar date assigned to the original requisition or other source document.

The routing identifier code (if any) appearing in columns 67-69 of the source document. Identifies the activity directing release of the material.

Distribution system management codes not significant to contractor. The unit price of the item being released.

Block U Freight classification nomenclature.

Block V For internal use.

Block W For internal use.

Block X Item nomenclature.

Block Y For internal use.

Block AA-GG Provided for any special notes or instructions deemed appropriate.

Block 11-15 Self-explanatory.

Block H-404 Document distribution. Distribution of the individual copies of DOD Single Line Item Release/Receipt Document (DD Form 1348-1) shall be as follows:

(i) Copies 1, 2, and 3—to consignee, with the material;

(ii) Copy 4—to consignee, with advance copy of the bill of lading;

(iii) Copy 5—for supply, retained by shipper;

(iv) Copy 6—for transportation, retained by shipper; and

(v) Copy 7—to consignee, inside container with material after use for packing, packing, and item identification (Packing Slip).

PART 5—RETURN OF GOVERNMENT-FURNISHED MATERIAL (GFM)

Columns

1-3 Document identifier

4-6 Media and status code

7-9 Stock or part number

10-12 Unit of issue

13-15 Quantity

16-18 Document number

19-21 Supplemental address

22-24 Signal

25-27 Fund code

28-30 Distribution

31-33 Project code

34-36 Priority code

37-39 Required delivery date

40-42 Routing identifier code

43-45 Management codes

46-48 Unit price

H-403.2 Other data. In order to accommodate the various distribution systems and equipment, DD Form 1348-1 provides blocks labeled "A" through "Y" for entry of other data. The use of these blocks is optional; but, when used, they shall contain the following:

Block A The shipping point identified by name and/or code.

Block B The consignee by name and address and/or code listed in DOD Activity Address Directory.

Block C Repeat of data entered in the supplementary address field (columns 45-50).

Block D The project and/or code, if any.

Block E The extended value of the transaction.

Block F The location from which material is to be selected.

Block G Coded cargo data.

Block H The number of issue units in a package.

Block I The unit weight applicable to the unit of issue.

Block J The unit cube applicable to the unit of issue.

Block K Uniform freight classification.

Block L National motor freight classification.

Block M Percentage of first class.

Block N For internal use.

Block O Date of document preparation.

Block P Material condition code.

Block Q For service use.

Block R For internal use.

Block S For internal use.

Block T Stock or part number of item originally requested, if other than item released.

Block U Freight classification nomenclature.

Block V For internal use.

Block W For internal use.

Block X Item nomenclature.

Block Y For internal use.

Block AA-GG Provided for any special notes or instructions deemed appropriate.

Block 11-15 Self-explanatory.

Block H-404 Document distribution. Distribution of the individual copies of DOD Single Line Item Release/Receipt Document (DD Form 1348-1) shall be as follows:

(i) Copies 1, 2, and 3—to consignee, with the material;

(ii) Copy 4—to consignee, with advance copy of the bill of lading;

(iii) Copy 5—for supply, retained by shipper;

(iv) Copy 6—for transportation, retained by shipper; and

(v) Copy 7—to consignee, inside container with material after use for packing, packing, and item identification (Packing Slip).

PART 5—RETURN OF GOVERNMENT-FURNISHED MATERIAL (GFM)

H-500 Scope of part. This part sets forth instructions for the preparation and use of the MILSTRIP document for the return of Government-furnished material.

H-501 General. (a) Shipping Document for GFM Turn-In (DD Form 1483) is the

\* When shipment is accomplished by a method not requiring backup documentation to a movement document (i.e., parcel post, Government truck, etc.), these copies will be destroyed by the shipping point.

(ii) Copy 4—to the activity designated in block B, Ship To, with advance copy of bill of lading;

(iii) Copies 5 and 6—to the activity entered in block E, Office Administering Contract;

(iv) Copy 7—packing list; and

(v) Other copies—as required for internal use by shipping contractor.

H-504 *Continuation sheets.* When continuation sheets are necessary, the following minimum entries are required on the second and all succeeding pages of DD Form 1483:

(i) Block A—Contract Number,

(ii) Page of pages,

(iii) Block D—Ship From,

(iv) Block B—Ship To,

(v) Block C—Mark For (if applicable),

and  
(vi) Block E—Office Administering Contract.

H-505 *Reproduction of DD Form 1483.* Contractors are authorized to use ditto, hectograph, multilith, or other reproduction processes in documenting turn-ins of Government-furnished material.

#### PART 6—CODES AND OTHER DATA

H-600 *Scope of part.* This part sets forth the codes and other miscellaneous data and instructions for their use by contractors in the preparation and interpretation of MIL-STRIP documents.

H-601 *Service Assignment Codes (Blocks 9 and 14—Manual) (Columns 30 and 45—Mechanical).* Service assignment codes are designed to accommodate service identity and use of specific fields on columns without duplication by other services. Service assignment codes are as follows:

Code	Column use		Service
	30	45	
O	X	X	Army (For Contractor Use Only).
Q	X	X	Navy (For Contractor Use Only).
L	X	X	Marine Corps (For Contractor Use Only).
E	X	X	Air Force (For Contractor Use Only).
U	X	X	Defense Supply Center (For Contractor Use Only).

H-602 *Document Identifier Codes (Block 1—Manual) (Columns 1, 2, and 3—Mechanical).*

H-602.1 *General.* The document identifier code provides a means of identifying a given product i.e., requisition, cancellation, followup, reply to followup, etc.) to the system to which it pertains and further identifies such data as to its intended purpose and usage. This code will furnish personnel with the ability to recognize the data and thence to perform the operation dictated. When used in conjunction with electronic computers, it will enable the equipment to select the appropriate programs and mechanically assimilate and/or react to the data.

H-602.2 *Entry.* The document identifier is a mandatory entry on all requisitions and related products entering the supply distribution systems under MILSTRIP. Document identifier codes are as follows:

\* When shipment is accomplished by a method not requiring backup documentation to a movement (i.e., parcel post, Government truck, etc.), copy 4 may be retained by shipping contractor.

Columns 1, 2, 3		
A81	Requisition	For overseas shipment with Federal Stock Number (FSN).
A82	do	For overseas shipment with Part Number.
A83	do	For overseas shipment with NATO Stock No.
A84	do	For overseas shipment with other. <sup>1</sup>
A85 <sup>1</sup>	do	For overseas shipment with exception data.
A86	do	For domestic shipment with FSN.
A87	do	For domestic shipment with Part Number.
A88	do	For domestic shipment with NATO Stock No.
A89	do	For domestic shipment with other. <sup>2</sup>
A90 <sup>1</sup>	do	For domestic shipment with exception data.
A91	Cancellation	By requisitioner (cols 31-36).
A92	do	By supplementary addressee (cols 46-50).
A93	Followup	By requisitioner (cols 31-36).
A94	do	By supplementary addressee (cols 46-50).
A95	Reply to followup	For requisitioner (cols 31-36).
A96	do	For supplementary addressee (cols 46-50).
A97	Passing order	For overseas shipment with FSN.
A98	do	For overseas shipment with Part Number.
A99	do	For overseas shipment with NATO Stock No.
A00	do	For overseas shipment with other. <sup>2</sup>
A01	do	For overseas shipment with exception data.
A02	do	For domestic shipment with FSN.
A03	do	For domestic shipment with Part Number.
A04	do	For domestic shipment with NATO Stock No.
A05	do	For domestic shipment with other. <sup>3</sup>
A06	do	For domestic shipment with exception data.
A07	Referral order	For overseas shipment with FSN.
A08	do	For overseas shipment with Part Number.
A09	do	For overseas shipment with NATO Stock No.
A10	do	For overseas shipment with other. <sup>3</sup>
A11	do	For overseas shipment with exception data.
A12	Supply status	For requisitioner (cols 31-36).
A13	do	For supplementary addressee (cols 46-50).
A14	Shipment status	For requisitioner (cols 31-36).
A15	do	For supplementary addressee (cols 46-50).

<sup>1</sup> Processing activity will, by screening of documents, ascertain whether requisition or passing action contains a Federal Stock Number or other Part Number or NATO Stock Number. If data can be acted upon without need for further passing actions, the digit in column 3 shall be changed to correspond with correct Federal Stock Number, Part Number or NATO Stock Number.

<sup>2</sup> For use when requisition or related document contains other than a Federal Stock Number, Part Number, or NATO Stock Number (i.e., Production Equipment Code (PEC) No., DOD Ammunition Number, etc.).

#### H-603 Stock Number Entries (rules for entry).

H-603.1 *Federal Stock Number.* (a) When an 11-digit Federal Stock Number is applicable:

(i) The Federal Supply Class (FSC) shall be entered in columns 8 through 11 (block 4—Manual), and

(ii) The Federal Item Identification Number (FIIN) shall be entered in columns 12 through 18 (block 5—Manual).

Example:

8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
8	3	2	0	1	2	3	1	2	3	4				

Blank

Military Departments cognizance symbols, stratification codes, fraction symbols, condition codes, etc., are never to be entered in columns 8 through 18.

(b) When codes are required in addition to the Federal Stock Number to properly identify the item and these codes are recognizable to the initial processing inventory manager or depot, the codes shall be entered in columns 19 through 22. If less than four digits, entry shall commence in column 19 and progress to the right (block 6—Manual).

Example:

8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
8	3	2	0	1	2	3	1	2	3	4	1	2	3	

Blank

or

8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
1	5	6	0	1	2	3	1	2	3	4	1	A	B	C

structed of four basic elements as follows:  
 (i) Service (block 9 or column 39),  
 (ii) Requisitioner/shipping contractor  
 (block 10 or column 31 through 35),  
 (iii) Julian date (block 11 or column 36  
 through 39), and  
 (iv) Serial number (block 12 or column  
 40 through 43).

Example: Service		Request/Shipping Contractor												Julian Date				Serial Number			
30	31	32	33	34	35	36	37	38	39	40	41	42	43								

(ii) Columns 30 and through 43—mechanized requisitions (DD Form 1348a) and the Shipping Document for GFM Turn-In (DD Form 1483).  
 H-604.2 Composition. The document number is a non-duplicate number throughout the MILSTRIP system and is contained in the MILSTRIP system and is contained in the MILSTRIP system and is contained in the MILSTRIP system.

Example:		Request/Shipping Contractor										Julian Date				Serial Number			
Service		30	31	32	33	34	35	36	37	38	39	40	41	42	43				

H-604.3 Entries. (a) The entry in block 9 or column 30 (service) always shall be the appropriate character from H-601 that indicates the service or other governmental element ownership or sponsorship.  
 (b) For requisitions, the entry in block 10 or column 31 through 35 indicates the activity address code of the requisitioner. It may also indicate the intended consignee or ship to address. (See H-603.) For turn-ins, the entry in columns 31 through 35 indicates the activity address code of the contractor making the turn-in. Activity address codes are published in the DOD Activity Address Directory (see H-210).

(c) Entries in block 11 or column 36 through 39 (date) shall always be numerics, as follows:  
 (i) Column 36 shall indicate the last numeric digit of the calendar year in which the document was originated. For example, "3" for 1963, "4" for 1964, etc.; and  
 (ii) Columns 37 through 39 shall indicate the numeric consecutive day of the calendar year. For example, "063" for 4 March. (See Julian day calendar in H-609.)  
 (d) Entries in block 12 or column 40 through 43 shall indicate the serial number of the document. The serial number shall not be duplicated on the same day.  
 (e) H-605 Signal Codes (Block 16—Manual) (Column 51—Mechanics).  
 H-605.1 General. The purpose of the signal code is two-fold in that it designates the fields containing the intended consignee (ship to) and the activity to receive and effect payment of bills, when applicable. All requisitions and documents resulting therefrom used under MILSTRIP shall contain the appropriate signal code.  
 H-605.2 Coding structure and meaning. (a) When the material is to be shipped to the activity indicated in column 30 through 35 (requisitioner), the signal code shall be as follows:  
 (i) Code "A"—Bill to block 10—columns 30 through 35.  
 (ii) Code "B"—Bill to blocks 14 and 15—column 45 through 50.

(iii) Code "C"—Bill to activity designated by column 52 (see H-606), or  
 (iv) Code "D"—No billing required (free issue).  
 (b) When the material is to be shipped to the activity indicated in blocks 14 and 15—columns 45 through 50 (supplementary address), the signal code shall be as follows:  
 (i) Code "J"—Bill to block 10—columns 30 through 35.  
 (ii) Code "K"—Bill to blocks 14 and 15—columns 45 through 50.  
 (iii) Code "L"—Bill to activity designated by column 52 (see H-606), or  
 (iv) Code "M"—No billing required (free issue).

H-606 Fund Codes (Block 17—Manual) (Columns 52 and 53—Mechanics).  
 H-606.1 General. (a) The fund code is provided for the specific use of the requisitioner, when directed by the Military Department, to enter a code that will indicate, to the distribution system, that funds are available to pay the charge when and where received. In addition, this fund code will be perpetuated by the distribution system in all follow-on documentation. The fund code construction is the responsibility of the appropriate Military Department.  
 (b) A secondary use for the fund code field has been provided when the signal code in column 51 (see H-605) is "C" or "L", to indicate the activity that is to be billed. When the signal code (column 51) is "C" or "L", the first position (column 52) of the fund code shall contain an alphabetic character which will indicate the activity to receive the bill.  
 (c) When the third position of the document identifier (column 3) is "B" or "E" and column 51 is "C" or "L", the information in the "Remarks" field may indicate other billing information.  
 (d) Requisitions submitted to Defense Supply Centers, other Departments, and the General Services Administration, shall always contain a fund code, unless the material requested has been offered without a reimbursement, in which case the signal code

H-603.2 NATO Stock Number. When a 13-digit NATO Stock Number is applicable:  
 (i) The NATO Supply Class (FSC) shall be entered in column 8 through 11 (block 4—Manual).  
 (ii) The two-digit NATO Country Code shall be entered in columns 12 and 13 (block 5—Manual), and  
 (iii) The seven-digit NATO Identification Number (FIIN) shall be entered in columns 14 through 20 (blocks 5 and 6—Manual).

Example:

8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
5	2	4	0	0	0	1	2	3	1	2	3	4		

Blank

(d) If a stock number of manufacturer's part number is not known but a description or publication reference is available to adequately identify the item, and such reference is meaningful to the processing point, the Stock or Part Number Field shall be left blank and the descriptive or reference data shall be entered in the "Remarks" space.  
 H-603.4 Other numbers. When other than a Federal Supply Number, part number, or NATO Stock Number is applicable (i.e., a Production Equipment Code (PEC), DOD Ammunition Number, locally assigned number, etc.), the following rules apply:  
 (i) If 15 digits or less, it shall commence in column 8 and progress to the right, with unused spaces left blank.

(e) When a manufacturer's part number exceeds 10 digits, the entire manufacturer's code and part number shall be entered in the "Remarks" space.  
 Example:

(Less than 15 digits)

8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
1	2	3	4	5	6	7	8	9	1	2	3			

(15 digits)

Blank

8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
1	2	3	4	5	6	7	8	9	1	2	3	4	5	6

(i) If 16 digits or more, the entire number shall be entered in the "Remarks" space.  
 H-603.5 Additional rules. Column 3 of the document identifier code (see H-602) is significant to the type of number entered in columns 8 through 22, as follows:  
 (i) Any requisition containing a Federal Stock Number, irrespective of additional codes in columns 19 through 22, must have a "1" (for overseas shipment) or an "A" (for domestic shipment) entered therein unless additional data is contained in the "Remarks" space.  
 (ii) Any requisition containing a part number must contain a "3" or "B" unless additional data is entered in the "Remarks" space.  
 (iii) Any requisition containing a NATO Stock Number must contain a "3" or "C" unless additional data is entered in the "Remarks" space.

(iv) Any requisition containing a Production Equipment Code (PEC), DOD Ammunition Number, or locally assigned number, etc., must contain a "4" or "D" unless additional data is entered in the "Remarks" space.  
 When additional data is entered in the "Remarks" space, regardless of the content of any columns of the requisition (including columns 8 through 22), column 3 must contain a "5" or "E" and the requisition must not be transacted.  
 H-604 Document number entries.  
 H-604.1 General. These instructions for document number entries are applicable to both requisitions and turn-ins for:

(i) Blocks 9 through 12—manual requisition (DD Form 1348), and  
 (ii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (iii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (iv) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (v) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (vi) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (vii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (viii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (ix) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (x) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (xi) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (xii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (xiii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (xiv) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (xv) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (xvi) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (xvii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (xviii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (xix) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (xx) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (xxi) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (xxii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (xxiii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (xxiv) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (xxv) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (xxvi) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (xxvii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (xxviii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (xxix) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (xxx) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (xxxi) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (xxxii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (xxxiii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (xxxiv) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (xxxv) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (xxxvi) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (xxxvii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (xxxviii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (xxxix) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (xl) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (xli) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (xlii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (xliii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (xliv) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (xlv) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (xlvi) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (xlvii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (xlviii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (xlvix) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (xli) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (xlii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (xliii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (xliv) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (xlv) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (xlvii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (xlviii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (xlix) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (l) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (li) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (liii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (liv) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lvi) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lvii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lviii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lix) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (l) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (li) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (liii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (liv) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lvi) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lvii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lviii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lix) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (l) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (li) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (liii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (liv) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lvi) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lvii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lviii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lix) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (l) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (li) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (liii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (liv) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lvi) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lvii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lviii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lix) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (l) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (li) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (liii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (liv) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lvi) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lvii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lviii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lix) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (l) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (li) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (liii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (liv) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lvi) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lvii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lviii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lix) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (l) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (li) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (liii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (liv) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lvi) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lvii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lviii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lix) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (l) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (li) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (liii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (liv) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lvi) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lvii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lviii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lix) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (l) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (li) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (liii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (liv) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lvi) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lvii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lviii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lix) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (l) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (li) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (liii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (liv) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lvi) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lvii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lviii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lix) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (l) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (li) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (liii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (liv) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lvi) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lvii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lviii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lix) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (l) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (li) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (liii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (liv) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lvi) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lvii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lviii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lix) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (l) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (li) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (liii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (liv) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lvi) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lvii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lviii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lix) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (l) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (li) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (liii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (liv) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lvi) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lvii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lviii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lix) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (l) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (li) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (liii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (liv) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lvi) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lvii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lviii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lix) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (l) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (li) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (liii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (liv) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lvi) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lvii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lviii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lix) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (l) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (li) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (liii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (liv) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lvi) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lvii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lviii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lix) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (l) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (li) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (liii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (liv) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lvi) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lvii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lviii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lix) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (l) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (li) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (liii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (liv) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lvi) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lvii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lviii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lix) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (l) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (li) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (liii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (liv) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lvi) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lvii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lviii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lix) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (l) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (li) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (liii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (liv) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lvi) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lvii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lviii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lix) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (l) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (li) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (liii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (liv) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lvi) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lvii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lviii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lix) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (l) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (li) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (liii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (liv) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lvi) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lvii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lviii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lix) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (l) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (li) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (liii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (liv) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lvi) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lvii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lviii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lix) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (l) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (li) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (liii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (liv) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lvi) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lvii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lviii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lix) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (l) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (li) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (liii) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (liv) Blocks 14 and 15—manual requisition (DD Form 1348), and  
 (lvi) Blocks 14 and 15—

## RULES AND REGULATIONS

(column 51) will be "D" or "M" (free issue) and the fund code field shall be blank. The submission of a MILSTRIP requisition citing a fund code constitutes sufficient authority for release of materiel and subsequent billing therefor. The billing activity shall always perpetuate the fund code cited on the requisition.

(e) Intra-service requisitions (transactions other than (d) above) may or may not require entries in the fund code field dependent upon the Departmental regulations.

(f) Service use of fund code with signal code "C" or "L" in column 51 will be as follows:

- (i) Air Force—in accordance with H-602.2,
- (ii) Army—not applicable,
- (iii) Navy—not applicable,
- (iv) Marine Corps—not applicable, and
- (v) Defense Supply Agency—not applicable.

(g) Fund code entries for turn-in of Government-furnished materiel is required only when specifically requested by the contracting officer. In such cases, the contracting officer will provide the fund code to be used.

H-606.2 Air Force Entries in Fund Code (Block 17—Manual) (Columns 52 and 53—Mechanical).

(a) Air Force contractor activities, when directed by that Department, submitting requisitions to Defense Supply Centers, other Departments, and the General Services Administration for base funded items shall enter a two-digit fund code in which the first position (column 52) shall always be a numeric. (Used with signal codes "A," "B," "J," and "K" in column 51.)

(b) Air Force contractor activities submitting requisitions to Air Force depots, when funding is not a condition of requisitioning, shall leave columns 52 and 53 blank. (Used with signal codes "D" and "M" in column 51.)

(c) Air Force inventory managers, when passing requisitions for centrally funded items to Defense Supply Centers, other Departments, and the General Services Administration shall enter a two-digit fund code in which the first position (column 52) shall always be the appropriate alphabetic character, as listed below, identifying the depot obligating the funds and to effect payment. (Used with signal codes "C" and "L" in column 51.)

Code	Activity
F....	Sacramento Air Materiel Area, McClellan Air Force Base, California.
G....	Ogden Air Materiel Area, Hill Air Force Base, Utah.
H....	Oklahoma City Air Materiel Area, Tinker Air Force Base, Oklahoma.
J....	Rome Air Materiel Area, Griffiss Air Force Base, New York.
K....	Middletown Air Materiel Area, Olmsted Air Force Base, Pennsylvania.
L....	Warner Robins Air Materiel Area, Robins Air Force Base, Georgia.
M....	Mobile Air Materiel Area, Brookley Air Force Base, Alabama.
N....	Headquarters Air Force Logistics Command, Wright-Patterson Air Force Base, Ohio.

Code	Activity
P....	San Antonio Air Materiel Area, Kelly Air Force Base, Texas.
R....	San Bernardino Air Materiel Area, Norton Air Force Base, California.

H-607 Advice and Status Codes (Block 22—Manual) (Columns 65 and 66—Mechanical).

H-607.1 General. (a) The advice/status field is of dual use and its application and the coding structures are dependent upon the directional flow of the documents.

(b) Advice codes (see H-607.2) are numeric/alphanumeric and flow from requisition originators to initial processing points and

are thereafter perpetuated into passing actions and Release/Receipt documents. The purpose of advice codes is to provide coded instructions to supply sources when such data are considered essential to supply action and entry in narrative form is not feasible.

(c) Status codes (see H-607.3) are alphabetic/alphanumeric and alphanumeric/numeric and flow from supply sources to requisitioners or consignees and inform recipients of the status of requisitions.

H-607.2 Advice Codes—Numeric/Alphanumeric (From Requisitioner to Initial Processing Point).

(a) General Codes.

Columns		
65	66	
2	A	Item is not locally obtainable through manufacture, fabrication, or procurement.
2	B	Requested item only will suffice. Do not substitute.
2	C	Do not back-order. Reject unfilled quantity not available for delivery by indicated delivery date. FILL or KILL.
2	D	Furnish exact quantity requested (i.e., do not adjust to unit pack quantity).
2	J	Do not substitute or back-order. FILL or KILL.

(b) Air Force Transactions Only.

Columns		
65	66	
6	A	Request for shipment of Repairable Materiel. FILL or KILL.
6	B	Request for shipment of TOC Materiel. FILL or KILL.

H-607.3 Status Codes—Alphabetic/Alphanumeric and Alphabetic/Numeric (From Processing Point to Authorized Activity)—(a) Supply Status. Supply status (except "rejection" status, code "C") predicts shipment on time as specified by the priority delivery date or the required delivery date unless specific supply status is received advising of an anticipated delay or an estimated availability date. Latest status can be determined by "transaction dates" entered in columns 71 through 73. Supply status codes are as follows:

Columns		
65	66	
B	A	Item being processed for release and shipment.
B	B	Item back-ordered. If release date is ascertainable, the estimated date of release is entered in columns 62 through 64. If not ascertainable, these columns are zero'd or blank.
B	C	Item back-ordered. Long delay is anticipated. Item in "Remarks" field can be furnished as a substitute. If desired, submit cancellation and requisition offered substitute.
B	D	Item delayed. Supply action being continued. If release date is ascertainable, the estimated date of release is entered in columns 62 through 64. If not ascertainable, these columns are zero'd or blank.
B	E	Item being procured for direct shipment to consignee. If delivery date is ascertainable, the estimated date of release of materiel for shipment is entered in columns 62 through 64. If not ascertainable, these columns are zero'd or blank.
B	F	No record of your requisition. De-obligate funds, and if still required, requisition using new document number.
B	G	Stock number changed or stock number now assigned to part number submitted. Examine also unit of issue and quantity field for possible changes. Adjust all records accordingly.
B	H	Substitute item being supplied. See substituted stock or part number in stock number field. Examine also unit of issue and quantity fields for possible changes. Adjust records if applicable.
B	J	Unit of issue and/or quantity changed. Adjust all records accordingly.
B	K	Requisition erroneously addressed and has been re-routed. Forwarded subsequent followups to activity indicated in columns 67 through 69.
B	L	Followup forwarded to activity indicated in columns 67 through 69 who will furnish status. Forward subsequent followups to last known source.
B	M	Requisition referred to activity indicated in columns 67 through 69.

H-608 Supplementary Address Entries (Blocks 14 and 15—Manual) (Columns 45 through 50). Entries in block 15 or columns 46 through 50 indicate the specific activity address code for the purpose of receiving material or receiving documentation. The activity address code will be established and disseminated in the DOD Activity Address Directory. Each activity address code so established will contain the address(es) in detail to permit shipping of material, billing for material, and mailing of documentation.

(c) When the originator of the document desires to utilize block 15 or columns 46 through 50 for other data, the entry will not be significant to other than the originator. In these cases, an alpha "Y" shall be entered in column 45. The alpha "Y" indicates that the contents of the field (block 15 or columns 46 through 50) are not significant to the MILSTRIP system and shall not be disseminated, but will be perpetuated and shown on subsequent document generated therefrom.

H-609 Julian Day Calendar.

H-608.2 Entries. (a) The entry in block 14 or column 45 (service) shall always be the appropriate character from H-601 that indicates the service or other Government element ownership or sponsorship. Specific alphabetic characters are prescribed for non-

Service	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
1	1	2	3	4	5	6	7	8	9	10	11	12
2	13	14	15	16	17	18	19	20	21	22	23	24
3	25	26	27	28	29	30	31	32	33	34	35	36
4	37	38	39	40	41	42	43	44	45	46	47	48
5	49	50	51	52	53	54	55	56	57	58	59	60
6	61	62	63	64	65	66	67	68	69	70	71	72
7	73	74	75	76	77	78	79	80	81	82	83	84
8	85	86	87	88	89	90	91	92	93	94	95	96
9	97	98	99	100	101	102	103	104	105	106	107	108
10	109	110	111	112	113	114	115	116	117	118	119	120
11	121	122	123	124	125	126	127	128	129	130	131	132
12	133	134	135	136	137	138	139	140	141	142	143	144
13	145	146	147	148	149	150	151	152	153	154	155	156
14	157	158	159	160	161	162	163	164	165	166	167	168
15	169	170	171	172	173	174	175	176	177	178	179	180
16	181	182	183	184	185	186	187	188	189	190	191	192
17	193	194	195	196	197	198	199	200	201	202	203	204
18	205	206	207	208	209	210	211	212	213	214	215	216
19	217	218	219	220	221	222	223	224	225	226	227	228
20	229	230	231	232	233	234	235	236	237	238	239	240
21	241	242	243	244	245	246	247	248	249	250	251	252
22	253	254	255	256	257	258	259	260	261	262	263	264
23	265	266	267	268	269	270	271	272	273	274	275	276
24	277	278	279	280	281	282	283	284	285	286	287	288
25	289	290	291	292	293	294	295	296	297	298	299	300
26	301	302	303	304	305	306	307	308	309	310	311	312
27	313	314	315	316	317	318	319	320	321	322	323	324
28	325	326	327	328	329	330	331	332	333	334	335	336
29	337	338	339	340	341	342	343	344	345	346	347	348
30	349	350	351	352	353	354	355	356	357	358	359	360
31	361	362	363	364	365	366	367	368	369	370	371	372
32	373	374	375	376	377	378	379	380	381	382	383	384
33	385	386	387	388	389	390	391	392	393	394	395	396
34	397	398	399	400	401	402	403	404	405	406	407	408
35	409	410	411	412	413	414	415	416	417	418	419	420
36	421	422	423	424	425	426	427	428	429	430	431	432
37	433	434	435	436	437	438	439	440	441	442	443	444
38	445	446	447	448	449	450	451	452	453	454	455	456
39	457	458	459	460	461	462	463	464	465	466	467	468
40	469	470	471	472	473	474	475	476	477	478	479	480
41	481	482	483	484	485	486	487	488	489	490	491	492
42	493	494	495	496	497	498	499	500	501	502	503	504
43	505	506	507	508	509	510	511	512	513	514	515	516
44	517	518	519	520	521	522	523	524	525	526	527	528
45	529	530	531	532	533	534	535	536	537	538	539	540
46	541	542	543	544	545	546	547	548	549	550	551	552
47	553	554	555	556	557	558	559	560	561	562	563	564
48	565	566	567	568	569	570	571	572	573	574	575	576
49	577	578	579	580	581	582	583	584	585	586	587	588
50	589	590	591	592	593	594	595	596	597	598	599	600
51	601	602	603	604	605	606	607	608	609	610	611	612
52	613	614	615	616	617	618	619	620	621	622	623	624
53	625	626	627	628	629	630	631	632	633	634	635	636
54	637	638	639	640	641	642	643	644	645	646	647	648
55	649	650	651	652	653	654	655	656	657	658	659	660
56	661	662	663	664	665	666	667	668	669	670	671	672
57	673	674	675	676	677	678	679	680	681	682	683	684
58	685	686	687	688	689	690	691	692	693	694	695	696
59	697	698	699	700	701	702	703	704	705	706	707	708
60	709	710	711	712	713	714	715	716	717	718	719	720
61	721	722	723	724	725	726	727	728	729	730	731	732
62	733	734	735	736	737	738	739	740	741	742	743	744
63	745	746	747	748	749	750	751	752	753	754	755	756
64	757	758	759	760	761	762	763	764	765	766	767	768
65	769	770	771	772	773	774	775	776	777	778	779	780
66	781	782	783	784	785	786	787	788	789	790	791	792
67	793	794	795	796	797	798	799	800	801	802	803	804
68	805	806	807	808	809	810	811	812	813	814	815	816
69	817	818	819	820	821	822	823	824	825	826	827	828
70	829	830	831	832	833	834	835	836	837	838	839	840
71	841	842	843	844	845	846	847	848	849	850	851	852
72	853	854	855	856	857	858	859	860	861	862	863	864
73	865	866	867	868	869	870	871	872	873	874	875	876
74	877	878	879	880	881	882	883	884	885	886	887	888
75	889	890	891	892	893	894	895	896	897	898	899	900
76	901	902	903	904	905	906	907	908	909	910	911	912
77	913	914	915	916	917	918	919	920	921	922	923	924
78	925	926	927	928	929	930	931	932	933	934	935	936
79	937	938	939	940	941	942	943	944	945	946	947	948
80	949	950	951	952	953	954	955	956	957	958	959	960
81	961	962	963	964	965	966	967	968	969	970	971	972
82	973	974	975	976	977	978	979	980	981	982	983	984
83	985	986	987	988	989	990	991	992	993	994	995	996
84	997	998	999	1000	1001	1002	1003	1004	1005	1006	1007	1008
85	1009	1010	1011	1012	1013	1014	1015	1016	1017	1018	1019	1020
86	1021	1022	1023	1024	1025	1026	1027	1028	1029	1030	1031	1032
87	1033	1034	1035	1036	1037	1038	1039	1040	1041	1042	1043	1044
88	1045	1046	1047	1048	1049	1050	1051	1052	1053	1054	1055	1056
89	1057	1058	1059	1060	1061	1062	1063	1064	1065	1066	1067	1068
90	1069	1070	1071	1072	1073	1074	1075	1076	1077	1078	1079	1080
91	1081	1082	1083	1084	1085	1086	1087	1088	1089	1090	1091	1092
92	1093	1094	1095	1096	1097	1098	1099	1100	1101	1102	1103	1104
93	1105	1106	1107	1108	1109	1110	1111	1112	1113	1114	1115	1116
94	1117	1118	1119	1120	1121	1122	1123	1124	1125	1126	1127	1128
95	1129	1130	1131	1132	1133	1134	1135	1136	1137	1138	1139	1140
96	1141	1142	1143	1144	1145	1146	1147	1148	1149	1150	1151	1152
97	1153	1154	1155	1156	1157	1158	1159	1160	1161	1162	1163	1164
98	1165	1166	1167	1168	1169	1170	1171	1172	1173	1174	1175	1176
99	1177	1178	1179	1180	1181	1182	1183	1184	1185	1186	1187	1188
100	1189	1190	1191	1192	1193	1194	1195	1196	1197	1198	1199	1200

For leap year, add one to each date after 28 February.

(b) Rejection Codes. All inter-service rejections shall contain "C" in column 45 followed by an alphabetic or numeric character in column 46 which shall furnish the appropriate "reason for rejection". Items rejected, if still required, shall be re-requested using new document numbers. To preclude similar rejection, the requisitioner shall consider the reason for the previous rejection and correct or adequately elaborate on the new requisition. Rejection codes are as follows:

Columns	65	66
C	A	Rejected. Separate correspondence referring to this document number is being forwarded by appropriate media, explaining reason for this action.
C	B	Rejected. Initial requisition requested rejection of that quantity not available for immediate release.
C	C	Quantity held in excess of that being filled.
C	D	Rejected. Requisition failed to comply with a cancellation request from requisitioner, consignee, manager, or other authorized activity.
C	E	Rejected. Requisitioning activity failed to annotate and return back-order, reconciliation requisition request furnished by processing point.
C	F	Rejected. This requisition is an exact duplicate of a previously received requisition presently in process.
C	G	Rejected. Unable to identify requested item. Requisition and furnish current Federal Stock Number or part number (including reference to appropriate publication or drawing), or establish item application.
C	H	Rejected. Requisition submitted to incorrect single-manager/inventory manager/technical services/distribution depot or GSA. Research for correct source and submit new requisition.
C	I	Rejected. Item coded (or being coded) "obsolete" in latest stock-lists/catalogs and not available for issue.
C	J	Rejected. Item not available. Returned for supply by local users of next higher assembly, component or kit, or submit requisition for next higher assembly.
C	K	Rejected. Item not available. Requisition component parts if practicable.
C	L	Rejected. Fund obligation not filled. Furnish new requisition and fund code.
C	M	Rejected. Source of supply is local manufacturer or fabricator.
C	N	Rejected. Source of supply is local procurement from customer for command funds.
C	O	Rejected. Item requested is controlled or Department regulated or controlled. Requisition through appropriate channels.
C	P	Rejected. Quantity requested exceeds the maximum release quantity. Review and re-requisition.
C	Q	Item, explaining requirement for what appears to be an excessive quantity.
C	R	Rejected. Quantity being supplied (or processed) is equal to the maximum release quantity.
C	S	The quantity requested is in excess of such maximum release quantity. If needed, requisition explaining requirement for what appears to be an excessive quantity.
C	T	Rejected. Name, model, series, serial number, and/or item usage or publication reference, as applicable, is necessary in order to determine item required. Submit new requisition (by mail or message if necessary) and furnish required information.
C	U	Rejected. Item requested is procured only in a repair kit. Requisition appropriate kit.

H-612 Shipment status card entries. The shipment status card is the document by which specific shipping information is furnished in reply to a followup. Entries are as follows:

Field/Legend	Columns	Explanation of entries
Document Identifier	1-3	The code applicable to the shipment status card to include the coded recipient as indicated in the followup card. See H-602.
Routing Identifier	4-6	The appropriate code of the activity furnishing the status.
Media and status	7	The code as shown on the followup card.
Stock or part number	8-22	The stock or part number of the item supplied.
Unit of issue	23-24	The unit of issue for the item supplied.
Quantity	25-29	The quantity of the item supplied.
Document number	30-43	The document number as shown on the requisition.
Suffix	44	The suffix code, when requisitioned quantity is not divided, this field shall be left blank.
Supplementary address	45-50	The coded address as shown on the requisition.
Signal	51	The code as shown on the requisition.
Fund	52-53	The code as shown on the requisition.
Distribution	54-56	The code as shown on the requisition.
Project	57-59	The code as shown on the requisition.
Priority	60-61	The code as shown on the requisition.
Date shipped	62-64	The Julian day of release to the carrier.
Mode of shipment	65	The appropriate code identifying the mode of shipment. See H-613.
Bill of lading number	66-73	The bill of lading or other number relating to the shipment, when applicable.
Unit price	74-80	The unit price of the stock or part number shown in columns 8-22.

H-613 Reply to followup card entries. (a) The reply to a followup will contain the most current information available regarding the status of a requisition and may be as follows:  
 (1) A duplication of the data contained in a supply status card, except it will be identified by the document identifier as a followup answer, and may contain a change in the estimated availability date. The transaction date will correspond to the date of the reply.  
 (2) A shipment status card, identified as such in the document identifier (see H-612 for entries).  
 (b) Followup answer card entries are as follows:

Field/Legend	Columns	Explanation of entries
Document Identifier	1-3	The code applicable to a followup answer to include the coded recipient as indicated in the followup card. See H-602.
All other fields	4-80 (except 71-73)	The same data as prescribed for a supply status card, except the transaction date (columns 71-73). The transaction date which is the calendar day of the followup answer, in columns 71-73.

[Rev. 8, ASPR, Nov. 1, 1964] (Sec. 2302, 70A Stat. 120; 10 U.S.C. 2302. Interpret or apply sec. 2301-2314, 70A Stat. 127-133; 10 U.S.C. 2301-2314)

J. C. LAMBERT,  
Major General, U.S. Army, The Adjutant General

[F.R. Doc. 65-1392; Filed, Feb. 8, 1965; 8:45 a.m.]

H-610 Code of Shipment Codes.

Code	Description
A.....	Motor, truckload.
B.....	Motor, less truckload.
C.....	Van (unpacked, uncrated personal and/or Government property).
D.....	Driveaway, truckaway, towaway.
E.....	Busline.
F.....	MATS.
G.....	Surface, parcel post.
H.....	Air, parcel post.
I.....	Government truck.
J.....	REA express.
K.....	Rail, carload.
L.....	Rail, less carload.
M.....	Freight forwarder.
N.....	Contract air (LOG AIR/QUICK-TRANS).

Code Description  
 O..... Organic military air.  
 P..... Through bill of lading.  
 Q..... Air freight.  
 R..... Air express.  
 S..... Air charter.  
 T..... Air freight forwarder.  
 U..... Air, van.  
 V..... Sea-van service.  
 W..... Water, river, lake, coastal (commercial).  
 X..... Roll-on/roll-off service.  
 Y..... Intra-theater airlift system.  
 Z..... MSTs (controlled/contract/arranged space).

H-611 Supply status card entries. The supply status card is used to furnish exception status and 100 percent supply status as follows:

Field/Legend	Columns	Explanation of entries
Document Identifier	1-3	The appropriate code applicable to supply status, to include the recipient of the status. (See H-602.)
Routing Identifier	4-6	The appropriate code of the supply source furnishing the supply status.
Media and status	7	The code as shown on the requisition.
Stock or part No.	8-22	The stock or part number to which status is applicable. (See H-607.3 for status codes applicable to changed or substituted numbers.)
Unit of issue	23-24	The unit of issue applicable to the stock or part number. (See H-607.3 for status codes applicable to changed unit of issue.)
Quantity	25-29	The quantity applicable to the item being supplied. (See H-607.3 for status codes applicable to quantity change and/or relating to a unit of issue change.)
Document number	30-43	The document number as shown on the requisition.
Suffix	44	The suffix code when the requisitioned quantity is divided into separate supply actions.
Supplementary address	45-50	When the requisition quantity is not divided, this field shall be left blank.
Signal	51	The codes as shown on the requisition.
Fund	52-53	When ascertainable, the Julian day corresponding to the date that it is estimated material will be released by the supply source.
Distribution	54-56	The appropriate status code to convey the information regarding the status of the requisition. (See H-607.3.)
Project	57-59	The "last known source" to which authorized followup action will be directed.
Priority	60-61	Blank.
Estimated availability	62-64	The Julian day calendar date of the transaction on which the supply decision was made.
Status	65-66	The unit price of the stock or part number shown in columns 8-22. When the supply status code relating to an erroneously routed requisition, this field will be left blank. (See H-607.)
Routing Identifier	67-69	Blank.
Blank	70	Blank.
Transaction date	71-73	Blank.
Unit price	74-80	Blank.

## Chapter VII—Department of the Air Force

## SUBCHAPTER W—AIR FORCE PROCUREMENT INSTRUCTION

## MISCELLANEOUS AMENDMENTS TO SUBCHAPTER

Subchapter W of Chapter VII of Title 32 is amended as follows:

## PART 1001—GENERAL PROVISIONS

## Subpart C—General Policies

In § 1001.366 paragraph (b) is revised to read as follows:

§ 1001.366 Allegations concerning the competitive procurement program.

(b) Where the facts appear to land validity to the allegation, all pertinent information will be forwarded through command channels, including AFSC and OAR activities through AFSC (SCKP) and all other activities through AFLC (MCPA), through Hq USAF (AFSP-PBA), to OASD (I&L). The file should contain sufficient information of all the circumstances connected with the allegation. The file should also include complete identification of any regulations, policy, or procedures issued at DOD or Hq USAF level which may have led to the allegation.

## Subpart D—Procurement Responsibility and Authority

1. Section 1001.459 is deleted and the following substituted therefor:

§ 1001.459 Architect-engineer contracts.

Notwithstanding any other reference in this subpart to the contrary, architect-engineer contracts require the same contract review and manual approval as that required for all other type contracts. Previous delegations of authority and special requirements for review and manual approval of architect-engineer contracts are rescinded.

2. In § 1001.460, paragraph (a) is amended and (c) is revised, as follows:

§ 1001.460 Priorities authority; DO and DX ratings, allotments, and rescheduling deliveries.

(a) The authority as described in this paragraph has been delegated to the Commander, AFLC (subparagraph (3) (1) through (iii) of this paragraph only) and to the Commander, AFSC with respect to: (1) DO rating program, (2) DX rating program for contracts and orders identifiable to programs of the highest national priority, and (3) allotting and rescheduling deliveries. These authorities are to be exercised within the limits of such allocation determinations or other quantitative restrictions as may be established from time to time by proper authority (see § 1.307 of this title). Each person who redelegates the authority will maintain a record of such redelegation and limits placed thereon.

(i) Authority to apply or assign the right to apply DO and DX ratings to contracts and delivery orders to meet DOD programs authorized for priorities support by the Office of Emergency Planning (OEP) or designated by OEP as

eligible for priorities support through the Department of Defense.

(ii) Authority to assign the right to apply DO and DX ratings to certain prime or subcontractors on orders for delivery of production equipment specifically required to support authorized programs of the Department of Defense or of such other specifically designated programs.

(iii) Authority to assign the right to apply DO and DX ratings to certain contractors on orders for delivery of construction equipment for use on construction in Alaska, Hawaii, or outside the United States.

(c) Authorities described in paragraph (a) (3) (iv) through (vi) of this section have been redelegated by the Commander, AFSC to the Deputy Chief of Staff (DCS) and Assistant DCS of Procurement and Production, Hq AFSC, with power of redelegation. The AFSC DCS of Procurement and Production has redelegated these authorities to the Director/Deputy Director of Production (SCKM) and the Chief/Deputy Chief of the Industrial Materials Division (SCKMJ).

3. In § 1001.461, paragraphs (a) (2) and (b) (2) are revised to read as follows:

§ 1001.461 Contracts for public utility services extending beyond current fiscal year.

(a) *Contracts for power, gas, and water.* \*\*\*

(2) The authority of the Commander, AFLC, as described in subparagraph (1) of this paragraph has been delegated to the Director and Deputy Director of Procurement and Production, Hq AFLC, with power of redelegation.

(b) *Contracts for communication services.* \*\*\*

(2) The authority of the Commander, AFLC, as described in subparagraph (1) of this paragraph has been delegated to Procurement and Production, Hq AFLC, the Director and Deputy Director of with power of redelegation.

§ 1001.465 [Amended]

4. In § 1001.465(a) the reference "§ 4.101-2" is amended to read "§ 4.101-2 (c) and (d)."

## Subpart J—Publicizing Procurement Actions

1. In § 1001.1002-51(a), present subparagraphs (2) through (5) are deleted and the following inserted therefor. Former subparagraph (4) is now subparagraph (2).

§ 1001.1002-51 Distribution of invitations for bid and requests for proposals.

(a) \*\*\*

(2) Small Business Administration region and branch offices as designated by the SBA representative.

(i) Copies: One copy of IFB or RFP.

(ii) Applicability: All AFLC/AFSC IFBs and RFPs which have been synopsisized.

2. Section 1001.1003-9 is amended to read as follows:

§ 1001.1003-9 Preparation and transmittal.

RCS: AF-XDC-N1 is assigned to this report.

3. In § 1001.1005-3 the references to the AF Manuals are amended. As amended § 1001.1005-3 reads as follows:

§ 1001.1005-3 General.

Paid advertisements in newspapers will be used in connection with the disposition of disposable property by sale, according to paragraph 4, chapter 11, volume VI, AFM 67-1. If time will permit, the publication of essential details of IFBs in newspapers and trade journals (paid advertisements) may be authorized as shown in § 1001.1005-5. Paid advertisements in newspapers, magazines, and other publications for the purpose of recruiting civilian employees will be used according to paragraph 7, section 3131, chapter 380, AFM 40-1, and as authorized in § 1001.1005-5.

4. In § 1001.1005-5(a) subparagraphs (2), (4), (7), (9), (11), and (13) are amended. As amended paragraph (a) reads as follows:

§ 1001.1005-5 Authority and delegation.

(a) Authority to authorize the publication of advertisements, notices, or proposals in newspapers and trade journals in connection with the dissemination of procurement and sales information has been delegated by the Assistant Secretary to the:

(1) Commander, Headquarters Air Force Logistics Command.

(2) Director and Deputy Director of Procurement and Production, Hq AFLC.

(3) Commander, Headquarters Air Force Systems Command.

(4) Deputy Chief of Staff, Procurement and Production, Hq AFSC.

(5) Director and Deputy Director of Procurement, Hq AFSC.

(6) Commander and Deputy Commander, AFSC Systems Divisions.

(7) Chief and Deputy Chief of the Procurement and Production Office, AFSC Systems Divisions.

(8) Commander and Deputy Commander, AFSC Centers.

(9) Chief and Deputy Chief of the Procurement Office, AFSC Centers.

(10) Director of procurement and production, air materiel areas.

(11) Staff Officer Responsible for Procurement, AFPR and APRFE.

(12) Commander and vice commander, major air commands (other than AFLC and AFSC).

(13) Commander, 2750th Air Base Wing.

(14) Commander, 2704th AF Aircraft Storage and Disposition Group.

(15) Commander, 2709th AF Vehicle Control Group.

and, while he is so acting, to the person acting for the time being in any of the foregoing capacities. The above authority will not be redelegated.

## PART 1002—PROCUREMENT BY FORMAL ADVERTISING

### Subpart D—Opening of Bids and Award of Contract

#### § 1002.404-1 [Amended]

1. In § 1002.404-1(b) (9) subdivision (iii) is deleted and reserved.

2. New § 1002.404-2 is added as follows:

#### § 1002.404-2 Rejection of individual bids.

(a) to (f) No implementation.

(g) (1) If a performance bond has been required and the bidder is able to furnish a satisfactory bond, the contracting officer will not reject the bid without approval as follows:

(i) All base procurement activities (see § 1001.201-55 of this subchapter), and all central procurement activities (see § 1001.201-57 of this subchapter) except the AFSC and OAR, will forward requests to AFLC (MCPKF) for approval of the Director of Procurement and Production, Hq AFLC, or in his absence, the Deputy for Operations Management, or the Assistant to the Director.

(ii) Central procurement activities of AFSC will forward requests to Hq AFSC (SCKM), for approval by the Deputy Chief of Staff or Assistant Deputy Chief of Staff, for Procurement and Production, Hq AFSC.

(iii) Central procurement activities of OAR will submit requests for approval to the Director of Procurement, OAR.

(2) When the lowest bid is from a firm which is not a manufacturer or regular dealer and it is considered desirable to reject such bid, request for authority to reject this bid and to authorize the award to the next lowest bidder will be made as follows:

(i) All base procurement activities (see § 1001.201-55 of this subchapter), and all central procurement activities (see § 1001.201-57 of this subchapter) except the AFSC and OAR, will forward requests to AFLC (MCPKF) for approval.

(ii) Central procurement activities of AFSC will forward requests to Hq AFSC (SCKM), for approval.

(iii) Central procurement activities of OAR will submit requests for approval to the Director of Procurement, OAR.

(a) In forwarding such requests, contracting officers will be careful to verify all statements contained therein which are given as the basis for rejection, so there may be no just cause for complaint.

Subpart E is revised to read as follows:

### Subpart E—Two-Step Formal Advertising

Sec.	Applicability of subpart.
1002.500	General.
1002.501	Conditions for use.
1002.502	Procedures.
1002.503-1	Step one.
1002.503-50	Award.

**AUTHORITY:** The provisions of this Subpart E issued under sec. 8012, 70A Stat. 488, secs. 2301-2314, 70A Stat. 127-133; 10 U.S.C. 8012, 2301-2314.

#### § 1002.500 Applicability of subpart.

This subpart applies to all AF procurement activities.

#### § 1002.501 General.

Qualified engineers and other technically qualified personnel must be available to evaluate technical proposals. If two-step formal advertising is desired and qualified engineers or technical personnel are not available on the installation to evaluate technical proposals, assistance will be requested from other installations or higher headquarters.

#### § 1002.502 Conditions for use.

It is necessary to obtain concurrence of the cognizant engineering or technical activity before using this procedure. If the engineering or technical activity does not concur in using this procedure for the procurement under consideration, the nonconcurrence will be signed at the level of the chief of the engineering or technical activity, or comparable level, and will be considered a final determination not to use this procedure. The reasons cited in the nonconcurrence will be considered in determining an alternate method of procurement.

#### § 1002.503 Procedures.

##### § 1002.503-1 Step one.

When the engineering or technical activity concurs in using the two-step procedure, it will specifically state in writing the detailed requirements for the technical proposal to give all bidders an equal opportunity to submit the required data. The engineering or technical activity will furnish to the buyer the criteria for technical proposals, cutoff date for receipt of technical proposals, and anticipated date evaluation of technical proposals will be completed.

(a) *Request for technical proposals.* The letter request for technical proposals will be identified as "Letter Request for Technical Proposals (add applicable purchase request number)." The IFB resulting from the request for technical proposals will be numbered in the normal manner. Distribution of request for technical proposals and data will be according to § 1001.1002-51(a) of this subchapter.

(b) *Evaluation of technical proposals.* The engineering activity or technically qualified personnel will submit recommendations to the buyer for discussions with firms which submitted marginal proposals. Following any discussions with the bidders, the engineering or technical activity will consider the additional information or clarification obtained and furnish the buyer its final evaluation of each technical proposal. Acceptable proposals will be so designated. For unacceptable proposals, the engineering or technical activity will furnish complete and detailed reasons why the proposal is not acceptable. Technical evaluations listing proposals which are unacceptable must clearly state whether rejection is based on the failure of the firm to furnish sufficient information or because of an unacceptable engineering approach. If the rejection is because of missing information required for evaluation, the evaluating activity must state specifically what information was not furnished.

These evaluations are recommendations only and must be approved by the contracting officer, as selection of sources is his responsibility. When differences of opinion cannot be resolved, the contracting officer should request the chief or deputy chief of the buying or procurement activity to discuss the areas of disagreement with the chief of the engineering or technical activity and furnish the contracting officer a written recommendation as to an appropriate resolution of the matter.

#### § 1002.503-50 Award.

In connection with award resulting from two-step formal advertising, the Method of Advertising portion of Standard Form 1036, Statement and Certificate of Award, will be executed as follows:

(a) Line 1: No.

(b) Line 2(a): Insert number of sources furnished the request for technical proposal in the first step.

(c) Line 2(b): Yes.

The blank in the certificate should indicate the number of bids received in the second step.

## PART 1003—PROCUREMENT BY NEGOTIATION

### Subpart H—Price Negotiation Policies and Techniques

#### § 1003.801-2 [Amended]

1. In § 1003.801-2(c) the symbol "(ASXKF)" is changed to "(SCKPF)."

2. Section 1003.802-2 is amended to add part numbers to the stated subparts. As amended § 1003.802-2 reads as follows:

#### § 1003.802-2 Selection of prospective sources.

See § 3.101 and Subparts G and H, Part 1 of this title, and § 1003.101 and Subparts G and H, Part 1001 of this subchapter.

3. In § 1003.807-6 the symbols for AFSC are changed. As amended § 1003.807-6 reads as follows:

#### § 1003.807-6 Refusal to provide cost or pricing data.

When the situation described in Subchapter A, Chapter 1 of this title applies, and the contracting officer and the Commander of the local activity have exhausted all means available to them to secure the required data, the case will be referred to AFSC (SCKPF), or Hq AFLC (MCPKF), as appropriate. Referrals will include the information required by Subchapter A, Chapter 1 of this title.

#### § 1003.850-6 [Amended]

4. In § 1003.850-6 the second reference is amended to read "§ 15.205-22(e)."

### Subpart I—Subcontracting Policies and Procedures

#### § 1003.903-3 [Amended]

In § 1003.903-3(c) the last sentence is deleted.

**PART 1007—CONTRACT CLAUSES****Subpart GG—Clauses for Laundry or Dry Cleaning Contracts****§ 1007.3303-16 [Deleted]**

Section 1007.3303-16 is deleted.

**Subpart NN—Special Clauses****§ 1007.4006 [Deleted]**

Section 1007.4006 is deleted.

(Sec. 8012, 70A Stat. 488, secs. 2301-2314, 70A Stat. 127-133; 10 U.S.C. 8012, 2301-2314) [AFPI Rev. 48, Nov. 30, 1964; AFPC No. 2, Jan. 21, 1965]

By order of the Secretary of the Air Force.

FREDERICK A. RYKER,  
Lieutenant Colonel, U.S. Air  
Force, Chief, Special Activities  
Group, Office of The  
Judge Advocate General.

[F.R. Doc. 65-1348; Filed, Feb. 8, 1965;  
8:47 a.m.]

**Chapter XVII—Office of Emergency Planning****PART 1710—FEDERAL DISASTER ASSISTANCE****Federal-State Disaster Assistance Agreements**

In § 1710.8 *Federal-State Disaster Assistance Agreements* the following amendments are made:

Paragraph (e) is revised, paragraph (f) is redesignated (g) and a new paragraph (f) is added to read as follows:

**§ 1710.8 Federal-State Disaster Assistance Agreements.**

(e) The following provisions shall be included in every Federal-State Disaster Assistance Agreement entered into:

During the performance of this contract, the contractor agrees as follows:

(1) The contractor will not discriminate against any employee or applicant for employment because of race, creed, color, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, or national origin. Such action shall include, but not be limited, to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.

(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, or national origin.

(3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the said labor union or workers' representative of the contractor's commitments under this section, and shall

post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) The contractor will comply with all provisions of Executive Order No. 10925 of March 6, 1961, as amended, and of the rules, regulations, and relevant orders of the President's Committee on Equal Employment Opportunity created thereby.

(5) The contractor will furnish all information and reports required by Executive Order No. 10925 of March 6, 1961, as amended, and by the rules, regulations, and orders of the said Committee, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Committee for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(6) In the event of the contractor's non-compliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be cancelled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 10925 of March 6, 1961, as amended, and such other sanctions may be imposed and remedies invoked as provided in the said Executive Order or by rule, regulation, or order of the President's Committee on Equal Employment Opportunity, or as otherwise provided by law.

(7) The contractor will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the President's Committee on Equal Employment Opportunity issued pursuant to section 303 of Executive Order No. 10925 of March 6, 1961, as amended, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for noncompliance: *Provided, however,* That in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

(f) Federal financial assistance to the States or their political subdivisions is conditioned on full compliance with OEP Regulation 5 issued pursuant to Title VI of the Civil Rights Act of 1964, 30 F.R. 321, January 9, 1965.

*Effective date.* These amendments shall become effective February 8, 1965.

Dated: February 3, 1965.

FRANKLIN B. DRYDEN,  
Acting Director,  
Office of Emergency Planning.

[F.R. Doc. 65-1349; Filed, Feb. 8, 1965;  
8:47 a.m.]

**Title 16—COMMERCIAL PRACTICES****Chapter I—Federal Trade Commission**

[Docket No. C-867]

**PART 13—PROHIBITED TRADE PRACTICES****Bernard Mazur and Major Hosiery Co.**

Subpart—Misbranding or mislabeling:  
§ 13.1185 *Composition*: 13.1185-80 Textile

Fiber Products Identification Act. Subpart—Neglecting, unfairly or deceptively to make material disclosure: § 13.1852 *Formal regulatory and statutory requirements*: 13.1852-70 Textile Fiber Products Identification Act.

(Sec. 8, 38 Stat. 721; 15 U.S.C. 46. Interpret or apply sec. 5, 38 Stat. 719, as amended; 72 Stat. 1717; 15 U.S.C. 45, 70) [Cease and desist order, Bernard Mazur doing business as Major Hosiery Co., Baltimore, Md., Docket C-867, Dec. 18, 1964]

*In the Matter of Bernard Mazur, an Individual Doing Business as Major Hosiery Co.*

Consent order requiring a Baltimore, Md., jobber of textile fiber products to cease violating the Textile Fiber Products Identification Act by failing to disclose the true generic names of fibers present and percentages of such fibers, falsely tagging men's cotton stretch socks as 100-percent nylon, and failing in other respects to comply with labeling requirements.

The order to cease and desist, including further order requiring report of compliance therewith, is as follows:

*It is ordered,* That respondent Bernard Mazur, an individual trading as Major Hosiery Co., or under any other trade name, and respondent's representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction, delivery for introduction, sale, advertising or offering for sale, in commerce, or the transportation or causing to be transported in commerce, or the importation into the United States of any textile fiber product; or in connection with the sale, offering for sale, advertising, delivery, transportation or causing to be transported, of any textile fiber product which has been advertised or offered for sale in commerce; or in connection with the sale, offering for sale, advertising, delivery, transportation or causing to be transported, after shipment in commerce, of any textile fiber product, whether in its original state or contained in other textile fiber products, as the terms "commerce" and "textile fiber product" are defined in the Textile Fiber Products Identification Act, do forthwith cease and desist from:

1. Falsely or deceptively stamping, tagging, labeling, invoicing, advertising or otherwise identifying such products as to the name or amount of constituent fibers contained therein:

2. Failing to affix labels to such products showing each element of information required to be disclosed by section 4(b) of the Textile Fiber Products Identification Act.

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

Issued: December 18, 1964.

By the Commission.

[SEAL] JOSEPH W. SHEA,  
Secretary.

[F.R. Doc. 65-1334; Filed, Feb. 8, 1965;  
8:45 a.m.]

[Docket No. C-868]

**PART 13—PROHIBITED TRADE PRACTICES****Outerwear Garments, Inc., and David Alexander**

Subpart—Furnishing false guaranties: § 13.1053 *Furnishing false guaranties*; 13.1053-90 Wool Products Labeling Act. Subpart—Misbranding or mislabeling: § 13.1185 *Composition*; 13.1185-90 Wool Products Labeling Act. Subpart—Neglecting, unfairly or deceptively to make material disclosure: § 13.1845 *Composition*; 13.1845-80 Wool Products Labeling Act; § 13.1852 *Formal regulatory and statutory requirements*; 13.1852-80 Wool Products Labeling Act. Subpart—Using misleading name—Goods: § 13.2280 *Composition*; 13.2280-80 Wool Products Labeling Act.

(Sec. 6, 38 Stat. 721; 15 U.S.C. 46. Interpret or apply sec. 5, 38 Stat. 719, as amended, secs. 2-5, 54 Stat. 1128-1130; 15 U.S.C. 45, 68) [Outerwear Garments, Inc. et al., New York, N.Y., Docket C-868, Dec. 21, 1964]

*In the Matter of Outerwear Garments, Inc., a Corporation, and David Alexander, Individually and as an Officer of Said Corporation*

Consent order requiring a New York City manufacturer of ladies' wool coats to cease violating the Wool Products Labeling Act by falsely labeling certain coats as to fiber content and percentage therein, by furnishing false guaranties that the garments were not misbranded, and by failing in other respects to comply with labeling requirements.

The order to cease and desist, including further order requiring report of compliance therewith, is as follows:

*It is ordered*, That respondents Outerwear Garments, Inc., a corporation, and its officers, and David Alexander, individually and as an officer of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the manufacture for introduction or the introduction into commerce, or the offering for sale, sale, transportation or distribution in commerce of ladies' coats or other wool products, as "commerce" and "wool product" are defined in the Wool Products Labeling Act of 1939, do forthwith cease and desist from:

A. Misbranding wool products by: 1. Falsely or deceptively tagging, labeling or otherwise identifying such products as to the character or amount of the constituent fibers contained therein.

2. Failing to securely affix to, or place on, each such product a stamp, tag or label or other means of identification showing in a clear and conspicuous manner each element of information required to be disclosed by section 4(a) (2) of the Wool Products Labeling Act of 1939.

3. Using words constituting the name or designation of a fiber not present in the product in or as part of the listing or marking of required fiber content on the stamps, tags, labels or other means of

identification attached to said wool products.

4. Failing to set forth on stamps, tags, labels or other means of identification attached to pile fabrics or products made thereof the ratio between the respective percentages of fibers in the face and back of said fabrics when an election is made to set out separately the fiber content of the face and back of such pile fabrics.

B. Furnishing false guaranties that said wool products are not misbranded under the provisions of the Wool Products Labeling Act of 1939, when there is reason to believe that the wool products so guaranteed may be introduced, sold, transported or distributed in commerce.

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

Issued: December 21, 1964.

By the Commission.

[SEAL]

JOSEPH W. SHEA,  
Secretary.

[P.R. Doc. 65-1335; Filed, Feb. 8, 1965; 8:45 a.m.]

[Docket No. C-872]

**PART 13—PROHIBITED TRADE PRACTICES****Piccina, Ltd., et al.**

Subpart—Furnishing false guaranties: § 13.1053 *Furnishing false guaranties*; 13.1053-90 Wool Products Labeling Act. Subpart—Misbranding or mislabeling: § 13.1255 *Manufacture or preparation*.

(Sec. 6, 38 Stat. 721; 15 U.S.C. 46. Interpret or apply sec. 5, 38 Stat. 719, as amended, secs. 2-5, 54 Stat. 1128-1130; 15 U.S.C. 45, 68) [Cease and desist order, Piccina, Ltd. et al., New York, N.Y., Docket C-872, Dec. 24, 1964]

*In the Matter of Piccina, Ltd., a Corporation, and Carl Villa and John J. Villacci, Individually and as Officers of said Corporation*

Consent order requiring a New York City importer and seller of children's knitwear to cease violating the Wool Products Labeling Act by misbranding certain knitted sweaters as "Hand Knitted" when they were made by machines, and to cease furnishing false guaranties.

The order to cease and desist, including further order requiring report of compliance therewith, is as follows:

*It is ordered*, That respondents Piccina, Ltd., a corporation and its officers, and Carl Villa and John J. Villacci, individually and as officers of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device in connection with the introduction into commerce, or the offering for sale, sale, transportation, delivery for shipment or distribution in commerce of wool products, as "commerce" and "wool product" are defined in the Wool Products Labeling Act of 1939, do forthwith cease and desist from: Misbranding wool products

by falsely and deceptively stamping, tagging, labeling or otherwise identifying such products as hand-knitted when in fact such products are not knitted by hand or are knitted with the use in any manner of machines or other mechanical devices.

*It is further ordered*, That respondents Piccina, Ltd., a corporation and its officers, and Carl Villa and John J. Villacci, individually and as officers of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device do forthwith cease and desist from furnishing a false guaranty that any wool product is not misbranded under the Wool Products Labeling Act of 1939 and the rules and regulations promulgated thereunder when there is reason to believe that any wool product so guaranteed may be introduced, sold, transported or distributed in commerce as the term "commerce" is defined in the aforesaid Act.

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

Issued: December 24, 1964.

By the Commission.

[SEAL]

JOSEPH W. SHEA,  
Secretary.

[P.R. Doc. 65-1336; Filed, Feb. 8, 1965; 8:45 a.m.]

[Docket No. 8610]

**PART 13—PROHIBITED TRADE PRACTICES****Richard S. Marcus and Stanton Blanket Co.**

Subpart—Involving products falsely: § 13.1108 *Invoicing products falsely*; 13.1108-40 Federal Trade Commission Act. Subpart—Misbranding or mislabeling: § 13.1185 *Composition*; 13.1185-90 Wool Products Labeling Act. Subpart—Neglecting, unfairly or deceptively to make material disclosure: § 13.1852 *Formal regulatory and statutory requirements*; 13.1852-80 Wool Products Labeling Act.

(Sec. 6, 38 Stat. 721; 15 U.S.C. 46. Interpret or apply sec. 5, 38 Stat. 719, as amended, secs. 205, 54 Stat. 1128-1130; 15 U.S.C. 45, 68) [Cease and desist order, Richard S. Marcus trading as Stanton Blanket Co., Fairfield, Conn., Docket 8610, Dec. 18, 1964]

*In the Matter of Richard S. Marcus, an Individual Trading as Stanton Blanket Co.*

Order requiring a Fairfield, Conn., company to cease violating the Wool Products Labeling Act by falsely labeling wool blankets and other wool products as to the true generic name of fibers present and their percentage, and to cease similar false invoicing of such products.

The order to cease and desist is as follows:

*It is ordered*, That respondent Richard S. Marcus, an individual trading as Stanton Blanket Co., or under any other

trade name, and respondent's representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction into commerce, or the offering for sale, sale, transportation or distribution in commerce of blankets or other wool products, as "commerce" and "wool product" are defined in the Wool Products Labeling Act of 1939, do forthwith cease and desist from misbranding such products by:

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

2. Failing to securely affix to, or place on, each such product a stamp, tag or label or other means of identification showing in a clear and conspicuous manner each element of information required to be disclosed by section 4(a)(2) of the Wool Products Labeling Act of 1939.

It is further ordered, That respondent Richard S. Marcus, an individual trading as Stanton Blanket Co. or under any other trade name, and respondent's representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of blankets or other products in commerce as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from misrepresenting the character and amount of constituent fibers contained in such products, on invoices or shipping memoranda applicable thereto, or in any other manner.

By "Final Order" further order requiring report of compliance is as follows:

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

Issued: December 18, 1964.

By the Commission.

[SEAL] JOSEPH W. SHEA,  
Secretary.

[F.R. Doc. 65-1337; Filed, Feb. 8, 1965;  
8:45 a.m.]

[Docket No. C-871]

## PART 13—PROHIBITED TRADE PRACTICES

Watumull Brothers, Ltd., et al.

Subpart—Importing, selling, or transporting flammable wear: § 13.1060 Importing, selling, or transporting flammable wear.

(Sec. 6, 38 Stat. 721; 15 U.S.C. 46. Interprets or applies sec. 5, 38 Stat. 719, as amended, 67 Stat. 111, as amended; 15 U.S.C. 45, 1191) [Cease and desist order, Watumull Brothers, Ltd. et al., Honolulu, Hawaii, Docket C-871, Dec. 24, 1964]

In the Matter of Watumull Brothers, Ltd., a Corporation, and Jhamandas Watumull, Sundri R. Watumull, and Gulab Watumull, Individually and as Officers of Said Corporation

Consent order requiring a Honolulu, Hawaii importer and manufacturer of

wearing apparel, namely saris, to cease violating the Flammable Fabrics Act by importing, manufacturing, selling or transporting into commerce dangerously flammable wearing apparel.

The order to cease and desist, including further order requiring report of compliance therewith, is as follows:

It is ordered, That respondent Watumull Brothers, Ltd., a corporation, and its officers, and respondents Jhamandas Watumull, Sundri R. Watumull, and Gulab Watumull, individually and as officers of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from:

1. (a) Importing into the United States; or

(b) Manufacturing for sale, selling, offering for sale, introducing, delivering for introduction, transporting or causing to be transported, in commerce, as "commerce" is defined in the Flammable Fabrics Act; or

(c) Transporting or causing to be transported, for the purpose of sale or delivery after sale in commerce; any article of wearing apparel which, under the provisions of section 4 of the Flammable Fabrics Act, as amended, is so highly flammable as to be dangerous when worn by individuals.

2. Manufacturing for sale, selling, or offering for sale any article of wearing apparel made of fabric, which fabric has been shipped or received in commerce, and which, under section 4 of the Flammable Fabrics Act, as amended, is so highly flammable as to be dangerous when worn by individuals.

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

Issued: December 24, 1964.

By the Commission.

[SEAL] JOSEPH W. SHEA,  
Secretary.

[F.R. Doc. 65-1338; Filed, Feb. 8, 1965;  
8:46 a.m.]

## Title 21—FOOD AND DRUGS

Chapter I—Food and Drug Administration, Department of Health, Education, and Welfare

SUBCHAPTER B—FOOD AND FOOD PRODUCTS

### PART 42—EGGS AND EGG PRODUCTS

DRIED WHOLE EGGS AND DRIED EGG YOLKS; CONFIRMATION OF EFFECTIVE DATE OF ORDER AMENDING STANDARDS TO PROVIDE FOR GLUCOSE REMOVAL

Pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (secs. 401, 701, 52 Stat. 1046, 1055, as amended 70 Stat. 919; 72 Stat. 948; 21 U.S.C. 341, 371), and in accordance with the authority delegated to the Commissioner of

Food and Drugs by the Secretary of Health, Education, and Welfare (21 CFR 2.90), notice is given that no objections were filed to the order published in the FEDERAL REGISTER of December 11, 1964 (29 F.R. 16983), that amended the identity standards for dried whole eggs and dried egg yolks to provide for glucose removal. The amendments promulgated by that order will become effective February 9, 1965.

(Secs. 401, 701, 52 Stat. 1046, 1055, as amended 70 Stat. 919; 72 Stat. 948; 21 U.S.C. 341, 371)

Dated: February 3, 1965.

JOHN L. HARVEY,  
Deputy Commissioner  
of Food and Drugs.

[F.R. Doc. 65-1372; Filed, Feb. 8, 1965;  
8:49 a.m.]

### SUBCHAPTER C—DRUGS

### STERILITY TEST METHODS AND PROCEDURES

#### Miscellaneous Amendments

Pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (sec. 507, 59 Stat. 463 as amended; 21 U.S.C. 357) and under the authority delegated to the Commissioner of Food and Drugs by the Secretary of Health, Education, and Welfare (21 CFR 2.90; 29 F.R. 471), the regulations for antibiotic and antibiotic-containing drugs are amended, as hereinafter indicated, to effect a uniformity of sterility test methods and procedures.

Title 21, Chapter I (21 CFR Parts 141, 141a, 141c, 141e, 146a, 146b, 148b, 148c, 148e, 148h, 148i, 148j, 148m, 148n, 148p, 148s, 148t), is amended as follows:

### PART 141—TESTS AND METHODS OF ASSAY OF ANTIBIOTIC AND ANTIBIOTIC-CONTAINING DRUGS

1. In § 141.2 Sterility test methods and procedures, paragraph (e) (2) is amended by changing the sixth sentence and, as amended, reads as follows:

(2) Direct method. From each of 20 immediate containers, transfer approximately 300 milligrams of solids if it is not a liquid drug, or 1 milliliter by volume if it is a liquid drug, or the entire contents if it contains less than these amounts, except if it is a liquid drug containing penicillin in a concentration greater than 300,000 units per milliliter use that volume that contains 300,000 units, into individual sterile test tubes (38 millimeters x 200 millimeters) containing 90±10 milliliters of medium A. Incubate all tubes at 30° C. to 32° C. for 7 days. Gently agitate the tubes every 1 to 3 days or until complete solubilization occurs. At intervals, examine all tubes for visible growth. If growth is observed in any tube, confirm by microscopic examination. From each of the same 20 immediate containers, transfer a second portion (equivalent to that portion initially transferred to the tubes containing medium A) to individual sterile test tubes (38 millimeters x 200 millimeters) containing 90±10 milliliters of medium E, except when each con-

tainer does not have sufficient material to provide for the two similar-size portions, obtain the second portion from 20 additional immediate containers. Incubate all tubes at 22° C. to 25° C. for 7 days. Gently agitate the tubes every 1 to 3 days or until complete solubilization occurs. At intervals, examine all tubes for visible growth. If growth is observed in any tube, confirm by microscopic examination.

#### PART 141a—PENICILLIN AND PENICILLIN-CONTAINING DRUGS; TESTS AND METHODS OF ASSAY

2. In § 141a.104 *Sodium oxacillin*, paragraph (h) is amended to read:

(h) *Sterility*. Proceed as directed in § 141.2 of this chapter, using the method described in either paragraph (e) (1) or (2) of that section. If the method described in paragraph (e) (2) of that section is used, use medium B in lieu of medium A.

3. In § 141a.115 *Sodium nafcillin*, paragraph (b) is amended to read:

(b) *Sterility*. Proceed as directed in § 141.2 of this chapter, using the method described in either paragraph (e) (1) or (2) of that section. If the method described in paragraph (e) (2) of that section is used, use medium B in lieu of medium A.

#### PART 141c—CHLORTETRACYCLINE (OR TETRACYCLINE) AND CHLORTETRACYCLINE- (OR TETRACYCLINE-) CONTAINING DRUGS; TESTS AND METHODS OF ASSAY

4. In § 141c.227 *Chlortetracycline spray dressing (chlortetracycline hydrochloride spray dressing)*, paragraph (b) is amended to read:

(b) *Sterility*. Use approximately 500 milligrams from each immediate container and proceed as directed in § 141.2 of this chapter, using the method described in paragraph (e) (2) of that section.

5. In § 141c.242 *Tetracycline-neomycin complex powder topical; tetracycline hydrochloride-neomycin sulfate powder topical*, paragraph (b) is amended by deleting the word "dry" from the second sentence.

#### PART 141e—BACITRACIN AND BACITRACIN-CONTAINING DRUGS; TESTS AND METHODS OF ASSAY

6. In § 141e.430 *Bacitracin-neomycin-polymyxin powder topical*; \* \* \*, paragraph (c) (1) and (3) is amended to read as follows:

(c) *Micro-organism count*—(1) *Conduct of test for bacteria*—(1) *Dry powder*. Using approximately 200 milligrams of powder from each of five separate immediate containers, proceed as directed in § 141.2(e) (1) of this chapter, except after the three washings transfer the entire filter membrane to the surface of medium G as described in § 141.2(b) (7) of this chapter. Incubate the plate for 5

days at 30° C. to 32° C. Count the number of colonies appearing on the filter pad and calculate therefrom the number of viable micro-organisms per gram of powder.

(ii) *Powder packaged with inert gases*. Thoroughly cleanse the valve of each container to be tested with a suitable disinfectant. Into an empty, sterile Erlenmeyer flask, stoppered with a cotton plug, spray about one-half of the contents of each of five separate immediate containers by removing the cotton plug temporarily and using aseptic technique. Allow the propellant to evaporate. To the dry residue, which should not exceed 1 gram, add 500 milliliters of diluting fluid C as described in § 141.2(c) (3) of this chapter, and swirl the flask to dissolve the contents. Then proceed as described in subparagraph (1) (i) of this paragraph.

(3) *Evaluation of results*. The micro-organism count of the sample is satisfactory if the average number of viable micro-organisms is not more than 10 per gram of powder, or per container if it is packaged with inert gases.

#### PART 146a—CERTIFICATION OF PENICILLIN AND PENICILLIN-CONTAINING DRUGS

7. In § 146a.2 *Sodium nafcillin*, is amended by changing paragraphs (d) (2) and (3) and (e) (1) to read as follows:

(d) \* \* \*  
(2) If such batch is packaged for dispensing, such person shall submit with his request an accurately representative sample of the batch, consisting of the following:

(i) For all tests except sterility: One immediate container for each 5,000 immediate containers in such batch, but in no case less than 10 immediate containers. Such samples shall be collected by taking single immediate containers at such intervals throughout the entire time of packaging the batch that the quantities packaged during the intervals are approximately equal.

(ii) For sterility testing: 20 immediate containers, collected at regular intervals throughout each filling operation, or 40 immediate containers if each contains less than 600 milligrams.

(3) If such batch is packaged for repackaging or for use as an ingredient in the manufacture of another drug, such person shall submit with his request an accurately representative sample of the batch consisting of the following:

(i) For all tests except sterility: 10 packages each containing 300 milligrams.

(ii) For sterility testing: 20 packages each containing approximately 600 milligrams.

Each such portion shall be taken from a different part of such batch and shall be packaged in accordance with the requirements of paragraph (b) of this section.

(e) \* \* \*  
(1) \$5.00 for each immediate con-

tainer in the samples submitted in accordance with paragraph (d) (2) (i) and (3) (i) of this section; \$12.00 for all containers in the sample submitted for the initial sterility test, and \$24.00 for all containers in the sample submitted for any repeat sterility test, if necessary, in accordance with § 141.2(f) of this chapter.

8. In § 146a.8 *Sodium oxacillin for aqueous injection*, paragraphs (d) (3) (i) and (e) (1) are amended to read as follows:

(d) \* \* \*  
(3) \* \* \*  
(i) The batch:

(a) For all tests except sterility: One immediate container for each 5,000 immediate containers in such batch, but in no case less than 10 immediate containers. Such samples shall be collected by taking single immediate containers at such intervals throughout the entire time of packaging the batch that the quantities packaged during the intervals are approximately equal.

(b) For sterility testing: 20 immediate containers collected at regular intervals throughout each filling operation, or 40 immediate containers if each contains less than 600 milligrams.

(e) \* \* \*

(1) \$5.00 for each immediate container in the samples submitted in accordance with paragraph (d) (3) (i) (a) and (ii) of this section; \$4.00 for each immediate container submitted in accordance with paragraph (d) (3) (iii) of this section; \$12.00 for all containers in the sample submitted for the initial sterility test, and \$24.00 for all containers in the sample submitted for any repeat sterility test, if necessary, in accordance with § 141.2(f) of this chapter.

9. In § 146a.12 *Sodium oxacillin*, paragraphs (d) (2) (ii) and (e) (1) are amended to read as follows:

(d) \* \* \*  
(2) \* \* \*  
(ii) For sterility testing: 20 packages each containing approximately 600 milligrams.

(e) \* \* \*

(1) \$5.00 for each immediate container in the sample submitted in accordance with paragraph (d) (2) (i) of this section; \$12.00 for all containers in the sample submitted for the initial sterility test, and \$24.00 for all containers in the sample submitted for any repeat sterility test, if necessary, in accordance with § 141.2(f) of this chapter.

10. In § 146a.25 *Penicillin in oil and wax* \* \* \*, paragraph (d) (3) (i) (b) is amended to read:

(b) For sterility testing: 20 immediate containers collected at regular intervals throughout each filling operation when each container contains not less than 600,000 units or not less than 2.0 milliliters, or 40 immediate containers when each contains less than these amounts.

11. In § 146a.41 *Crystalline penicillin and epinephrine in oil*, paragraph (d) (3) (i) (b) is amended to read:

(b) For sterility testing: 20 immediate containers collected at regular intervals throughout each filling operation when each container contains not less than 600,000 units or not less than 2.0 milliliters, or 40 immediate containers when each contains less than these amounts.

12. In § 146a.43 *Aluminum penicillin in oil*, paragraph (d) (3) (i) (b) is amended to read:

(b) For sterility testing: 20 immediate containers collected at regular intervals throughout each filling operation when each contains not less than 600,000 units or not less than 2.0 milliliters, or 40 immediate containers when each contains less than these amounts.

13. In § 146a.45 *Procaine penicillin in oil*, paragraph (d) (3) (i) (b) is amended to read:

(b) For sterility testing: 20 immediate containers collected at regular intervals throughout each filling operation when each contains not less than 600,000 units or not less than 2.0 milliliters, or 40 immediate containers when each contains less than these amounts.

14. In § 146a.52 *Procaine penicillin and crystalline penicillin in oil*, paragraph (a) (3) is amended by changing the last sentence to read: "In addition to the samples required by § 146a.45(d) (3) (i) (b), (ii), and (iii), he shall also submit in connection with his request a sample consisting of one container of the procaine penicillin and crystalline penicillin in oil for each 5,000 containers in the batch, but in no case less than six containers; and a sample of the crystalline penicillin used in making the batch consisting of 10 packages each containing equal portions of not less than 60 milligrams, and 20 packages for sterility testing, each containing approximately equal portions of not less than 600 milligrams.

15. In § 146a.65 *1-Ephenamine penicillin G in oil*, paragraph (d) (3) (i) (b) is amended to read:

(b) For sterility testing: 20 immediate containers collected at regular intervals throughout each filling operation when each container contains not less than 600,000 units or not less than 2.0 milliliters, or 40 immediate containers when each contains less than these amounts.

16. In § 146a.67 *Procaine penicillin in streptomycin sulfate solution*; \* \* \*, paragraph (d) (3) (i) (b) is amended to read:

(b) For sterility testing: 20 immediate containers collected at regular intervals throughout each filling operation when each container contains not less than 600,000 units or not less than 2.0 milliliters, or 40 immediate containers when each contains less than these amounts.

17. In § 146a.82 *Penicillin-streptomycin-bacitracin dental paste*; \* \* \*, paragraph (d) (3) (i) (b) is amended to read:

(b) For sterility testing: 20 immediate containers collected at regular intervals

throughout each filling operation when each contains not less than 1.0 milliliter, or 40 immediate containers when each contains less than this amount.

18. In § 146a.84 *Penicillin and dihydrostreptomycin-streptomycin sulfates veterinary*; \* \* \*, paragraph (d) (3) (i) (b) is amended to read:

(b) For sterility testing: 20 immediate containers collected at regular intervals throughout each filling operation when each container contains not less than 600,000 units or not less than 2.0 milliliters, or 40 immediate containers when each contains less than these amounts.

19. In § 146a.101 *Benzathine penicillin G and procaine penicillin G in oil*, paragraph (a) (4) (ii) is amended to read:

(ii) For sterility testing: 20 immediate containers collected at regular intervals throughout each filling operation when each container contains not less than 600,000 units or not less than 2.0 milliliters, or 40 immediate containers when each contains less than these amounts.

20. In § 146a.102 *Benzathine penicillin G-procaine penicillin G-streptomycin in oil*; \* \* \*, the last sentence of paragraph (a) (3) is revised to read: "He shall also submit in connection with his request a sample consisting of not less than seven immediate containers of the batch, and (unless it was previously submitted) a sample consisting of five packages (for all tests except sterility) each containing approximately 0.5 gram of the streptomycin or dihydrostreptomycin used in making the batch and 20 packages (for sterility testing) each containing 0.3 gram of the streptomycin or dihydrostreptomycin used in making the batch, packaged in accordance with the requirements of § 146b.101(b) of this chapter."

#### PART 146b—CERTIFICATION OF STREPTOMYCIN (OR DIHYDROSTREPTOMYCIN) AND STREPTOMYCIN- (OR DIHYDROSTREPTOMYCIN-) CONTAINING DRUGS

21. In § 146b.116 *Streptonicoid sulfate*, paragraph (d) (3) (ii) is amended to read:

(ii) For sterility testing: 20 packages, each containing approximately 0.3 gram.

#### PART 148b—AMPHOTERICIN

22. In § 148b.2 *Amphotericin B intravenous*, paragraphs (a) (3) (ii) (b) (2), (a) (4), and (b) (2) are amended to read as follows:

(a) \* \* \*  
(3) \* \* \*  
(ii) \* \* \*  
(b) \* \* \*

(2) For sterility testing: 20 immediate containers collected at regular intervals throughout each filling operation.

(4) Fees. \$4.00 for each package in the samples submitted in accordance with subparagraph (3) (ii) (a) and (c) of this paragraph; \$5.00 for each container in the sample submitted in accordance with subparagraph (3) (ii) (b) (1)

of this paragraph; \$12.00 for all containers in the sample submitted in accordance with subparagraph (3) (ii) (b) (2) of this paragraph and \$24.00 for all containers in the sample submitted for any repeat sterility test, if necessary, in accordance with § 141.2(f) of this chapter.

(b) \* \* \*  
(2) Sterility. Proceed as directed in § 141.2 of this chapter, using the method described in paragraph (e) (1) of that section, except use 50 milligrams in lieu of 300 milligrams.

#### PART 148c—COLISTIN

23. In § 148c.2 *Colistan sulfate-neomycin sulfate-thonzonium bromide-hydrocortisone acetate otic suspension*, paragraphs (a) (3) (ii) (c) (2), (a) (4), and (b) (3) are amended to read:

(a) \* \* \*  
(3) \* \* \*  
(ii) \* \* \*  
(c) \* \* \*

(2) For sterility testing: 20 immediate containers collected at regular intervals throughout each filling operation.

(4) Fees. \$4.00 for each immediate container in the samples submitted in accordance with subparagraph (3) (ii) (a), (b), and (d) of this paragraph; \$5.00 for each immediate container in the sample submitted in accordance with subparagraph (3) (ii) (c) (1) of this paragraph; \$12.00 for all containers in the sample submitted in accordance with subparagraph (3) (ii) (c) (2) of this paragraph and \$24.00 for all containers in the sample submitted for any repeat sterility test, if necessary, in accordance with § 141.2(f) of this chapter.

(b) \* \* \*  
(3) Sterility. Proceed as directed in § 141.2 of this chapter, using the method described in paragraph (e) (2) of that section, except transfer 0.25 milliliter of sample in lieu of 1 milliliter.

24. In § 148c.4 *Sodium colistimethate*, paragraphs (a) (3) (ii) (b), (a) (4), and (b) (2) are amended to read:

(a) \* \* \*  
(3) \* \* \*  
(ii) \* \* \*

(b) For sterility testing: 20 packages, each containing approximately 300 milligrams.

(4) Fees. \$5.00 for each container in the sample submitted in accordance with subparagraph (3) (ii) (a) of this paragraph; \$12.00 for all packages in the sample submitted in accordance with subparagraph (3) (ii) (b) of this paragraph and \$24.00 for all packages in the sample submitted for any repeat sterility test, if necessary, in accordance with § 141.2(f) of this chapter.

(b) \* \* \*  
(2) Sterility. Proceed as directed in § 141.2 of this chapter, using the method described in paragraph (e) (1) of that section.

25. In § 148c.5 *Sodium colistimethate for intramuscular use*, paragraphs (a) (3) (ii) (b) (2), (a) (4), and (b) (2) are amended to read:

- (a) \* \* \*
- (3) \* \* \*
- (ii) \* \* \*
- (b) \* \* \*

(2) For sterility testing: 20 immediate containers, collected at regular intervals throughout each filling operation.

(4) *Fees.* \$5.00 for each container submitted in accordance with subparagraph (3) (i) (b) (1) of this paragraph; \$4.00 for each container submitted in accordance with subparagraph (3) (ii) (a) (2) of this paragraph; \$12.00 for all containers in the sample submitted in accordance with subparagraph (3) (ii) (b) (2) of this paragraph and \$24.00 for all containers in the sample submitted for any repeat sterility test, if necessary, in accordance with § 141.2(f) of this chapter.

- (b) \* \* \*

(2) *Sterility.* Proceed as directed in § 141.2 of this chapter, using the method described in paragraph (e) (1) of that section.

#### PART 148e—ERYTHROMYCIN

26. In § 148e.3 *Erythromycin gluceptate*, paragraphs (a) (4) (ii) (a) (2) and (b) (2), (a) (5), and (b) (2) are amended to read:

- (a) \* \* \*
- (4) \* \* \*
- (ii) \* \* \*
- (a) \* \* \*

(2) For sterility testing: 20 packages, each containing approximately 300 milligrams.

- (b) \* \* \*

(2) For sterility testing: 20 immediate containers, collected at regular intervals throughout each filling operation.

(5) *Fees.* \$5.00 for each container submitted in accordance with subparagraph (4) (ii) (a) (1) and (b) (1) of this paragraph; \$12.00 for all packages or immediate containers in the sample submitted in accordance with subparagraph (4) (ii) (a) (2) or (b) (2) of this paragraph and \$24.00 for all packages or immediate containers in the sample submitted for any repeat sterility test, if necessary, in accordance with § 141.2(f) of this chapter.

- (b) \* \* \*

(2) *Sterility.* Proceed as directed in § 141.2 of this chapter, using the method described in paragraph (e) (1) of that section.

27. In § 148e.7 *Erythromycin ethylsuccinate*, paragraphs (a) (3) (ii) (b), (a) (4), and (b) (2) are amended to read:

- (a) \* \* \*
- (3) \* \* \*
- (ii) \* \* \*

(b) For sterility testing: 20 packages, each containing approximately 600 milligrams.

(4) *Fees.* \$4.00 for each package submitted in accordance with subparagraph (3) (ii) (a) of this paragraph; \$12.00 for all packages in the sample submitted in accordance with subparagraph (3) (ii) (b) of this paragraph and \$24.00 for all packages in the sample submitted for any

repeat sterility test, if necessary, in accordance with § 141.2(f) of this chapter.

- (b) \* \* \*

(2) *Sterility.* Proceed as directed in § 141.2 of this chapter, using the method described in paragraph (e) (2) of that section.

28. In § 148e.9 *Erythromycin ethylsuccinate-sulfanilamide dental powder*, paragraphs (a) (3) (ii) (b) (2), (a) (4), and (b) (2) are amended to read:

- (a) \* \* \*
- (3) \* \* \*
- (ii) \* \* \*
- (b) \* \* \*

(2) For sterility testing: 40 immediate containers, collected at regular intervals throughout each filling operation.

(4) *Fees.* \$4.00 for each container submitted in accordance with subparagraph (3) (ii) (a) and (c) of this paragraph; \$0.75 for each container submitted in accordance with subparagraph (3) (ii) (b) (1) of this paragraph; \$12.00 for all immediate containers in the sample submitted in accordance with subparagraph (3) (ii) (b) (2) of this paragraph and \$24.00 for all immediate containers in the sample submitted for any repeat sterility test, if necessary, in accordance with § 141.2(f) of this chapter.

- (b) \* \* \*

(2) *Sterility.* Proceed as directed in § 141.2 of this chapter, using the method described in paragraph (e) (2) of that section.

29. In § 148e.18 *Erythromycin ethylsuccinate-butylaminobenzoate intramuscular solution*, paragraphs (a) (3) (ii) (b) (2), (a) (4), and (b) (2) are amended to read:

- (a) \* \* \*
- (3) \* \* \*
- (ii) \* \* \*
- (b) \* \* \*

(2) For sterility testing: 20 immediate containers collected at regular intervals throughout each filling operation.

(4) *Fees.* \$4.00 for each package or immediate container submitted in accordance with subparagraph (3) (ii) (a), (b) (1), and (c) of this paragraph; \$12.00 for all immediate containers in the sample submitted in accordance with subparagraph (3) (ii) (b) (2) of this paragraph and \$24.00 for all immediate containers in the sample submitted for any repeat sterility test, if necessary, in accordance with § 141.2(f) of this chapter.

- (b) \* \* \*

(2) *Sterility.* Proceed as directed in § 141.2 of this chapter, using the method described in paragraph (e) (2) of that section.

30. In § 148e.25 *Erythromycin lactobionate for intravenous infusion*, paragraphs (a) (3) (ii) (b) (2), (a) (4), and (b) (2) are amended to read:

- (a) \* \* \*
- (3) \* \* \*
- (ii) \* \* \*
- (b) \* \* \*

(2) For sterility testing: 20 immediate containers, collected at regular intervals throughout each filling operation.

(4) *Fees.* \$4.00 for each container submitted in accordance with subparagraph (3) (ii) (a) and (c) of this paragraph; \$5.00 for each immediate container submitted in accordance with subparagraph (3) (ii) (b) (1) of this paragraph; \$12.00 for all immediate containers in the sample submitted in accordance with subparagraph (3) (ii) (b) (2) of this paragraph and \$24.00 for all immediate containers in the sample submitted for any repeat sterility test, if necessary, in accordance with § 141.2(f) of this chapter.

(2) *Sterility.* Proceed as directed in § 141.2 of this chapter, using the method described in paragraph (e) (1) of that section.

#### PART 148h—KANAMYCIN SULFATE

(31) In § 148h.1 *Kanamycin sulfate*, paragraphs (a) (3) (ii) (b), (a) (4), and (b) (2) are amended to read:

- (a) \* \* \*
- (3) \* \* \*
- (ii) \* \* \*

(b) For sterility testing: 20 packages, each containing approximately 300 milligrams.

(4) *Fees.* \$5.00 for each container submitted in accordance with subparagraph (3) (ii) (a) of this paragraph; \$12.00 for all packages in the sample submitted in accordance with subparagraph (3) (ii) (b) of this paragraph and \$24.00 for all packages in the sample submitted for any repeat sterility test, if necessary, in accordance with § 141.2(f) of this chapter.

(2) *Sterility.* Proceed as directed in § 141.2 of this chapter, using the method described in paragraph (e) (1) of that section.

32. In § 148h.2 *Kanamycin sulfate injection*, paragraphs (a) (3) (ii) (b) (2), (a) (4), and (b) (2) are amended to read:

- (a) \* \* \*
- (3) \* \* \*
- (ii) \* \* \*
- (b) \* \* \*

(2) For sterility testing: 20 immediate containers, collected at regular intervals throughout each filling operation.

(4) *Fees.* \$4.00 for each container in the samples submitted in accordance with subparagraph (3) (ii) (a) and (c) of this paragraph; \$5.00 for each container in the sample submitted in accordance with subparagraph (3) (ii) (b) (1) of this paragraph; \$12.00 for all containers in the sample submitted in accordance with subparagraph (3) (ii) (b) (2) of this paragraph and \$24.00 for all containers in the sample submitted for any repeat sterility test, if necessary, in accordance with § 141.2(f) of this chapter.

(2) *Sterility.* Proceed as directed in § 141.2 of this chapter, using the method described in paragraph (e) (1) of that section.

## PART 148i—NEOMYCIN

33. In § 148i.1 *Neomycin sulfate*, paragraphs (a) (4) (i) (a) (2) and (b) (2), (a) (5), and (b) (2) are amended to read:

- (a) \* \* \*
- (4) \* \* \*
- (ii) \* \* \*
- (a) \* \* \*

(2) For sterility testing: 20 packages, each containing approximately 300 milligrams.

- (b) \* \* \*

(2) For sterility testing: 20 immediate containers, collected at regular intervals throughout each filling operation.

(5) Fees. \$5.00 for each container submitted in accordance with subparagraph (4) (ii) (a) (1) and (b) (1) of this paragraph; \$12.00 for all packages or immediate containers in the sample submitted in accordance with subparagraph (4) (ii) (a) (2) and (b) (2) of this paragraph and \$24.00 for all packages or immediate containers in the sample submitted for any repeat sterility test, if necessary, in accordance with § 141.2(f) of this chapter.

- (b) \* \* \*

(2) Sterility. Proceed as directed in § 141.2 of this chapter, using the method described in paragraph (e) (1) of that section.

34. In § 148i.8 *Neomycin sulfate-sodium propionate otic solution*, \* \* \*, paragraphs (a) (3) (ii) (b) (2), (a) (4), and (b) (2) are amended to read:

- (a) \* \* \*
- (3) \* \* \*
- (ii) \* \* \*
- (b) \* \* \*

(2) For sterility testing: 20 immediate containers, collected at regular intervals throughout each filling operation.

(4) Fees. \$4.00 for each sample submitted in accordance with subparagraph (3) (ii) (a), (b) (1), and (c) of this paragraph; \$12.00 for all containers in the sample submitted in accordance with subparagraph (3) (ii) (b) (2) of this paragraph and \$24.00 for all containers in the sample submitted for any repeat sterility test, if necessary, in accordance with § 141.2(f) of this chapter.

- (b) \* \* \*

(2) Sterility. Proceed as directed in § 141.2 of this chapter, using the method described in paragraph (e) (1) of that section, except if the steroid prevents solubilization, use 0.25 milliliter and proceed as directed in paragraph (e) (2) of that section.

35. In § 148i.9 *Neomycin sulfate*, \* \* \*, paragraphs (a) (3) (ii) (b) (2), (a) (4), and (b) (2) are amended to read:

- (a) \* \* \*
- (3) \* \* \*
- (ii) \* \* \*
- (b) \* \* \*

(2) For sterility testing: 20 immediate containers collected at regular intervals throughout each filling operation.

(4) Fees. \$4.00 for each container submitted in accordance with subparagraph (3) (ii) (a), (b) (1), and (c) of this paragraph; \$12.00 for all containers in the sample submitted in accordance with

subparagraph (3) (ii) (b) (2) of this paragraph and \$24.00 for all containers in the sample submitted for any repeat sterility test, if necessary, in accordance with § 141.2(f) of this chapter.

- (b) \* \* \*

(2) Sterility. Proceed as directed in § 141.2 of this chapter, using the method described in paragraph (e) (1) of that section, except if the steroid prevents solubilization, use 0.25 milliliter of sample in lieu of 1 milliliter and proceed as directed in paragraph (e) (2) of that section.

36. In § 148i.15 *Neomycin sulfate-polymyxin B sulfate*, \* \* \*, paragraphs (a) (3) (ii) (c) (2), (a) (4), and (b) (2) are amended to read:

- (a) \* \* \*
- (3) \* \* \*
- (ii) \* \* \*
- (c) \* \* \*

(2) For sterility testing: 20 immediate containers, collected at regular intervals throughout each filling operation.

(4) Fees. \$4.00 for each immediate container or package in the samples submitted in accordance with subparagraphs (3) (ii) (a), (b), and (d) of this paragraph; \$5.00 for each immediate container submitted in accordance with subparagraph (3) (ii) (c) (1) of this paragraph; \$12.00 for all containers in the sample submitted in accordance with subparagraph (3) (ii) (c) (2) of this paragraph and \$24.00 for all containers in the sample submitted for any repeat sterility test, if necessary, in accordance with § 141.2(f) of this chapter.

- (b) \* \* \*

(2) Sterility. Proceed as directed in § 141.2 of this chapter, using the method described in paragraph (e) (1) of that section, except if the steroid prevents solubilization, use 0.25 milliliter of sample in lieu of 1 milliliter and proceed as directed in paragraph (e) (2) of that section.

37. In § 148i.20 *Neomycin sulfate-polymyxin B sulfate-gramicidin ophthalmic solution*, paragraphs (a) (3) (ii) (d) (2), (a) (4), and (b) (2) are amended to read:

- (a) \* \* \*
- (3) \* \* \*
- (ii) \* \* \*
- (d) \* \* \*

(2) For sterility testing: 20 immediate containers, collected at regular intervals throughout each filling operation.

(4) Fees. \$4.00 for each package in the samples submitted in accordance with subparagraph (3) (ii) (a), (b), (c), and (e) of this paragraph; \$6.00 for each immediate container submitted in accordance with subparagraph (3) (ii) (d) (1) of this paragraph; \$12.00 for all immediate containers in the sample submitted in accordance with subparagraph (3) (ii) (d) (2) of this paragraph and \$24.00 for all containers in the sample submitted for any repeat sterility test, if necessary, in accordance with § 141.2(f) of this chapter.

- (b) \* \* \*

(2) Sterility. Proceed as directed in § 141.2 of this chapter, using the method described in paragraph (e) (1) of that section.

38. In § 148i.23 *Neomycin sulfate-gramicidin*, \* \* \*, paragraphs (a) (3) (ii) (c) (2), (a) (4), and (b) (2) are amended to read:

- (a) \* \* \*
- (3) \* \* \*
- (ii) \* \* \*
- (c) \* \* \*

(2) For sterility testing: 20 immediate containers, collected at regular intervals throughout each filling operation.

(4) Fees. \$4.00 for each package in the samples submitted in accordance with subparagraph (3) (ii) (a), (b), and (d) of this paragraph; \$5.00 for each immediate container submitted in accordance with subparagraph (3) (ii) (c) (1) of this paragraph; \$12.00 for all immediate containers in the sample submitted in accordance with subparagraph (3) (ii) (c) (2) of this paragraph and \$24.00 for all containers in the sample submitted for any repeat sterility test, if necessary, in accordance with § 141.2(f) of this chapter.

- (b) \* \* \*

(2) Sterility. Proceed as directed in § 141.2 of this chapter, using the method described in paragraph (e) (1), except if it contains a steroid, use 0.25 milliliter of sample in lieu of 1.0 milliliter and proceed as directed in paragraph (e) (2) of that section.

39. In § 148i.24 *Neomycin sulfate-gramicidin - hydrocortisone - thonzylamine hydrochloride-thonzonium bromide otic solution*, paragraphs (a) (3) (ii) (c) (2), (a) (4), and (b) (2) are amended to read:

- (a) \* \* \*
- (3) \* \* \*
- (ii) \* \* \*
- (c) \* \* \*

(2) For sterility testing: 20 immediate containers, collected at regular intervals throughout each filling operation.

(4) Fees. \$4.00 for each package in the samples submitted in accordance with subparagraph (3) (ii) (a), (b), and (d) of this paragraph; \$5.00 for each immediate container submitted in accordance with subparagraph (3) (ii) (c) (1) of this paragraph; \$12.00 for all immediate containers in the sample submitted in accordance with subparagraph (3) (ii) (c) (2) of this paragraph and \$24.00 for all containers in the sample submitted for any repeat sterility test, if necessary, in accordance with § 141.2(f) of this chapter.

- (b) \* \* \*

(2) Sterility. Proceed as directed in § 141.2 of this chapter, using the method described in paragraph (e) (2) of that section, except use 0.25 milliliter of sample in lieu of 1.0 milliliter.

40. In § 148i.35 *Neomycin sulfate solution with radiopaque agent*, paragraphs (a) (3) (ii) (b) (2), (a) (4), and (b) (2) are amended to read:

- (a) \* \* \*
- (3) \* \* \*
- (ii) \* \* \*
- (b) \* \* \*

(2) For sterility testing: 20 immediate containers, collected at regular intervals throughout each filling operation.

(4) *Fees.* \$4.00 for each package or immediate container in the samples submitted in accordance with subparagraph (3) (ii) (a), (b) (1), and (c) of this paragraph; \$12.00 for all immediate containers in the sample submitted in accordance with subparagraph (3) (ii) (b) (2) of this paragraph and \$24.00 for all containers in the sample submitted for any repeat sterility test, if necessary, in accordance with § 141.2(f) of this chapter.

- (b) \* \* \*

(2) *Sterility.* Proceed as directed in § 141.2 of this chapter, using the method described in paragraph (e) (1) of that section, except add approximately 15 milliliters from each immediate container directly to the dry filter thus eliminating the preliminary solubilization step.

41. In § 148i.39 *Neomycin sulfate-hydrocortisone acetate eye-ear drops*; \* \* \*, paragraphs (a) (3) (ii) (b) (2), (a) (4), and (b) (2) are amended to read:

- (a) \* \* \*
- (3) \* \* \*
- (ii) \* \* \*
- (b) \* \* \*

(2) For sterility testing: 20 immediate containers, collected at regular intervals throughout each filling operation.

(4) *Fees.* \$4.00 for each immediate container or package submitted in accordance with subparagraph (3) (ii) (a), (b) (1), and (c) of this paragraph; \$12.00 for all immediate containers in the sample submitted in accordance with subparagraph (3) (ii) (b) (2) of this paragraph and \$24.00 for all containers in the sample submitted for any repeat sterility test, if necessary, in accordance with § 141.2(f) of this chapter.

- (b) \* \* \*

(2) *Sterility.* Proceed as directed in § 141.2 of this chapter, using the method described in paragraph (e) (1) of that section, except if the steroid prevents solubilization, use 0.25 milliliter in lieu of 1 milliliter and proceed as directed in paragraph (e) (2) of that section.

#### PART 148j—NOVOBIOCIN

42. In § 148j.1 *Sodium novobiocin*, paragraphs (a) (3) (ii) (b), (a) (4), and (b) (2) are amended to read:

- (a) \* \* \*
- (3) \* \* \*
- (ii) \* \* \*

(b) For sterility testing: 20 packages, each containing approximately 300 milligrams.

(4) *Fees.* \$5.00 for each container submitted in accordance with subparagraph (3) (ii) (a) of this paragraph; \$12.00 for all packages in the sample submitted in accordance with subparagraph (3) (ii) (b) of this paragraph and

\$24.00 for all packages in the sample submitted for any repeat sterility test, if necessary, in accordance with § 141.2(f) of this chapter.

- (b) \* \* \*

(2) *Sterility.* Proceed as directed in § 141.2 of this chapter, using the method described in paragraph (e) (1) of that section.

43. In § 148j.6 *Sodium novobiocin for injection*, paragraphs (a) (3) (ii) (b) (2) and (a) (4) are amended to read:

- (a) \* \* \*
- (3) \* \* \*
- (ii) \* \* \*
- (b) \* \* \*

(2) For sterility testing: 20 immediate containers, collected at regular intervals throughout each filling operation.

(4) *Fees.* \$4.00 for each package in the samples submitted in accordance with subparagraph (3) (ii) (a) and (c) of this paragraph; \$5.00 for each immediate container in the sample submitted in accordance with subparagraph (3) (ii) (b) (1) of this paragraph; \$12.00 for all immediate containers in the sample submitted in accordance with subparagraph (3) (ii) (b) (2) of this paragraph and \$24.00 for all containers in the sample submitted for any repeat sterility test, if necessary, in accordance with § 141.2(f) of this chapter.

#### PART 148m—OLEANDOMYCIN

44. In § 148m.1 *Oleandomycin phosphate*, paragraphs (a) (4) (i) (a) (2) and (b) (2); (a) (5), and (b) (2) are amended to read:

- (a) \* \* \*
- (4) \* \* \*
- (ii) \* \* \*
- (a) \* \* \*

(2) For sterility testing: 20 packages, each containing approximately 300 milligrams.

- (b) \* \* \*

(2) For sterility testing: 20 immediate containers, collected at regular intervals throughout each filling operation.

(5) *Fees.* \$5.00 for each container submitted in accordance with subparagraph (4) (ii) (a) (1) and (b) (1) of this paragraph; \$12.00 for all packages or immediate containers in the sample submitted in accordance with subparagraph (4) (ii) (a) (2) or (b) (2) of this paragraph and \$24.00 for all packages or immediate containers in the sample submitted for any repeat sterility test, if necessary, in accordance with § 141.2(f) of this chapter.

- (b) \* \* \*

(2) *Sterility.* Proceed as directed in § 141.2 of this chapter, using the method described in paragraph (e) (1) of that section.

#### PART 148n—OXYTETRACYCLINE

45. In § 148n.1 *Oxytetracycline*, paragraphs (a) (3) (ii) (b), (a) (4), and (b) (2) are amended to read:

- (a) \* \* \*
- (3) \* \* \*
- (ii) \* \* \*

(b) For sterility testing: 20 packages, each containing approximately 50 milligrams.

(4) *Fees.* \$5.00 for each package in the sample submitted in accordance with subparagraph (3) (ii) (a) of this paragraph; \$12.00 for all packages in the sample submitted in accordance with subparagraph (3) (ii) (b) of this paragraph and \$24.00 for all packages in the sample submitted for any repeat sterility test, if necessary, in accordance with § 141.2(f) of this chapter.

- (b) \* \* \*

(2) *Sterility.* Proceed as directed in § 141.2 of this chapter, using the method described in paragraph (e) (1) of that section, except use 50 milligrams in lieu of 300 milligrams.

46. In § 148n.2 *Oxytetracycline hydrochloride*, paragraphs (a) (3) (ii) (b) and (a) (4) are amended to read:

- (a) \* \* \*
- (3) \* \* \*
- (ii) \* \* \*

(b) For sterility testing: 20 packages, each containing approximately 50 milligrams.

(4) *Fees.* \$5.00 for each package in the sample submitted in accordance with subparagraph (3) (ii) (a) of this paragraph; \$12.00 for all packages in the sample submitted in accordance with subparagraph (3) (ii) (b) of this paragraph; \$12.00 for all packages in the sample submitted for any repeat sterility test, if necessary, in accordance with § 141.2(f) of this chapter.

47. In § 148n.5 *Oxytetracycline intramuscular solution*, paragraphs (a) (3) (ii) (b) (2), (a) (4), and (b) (2) are amended to read:

- (a) \* \* \*
- (3) \* \* \*
- (ii) \* \* \*
- (b) \* \* \*

(2) For sterility testing: 20 immediate containers, collected at regular intervals throughout each filling operation.

(4) *Fees.* \$5.00 for each immediate container in the sample submitted in accordance with subparagraph (3) (ii) (b) (1) of this paragraph; \$4.00 for each container in the samples submitted in accordance with subparagraph (3) (ii) (a) and (c) of this paragraph; \$12.00 for all immediate containers in the sample submitted in accordance with subparagraph (3) (ii) (b) (2) of this paragraph and \$24.00 for all immediate containers in the sample submitted for any repeat sterility test, if necessary, in accordance with § 141.2(f) of this chapter.

- (b) \* \* \*

(2) *Sterility.* Proceed as directed in § 141.2 of this chapter, using the method described in paragraph (e) (1) of that section.

48. In § 148n.11 *Oxytetracycline hydrochloride for injection*, paragraphs (a) (3) (ii) (b) (2), (a) (4), and (b) (2) are amended to read:

- (a) \* \* \*
- (3) \* \* \*
- (ii) \* \* \*
- (b) \* \* \*

(2) For sterility testing: 20 immediate containers, collected at regular intervals throughout each filling operation.

(4) *Fees.* \$5.00 for each immediate container in the sample submitted in accordance with subparagraph (3) (ii) (b) (1) of this paragraph; \$12.00 for all immediate containers in the sample submitted in accordance with subparagraph (3) (ii) (b) (2) of this paragraph and \$24.00 for all immediate containers in the sample submitted for any repeat sterility test, if necessary, in accordance with § 141.2(f) of this chapter; \$4.00 for each package in the sample submitted in accordance with subparagraph (3) (ii) (a) and (c) of this paragraph.

(2) *Sterility.* Proceed as directed in § 141.2 of this chapter, using the method described in paragraph (e) (1) of that section, except use 50 milligrams in lieu of 300 milligrams.

49. In § 148n.17 *Ophthalmic oxytetracycline hydrochloride*, paragraphs (a) (3) (ii) (b) (2), (a) (4), and (b) (2) are amended to read:

- (a) \* \* \*
- (3) \* \* \*
- (ii) \* \* \*
- (b) \* \* \*

(2) For sterility testing: 20 immediate containers collected at regular intervals throughout each filling operation.

(4) *Fees.* \$4.00 for each immediate container or package in the samples submitted in accordance with subparagraph (3) (ii) (a), (b) (1) and (c) of this paragraph; \$12.00 for all immediate containers in the sample submitted in accordance with subparagraph (3) (ii) (b) (2) of this paragraph and \$24.00 for all immediate containers in the sample submitted for any repeat sterility test, if necessary, in accordance with § 141.2(f) of this chapter.

(2) Proceed as directed in § 141.2 of this chapter, using the method described in paragraph (e) (1) of that section, except use 50 milligrams in lieu of 300 milligrams.

#### PART 148p—POLYMYXIN

50. In § 148p.1 *Polymyxin B sulfate*, paragraphs (a) (4) (ii) (a) (2) and (b) (2) (a) (5), and (b) (2) are amended to read:

- (a) \* \* \*
- (4) \* \* \*
- (ii) \* \* \*
- (a) \* \* \*

(2) For sterility testing: 20 packages, each containing approximately 300 milligrams.

(2) For sterility testing: 20 immediate containers, collected at regular intervals throughout each filling operation.

(5) *Fees.* \$5.00 for each package or immediate container submitted in accordance with subparagraph (4) (ii) (a) (1) and (b) (1) of this paragraph; \$12.00 for all packages or immediate containers in the samples submitted in accordance with subparagraph (4) (ii) (a) (2) and

(b) (2) of this paragraph and \$24.00 for all packages or immediate containers in the sample submitted for any repeat sterility test, if necessary, in accordance with § 141.2(f) of this chapter.

(2) *Sterility.* Proceed as directed in § 141.2 of this chapter, using the method described in paragraph (e) (1) of that section.

51. In § 148p.4 *Polymyxin B sulfate otic solution*, paragraphs (a) (3) (ii) (b) (2), (a) (4), and (b) (2) are amended to read:

- (a) \* \* \*
- (3) \* \* \*
- (ii) \* \* \*
- (b) \* \* \*

(2) For sterility testing: 20 immediate containers, collected at regular intervals throughout each filling operation.

(4) *Fees.* \$4.00 for each immediate container submitted in accordance with subparagraph (3) (ii) (a) and (b) (1) of this paragraph; \$12.00 for all immediate containers in the sample submitted in accordance with subparagraph (3) (ii) (b) (2) of this paragraph and \$24.00 for all immediate containers in the sample submitted for any repeat sterility test, if necessary, in accordance with § 141.2(f) of this chapter.

(2) *Sterility.* Proceed as directed in § 141.2 of this chapter, using the method described in paragraph (e) (1) of that section, except if the steroid prevents solubilization, use 0.25 milliliter of the sample in lieu of 1 milliliter and proceed as directed in paragraph (e) (2) of that section.

#### PART 148s—VANCOMYCIN

52. § 148s.1 *Vancomycin hydrochloride*, paragraphs (a) (4) (ii) (a) (2), and (b) (2), (a) (5), and (b) (2) are amended to read:

- (a) \* \* \*
- (4) \* \* \*
- (ii) \* \* \*
- (a) \* \* \*

(2) For sterility testing: 20 packages, each containing approximately 300 milligrams.

(2) For sterility testing: 20 immediate containers, collected at regular intervals throughout each filling operation.

(5) *Fees.* \$5.00 for each container submitted in accordance with subparagraph (4) (ii) (a) (1) or (b) (1) of this paragraph; \$12.00 for all packages or immediate containers in the sample submitted in accordance with subparagraph (4) (ii) (a) (2) and (b) (2) of this paragraph and \$24.00 for all packages or immediate containers in the sample submitted for any repeat sterility test, if necessary, in accordance with § 141.2(f) of this chapter.

(2) *Sterility.* Proceed as directed in § 141.2 of this chapter, using the method described in paragraph (e) (1) of that section, except use sterile distilled water in lieu of diluting fluid A.

#### PART 148t—VIOMYCIN

53. In § 148t.1 *Viomycin sulfate*, paragraphs (a) (4) (ii) (a) (2) and (b) (2), (a) (5), and (b) (2) are amended to read:

- (a) \* \* \*
- (4) \* \* \*
- (ii) \* \* \*
- (a) \* \* \*

(2) For sterility testing: 20 packages, each containing approximately 300 milligrams.

(2) For sterility testing: 20 immediate containers, collected at regular intervals throughout each filling operation.

(5) *Fees.* \$5.00 for each container in the samples submitted in accordance with subparagraph (4) (ii) (a) (1) or (b) (1) of this paragraph; \$12.00 for all packages or immediate containers in the sample submitted in accordance with subparagraph (4) (ii) (a) (2) and (b) (2) of this paragraph and \$24.00 for all packages or immediate containers in the sample submitted for any repeat sterility test, if necessary, in accordance with § 141.2(f) of this chapter.

(2) *Sterility.* Proceed as directed in § 141.2 of this chapter, using the method described in paragraph (e) (1) of that section.

The changes made by this order in the sampling and testing procedures for drugs required to be tested for sterility have previously been made in the balance of the antibiotic-drug regulations for products similarly required to be sterile. Since these changes effect uniformity of requirements within existing regulations, I find that notice and public procedure are not necessary prerequisites to the promulgation of this order.

*Effective date.* This order shall become effective 30 days from the date of its publication in the *FEDERAL REGISTER*. (Sec. 507, 59 Stat. 463 as amended; 21 U.S.C. 357)

Dated: February 2, 1965.

JOHN L. HARVEY,  
Deputy Commissioner  
of Food and Drugs.

[F.R. Doc. 65-1373; Filed, Feb. 8, 1965; 8:49 a.m.]

#### PART 141a—PENICILLIN AND PENICILLIN-CONTAINING DRUGS; TESTS AND METHODS OF ASSAY

#### PART 146a—CERTIFICATION OF PENICILLIN AND PENICILLIN-CONTAINING DRUGS

#### Hydrabamine Penicillin V Chewable Wafers

Under the authority provided in the Federal Food, Drug, and Cosmetic Act (sec. 507, 59 Stat. 463 as amended; 21 U.S.C. 357) and delegated by the Secretary of Health, Education, and Welfare to the Commissioner of Food and Drugs (21 CFR 2.90), Parts 141a and 146a are amended by adding thereto the following new sections:

**§ 141a.121 Hydrabamine penicillin V chewable wafers.**

(a) *Potency.* Proceed as directed in § 141a.1, using either the bioassay procedure or the iodometric chemical assay and employing the penicillin V working standard as the standard of comparison; however, the results from the bioassay shall be conclusive. If the bioassay method is used, prepare the sample as follows: Blend a representative number of wafers in a high-speed glass blender with 50 milliliters of methyl alcohol per wafer. Further dilute an aliquot to a reference concentration of 1 unit per milliliter (estimated) with 1 percent potassium phosphate buffer, pH 6.0. If the iodometric chemical method is used, proceed as follows: Weigh and finely powder 10 wafers. Transfer an accurately weighed portion of the powdered wafers, equivalent to about 200,000 units, to a 100-milliliter volumetric flask. Dissolve the powder in chloroform, dilute to volume with chloroform, and mix. Pipet 10 milliliters of the solution into each of two 50-milliliter glass-stoppered cen-

trifuge tubes. To one tube add 10.0 milliliters of 1N sodium hydroxide. To the other tube to be used as the blank add 10.0 milliliters of 1 percent phosphate buffer, pH 6.0. Shake both tubes vigorously for 20 to 30 seconds, and then centrifuge. Pipet 2.0 milliliters of the alkaline layer from the first tube into a glass-stoppered Erlenmeyer flask and let stand for a total of 15 minutes from the time the sodium hydroxide was added to the chloroform solution. At the end of the 15 minutes waiting period add 2.0 milliliters of 1.2N hydrochloric acid and 10.0 milliliters of 0.01N iodine, stopper the flask, mix, and allow to stand for 15 minutes. Titrate the excess iodine with 0.01N sodium thiosulfate, adding starch T.S. as the indicator toward the end of the titration. The endpoint is reached when the blue color of the starch-iodine complex is discharged. Pipet 2.0 milliliters of the buffer from the second tube into a glass-stoppered Erlenmeyer flask, add 10.0 milliliters of 0.01N iodine, and titrate immediately with 0.01N sodium thiosulfate as described before.

*Calculation:*

$$T(\text{potency of penicillin V working standard in units per milligram}) (\text{average weight of wafer}) (50)$$

Units of penicillin per wafer =

(Weight of powder used) (F)

where:

$T = (\text{number of milliliters of 0.01N sodium thiosulfate used for blank titration}) - (\text{number of milliliters of 0.01N sodium thiosulfate used for sample titration})$

$F = \text{number of milliliters of 0.01N iodine absorbed by 1.0 milligram of penicillin V working standard.}$

(b) *Moisture.* Use four wafers and proceed as directed in § 141a.5(a).

**§ 146a.117 Hydrabamine penicillin V chewable wafers.**

(a) *Standards of identity, strength, quality, and purity.* Hydrabamine penicillin V chewable wafers are wafers composed of hydrabamine penicillin V with suitable diluents, binders, buffers, colorings, and flavorings. Each wafer contains either 200,000 units or 400,000 units of hydrabamine penicillin V. The moisture content is not more than 2.0 percent. The hydrabamine penicillin V used conforms to the standards prescribed by § 146a.72(a). Each other ingredient used, if its name is recognized in the U.S.P. or N.F., conforms to the standards prescribed therefor by such official compendium.

(b) *Packaging.* In all cases the immediate container shall be a tight container as defined by the U.S.P. and shall be of such composition as will not cause any change in the strength, quality, or purity of the contents beyond any limit therefor in applicable standards, except that minor changes so caused that are normal and unavoidable in good packaging, storage, and distribution practice shall be disregarded.

(c) *Labeling.* It shall be labeled in accordance with the requirements of § 148.3 of this chapter. Its expiration date is 12 months.

(d) *Request for certification; samples.*

(1) In addition to complying with the

requirements of § 146.2 of this chapter, a person who requests certification of a batch shall submit with his request a statement showing the batch mark, the number of wafers in such batch, the number of wafers packaged into dispensing-size containers during each day's packaging operations, the number of units in each wafer, the date on which the latest assay of the drug comprising such batch was completed, the date (unless submitted previously) on which the latest assay of the hydrabamine penicillin V used in making such batch was completed, the quantity of each ingredient used in making the batch, and a statement that such ingredient conforms to the requirements prescribed therefor, if any, by this section.

(2) Except as otherwise provided in subparagraph (4) of this paragraph, such person shall submit in connection with his request results of the tests and assays listed after each of the following, made by him on an accurately representative sample of:

(i) The batch:

(a) If the person who requests certification is the manufacturer of the batch: Average potency and average moisture of wafers collected during the time of compressing the batch; and, unless the wafers are packaged into dispensing-size containers immediately after they are compressed, average moisture of wafers collected during each day of packaging the batch.

(b) If the person who requests certification is not the manufacturer of the batch: Average potency and average moisture of wafers collected during each day the wafers are being packaged into dispensing-size containers.

(ii) The hydrabamine penicillin V used in making the batch: Potency, toxicity, moisture, pH, crystallinity, penicillin V content, and the extinction coefficient.

lin V content, and the extinction coefficient.

(3) Except as otherwise provided by subparagraph (4) of this paragraph, such person shall submit in connection with his request, in the quantities hereinafter indicated, accurately representative samples of the following:

(i) The batch:

(a) If the person who requests certification is the manufacturer of the batch: One wafer for each 5,000 wafers in the batch, but in no case less than 30 wafers collected by taking single wafers at such intervals throughout the entire time of compressing the batch that the quantities compressed during the intervals are approximately equal;

(b) If, after compressing, such person packages the batch into dispensing-size containers: 20 wafers collected at equal intervals during each day the wafers are being packaged, except that this sample is not required if the wafers are packaged immediately after they are compressed; or

(c) If the person who requests certification is not the manufacturer of the batch (for the purposes of certification, a batch shall be that number of wafers filled by such person into dispensing-size containers during each day's packaging operations): One wafer for each 5,000 wafers in the batch, but in no case less than 30 wafers collected by taking single wafers at such intervals throughout each day of packaging the wafers that the quantities packaged during the intervals are approximately equal.

(ii) The hydrabamine penicillin V used in making the batch: 10 packages, each containing equal portions of not less than 300 milligrams, packaged in accordance with the requirements of § 146a.72(b).

(iii) In case of an initial request for certification, each other ingredient used in making the batch: One package of each containing approximately 5 grams.

(4) The result referred to in subparagraph (2) (i) of this paragraph and the sample referred to in subparagraph (3) (i) of this paragraph are not required if such result and sample have been previously submitted.

(e) *Fees.* The fees for the services rendered with respect to each batch of hydrabamine penicillin V chewable wafers under the regulations in this section shall be:

(1) \$0.75 for each wafer in the samples submitted in accordance with paragraph (d) (3) (i) (a) and (c) of this section; \$3.00 for the sample submitted in accordance with paragraph (d) (3) (i) (b) of this section; \$4.00 for each package submitted in accordance with paragraph (d) (3) (ii) and (iii) of this section.

(2) If the Commissioner considers that investigations, other than examination of such wafers and packages, are necessary to determine whether or not such batch complies with the requirements of § 146.3 of this chapter for the issuance of a certificate, the cost of such investigations.

The fee prescribed by subparagraph (1) of this paragraph shall accompany the request for certification, unless such fee is covered by an advance deposit main-

tained in accordance with § 146.8(d) of this chapter.

Data supplied by the manufacturer concerning the safety and efficacy of the subject drug have been evaluated. The Commissioner of Food and Drugs finds that the conditions prerequisite to the certification of this new dosage form of the antibiotic drug hydrabamine penicillin V have been complied with and therefore notice and public procedure and delayed effective date are not deemed necessary in this instance.

**Effective date.** This order is effective on the date of its publication in the FEDERAL REGISTER.

(Sec. 507, 59 Stat. 463 as amended; 21 U.S.C. 357)

Dated: February 2, 1965.

JOHN L. HARVEY,  
Deputy Commissioner  
of Food and Drugs.

[P.R. Doc. 65-1374; Filed, Feb. 8, 1965;  
8:50 a.m.]

#### SUBCHAPTER D—HAZARDOUS SUBSTANCES PART 191—HAZARDOUS SUBSTANCES; DEFINITIONS AND PROCEDURAL AND INTERPRETATIVE REGULATIONS

##### Spot and Stain Remover Kit; Exemption From Labeling Requirements

There has been submitted to the Commissioner of Food and Drugs a request to exempt from the requirements of the Federal Hazardous Substances Labeling Act the outer retail carton of a kit containing a variety of solvents and cleaning agents intended for use in removing spots and stains from carpets, furniture, etc.

The Commissioner has concluded that a general caution statement on the outer retail carton of the kit will serve to alert purchasers and users of such kit to the fact that certain of the chemicals may be hazardous. The Commissioner has concluded that full compliance with the labeling requirements of section 2(p) of the act is not necessary for the adequate protection of the public health and safety. Therefore pursuant to the provisions of the Federal Hazardous Substances Labeling Act (sec. 3(c), 74 Stat. 374; 15 U.S.C. 1262) and under authority vested in the Secretary of Health, Education, and Welfare and delegated to the Commissioner (21 CFR 2.90) § 191.63(a) is amended by adding thereto a new subparagraph (25), reading as follows:

##### § 191.63 Exemption for small packages, minor hazards and special circumstances.

(a) \* \* \*

(25) Cleaning and spot removing kits intended for use in cleaning carpets, furniture, etc., are exempt from the requirements of section 2(p) (1) of the act; *Provided, That:*

(i) The immediate container of each hazardous substance in the kit is fully labeled and in conformance with the requirements of the act and regulations issued thereunder; and

(ii) The carton of the kit bears on the main display panel (or panels) within the borders of a rectangle, and in type size specified in § 191.101, the following caution statement: "WARNING—This kit contains the following chemicals that may be harmful if misused: (list the chemicals by name). Read cautions on individual containers carefully. Keep out of the reach of children."

Notice and public procedure and delayed effective date are not necessary prerequisites to the promulgation of this order, and I so find, since the Federal Hazardous Substances Labeling Act contemplates such modification of the labeling requirements under certain conditions.

**Effective date.** This order shall become effective on the date of its publication in the FEDERAL REGISTER.

(Sec. 3(c), 74 Stat. 374; 15 U.S.C. 1262)

Dated: February 3, 1965.

JOHN L. HARVEY,  
Deputy Commissioner  
of Food and Drugs.

[P.R. Doc. 65-1375; Filed, Feb. 8, 1965;  
8:50 a.m.]

## Title 38—PENSIONS, BONUSES, AND VETERANS' RELIEF

### Chapter I—Veterans Administration

#### PART 17—MEDICAL

##### Miscellaneous Amendments

1. In § 17.30, paragraphs (e), (l) and (o) are amended and paragraph (q) is added so that the added and amended material reads as follows:

##### § 17.30 Definitions.

(e) *Veteran of any war.* The term "veteran of any war" means any veteran who served in the active military, naval, or air service during a period of war and includes any veteran of the Indian wars, or any veteran awarded the Medal of Honor, Public Law 88-481.

(l) *Medical services.* "Medical services" includes, in addition to medical examination and treatment, optometrists' services, dental and surgical services, and except under provisions of § 17.60 (a) (7) (i), dental appliances, wheelchairs, artificial limbs, trusses, and similar appliances, special clothing made necessary by the wearing of prosthetic appliances, and such other supplies as the Administrator determines to be reasonable and necessary.

(o) *Chief Medical Officer.* The term "Chief Medical Officer" means the medical officer in charge of the parent outpatient clinic of the regional office territory in which the clinic is located (i.e., the Director of a separate Veterans' Administration outpatient clinic; the Director of the clinic of a regional office; or Chief, Outpatient Service, at a hospital

with which an outpatient clinic of a regional office has been consolidated.)

(q) *Nursing home care.* The term "nursing home care" means the accommodation of convalescents or other persons who are not acutely ill and not in need of hospital care, but who require skilled nursing care and related medical services, if such nursing care and medical services are prescribed by, or are performed under the general direction of, persons duly licensed to provide such care. The term includes intensive care where the nursing service is under the supervision of a registered professional nurse. (Public Law 88-450)

2. In § 17.36(b), subparagraph (2) is amended to read as follows:

##### § 17.36 Eligibility for hospital care and medical services in foreign countries.

(b) *Eligibility in the Philippines.* \* \* \*

(2) Medical services may be furnished persons eligible under § 17.60(a) (1) through (6) and (b).

3. In § 17.47, the headnote and the material preceding paragraph (a) is amended and paragraph (e) is added so that the amended and added material reads as follows:

##### § 17.47 Eligibility for hospital, domiciliary or nursing home care of persons discharged or released from active military naval, or air service.

Within the limits of Veterans' Administration facilities, hospital, domiciliary, or nursing home care may be furnished the following applicants.

(e) *Nursing home care for veterans hospitalized under paragraph (a), (b), (c), or (d) of this section who have attained maximum hospital benefits, or veterans domiciled under paragraph (c) or (d) of this section, when they require a period of nursing home care.*

4. In § 17.48(b), subparagraph (1) is amended to read as follows:

##### § 17.48 Considerations applicable in determining eligibility for hospital or domiciliary care.

(b) (1) For applicants discharged or released for disability incurred or aggravated in line of duty and who are not in receipt of compensation for service-connected or service-aggravated disability, the official records of the Armed Forces relative to findings of line of duty for its purposes will be accepted in determining eligibility for hospital care. Where the official records of the Armed Forces show a finding of disability not incurred or aggravated in line of duty and evidence is submitted to the Veterans' Administration which permits of a different finding, the decision of the Armed Forces will not be binding upon the Veterans' Administration, which will be free to make its own determination of line of duty incurrence or aggravation upon evidence so submitted. It will be incumbent upon the applicant to present controverting evidence and, until he so acts and a determination favorable to

him is made by the Veterans' Administration, the finding of the Armed Forces will control and hospital care will not be authorized. Such controverting evidence, when received from an applicant, will be referred to the adjudicating agency which would have jurisdiction if the applicant was filing claim for pension or disability compensation, and the determination of such agency as to line of duty, which is promptly to be communicated to the head of the field station receiving the application for hospital care, will govern the station head's disapproval or approval of admission, other eligibility requirements having been met. Where the official records of the Armed Forces show that the disability for which a veteran was discharged or released from the Armed Forces under other than dishonorable conditions was incurred or aggravated in the line of duty, such showing will be accepted for the purpose of determining his eligibility for hospitalization, notwithstanding the fact that the Veterans' Administration has made a determination in connection with a claim for monetary benefits that the disability was incurred or aggravated not in line of duty.

5. In § 17.49(c), that portion preceding subparagraph (1) is amended to read as follows:

**§ 17.49 Veterans' Administration policy on priorities for hospital and domiciliary care.**

(c) *Priorities for admission to Veterans' Memorial Hospital, Republic of the Philippines, of U.S. veterans eligible therefor under § 17.36(b).* Applicants in priority groups II and III must complete the oath of inability to defray on VA Form 10-P-10.

6. In § 17.50, that portion preceding paragraph (a) and paragraphs (b), (c), (d), (f) and (h) are amended to read as follows:

**§ 17.50 Utilization of facilities other than those under direct and exclusive jurisdiction of the Veterans' Administration.**

For the purposes of section 601(4), title 38, United States Code, defining the term "Veterans' Administration facilities," and section 213 of the same title, granting authority to the Administrator of Veterans' Affairs to enter into contracts or agreements with private or public agencies, or persons, for necessary services, including personal services, as he may deem practicable, the following provisions will govern in authorizing admissions to facilities other than those under the direct and exclusive jurisdiction of the Veterans' Administration:

(b)(1) Private facilities will not be used for hospitalization of beneficiaries except when facilities under direct and exclusive jurisdiction of the Veterans' Administration or other Government facilities under agreement are not feasibly available or when the physical or mental condition of beneficiaries will not allow of their transfer thereto from a private, State, or municipal hospital.

Beneficiaries in need of treatment of an emergent condition arising from a service-connected or adjunct non-service-connected condition which is associated with and held to be aggravating disability from a disease or injury service connected or service aggravated, or which in medical judgment requires treatment to avoid interruption of training or to hasten return to training of a veteran in interrupted or leave status when a cessation of instruction has become necessary because of illness, injury, or a dental condition, authorized under 38 U.S.C. chapter 31, as amended, may be authorized hospitalization in any private, State, or municipal hospital, preferably one under contract. In such medically emergent cases authorization of admission to a private, State, or municipal hospital may be given, subject to the conditions stipulated in subparagraph (2) of this paragraph and, when so given, will be authority for payment of vouchers covering the cost of such hospitalization. Hospitalization of beneficiaries in a private, State, or municipal hospital under contract may also be authorized for treatment of (i) a nonemergent service-connected or adjunct condition; (ii) that condition determined as incurred or aggravated in line of duty in active Federal service and for which the applicant was discharged under conditions other than dishonorable, provided service connection for such disability has not been denied by the Veterans' Administration, and (iii) a nonemergent non-service-connected condition which in medical judgment requires treatment to avoid interruption of training or to hasten return to training of a veteran in interrupted or leave status when a cessation of instruction has become necessary because of illness, injury, or a dental condition authorized under 38 U.S.C. chapter 31, as amended, provided facilities under direct and exclusive jurisdiction of the Veterans' Administration or other Government facilities under agreement are not feasibly available.

(2) The Chief Medical Officer having jurisdiction of the territory in which the concerned private, State, or municipal hospital, contract or noncontract, is located, when informed of the emergent condition of the entitled beneficiary in time to authorize the hospital admission or when requested to issue authorization to cover a hospital admission already effected, will at once notify the superintendent of such hospital as follows:

(i) That payment cannot be made by the Veterans' Administration for any hospital service or supplies furnished prior to the date that request for authorization for admission was made. (Except that where such request for authorization was dispatched to the Veterans' Administration within 72 hours after the date and hour of admission, the effective date of authorization will be the admission date. Otherwise, the date of request for authorization will be the postmark date of a letter request, dispatch date of a telegraph request, or the date a telephonic request is received); (ii) that, if the hospital concerned is under contract with the Veterans' Administration, all services and supplies furnished the beneficiary must be charged for and paid only at

rates in accordance with the terms of the contract; (iii) that, if the hospital concerned is not under contract, all services and supplies can be paid for only at rates considered reasonable and not in excess of those customarily charged the general public for similar services in the hospital where rendered; (iv) that, when possible, prior authority will be requested by the hospital for the furnishing of services or supplies other than those included in a contract or other than those comprehending ordinary items; (v) but when the procurement of such prior authority is not possible or when the emergent condition of the beneficiary is too urgent for delay, the hospital may furnish such necessary services or supplies, with the understanding that charges therefor will be subject to determination as to their reasonable necessity by the Chief Medical Officer. (See also §§ 17.140 to 17.148.)

(c) In the territories, commonwealth, and possessions of the United States preference will be given to Federal hospitals, and contracts will be made with private or public hospitals only when Federal hospitals are not available. Authorization of hospitalization in such areas is restricted to hospitals under agreements or contracts, and admissions to private or public hospitals not under contract will not be authorized without prior approval of the Chief Medical Director or the responsible Area Medical Director: *Provided*, That when immediate hospitalization is necessary for treatment of an emergent service-connected condition, admission to a noncontract hospital may be authorized if no Federal or contract private hospital be feasibly available, and that the stipulations specified in paragraph (b)(2) of this section are communicated to the superintendent of such noncontract private hospital. While admission to private hospitals in the territories and possessions will in general be restricted to applicants who had service in a war or on or after June 27, 1950, and prior to February 1, 1955, such hospitals may also be used for applicants who had peacetime service only, if needed for treatment of an emergent service-connected condition. The use of such private hospitals is prohibited for applicants who had peacetime service only, if required for treatment of a disease or injury not attributable to military or naval service, or for a service-connected condition that is not medically emergent. The words "peacetime service" as used in this paragraph do not include service on or after June 27, 1950, and prior to February 1, 1955.

(d) The general principles to be observed in utilization of facilities other than those over which the Veterans' Administration has direct and exclusive jurisdiction will be as follows: Other Government facilities under agreements or private facilities under contracts will be used for the hospitalization of beneficiaries requiring hospital treatment in accordance with the foregoing instructions only when facilities under direct and exclusive jurisdiction of the Veterans' Administration are not feasibly available, or when the urgency of the applicant's medical condition, the relative distance of the travel involved, or

the nature of the treatment required in the individual case makes it necessary or economically advisable to utilize such other institutions instead of a facility under direct and exclusive jurisdiction of the Veterans' Administration. Under the provisions of this section, admissions to other Government, private, State, or municipal hospitals may be authorized by heads of field stations having medical activities through Chief Medical Officers as defined in § 17.30(c).

(f) The prior approval of the Chief Medical Director or the Area Medical Director must be secured for the use of private, State, or municipal facilities covered by contracts and located either within the United States or in the possessions or territories, for the hospitalization in such facilities of beneficiaries in excess of the number of beds contracted for, except where immediate hospitalization is indicated for treatment of a medically emergent service-connected disease or injury. The number of beds set apart by agreement with other Government facilities, for treatment of Veterans' Administration beneficiaries, may be exceeded during any month as necessitated with the consent of the commanding officer of the hospital concerned: *Provided*, That the utilization thereof be correspondingly reduced in other months, so that the average monthly use of such beds, at the end of the fiscal year, will not have exceeded the total allocation.

(h) Payment or reimbursement for emergency medical treatment and hospitalization through facilities other than governmental as provided in paragraph (g) of this section may be authorized where a veteran granted vocational rehabilitation pursuant to the provisions of 38 U.S.C., chapter 31, as amended, is furnished transportation and ordered to report to a designated school, proceeds in accordance with said orders, and becomes ill while en route, if there is no intervening factor for which he is responsible which would affect or change his status.

7. In § 17.60, paragraph (a)(7) is amended by adding a new subdivision (iii) and paragraph (b) is amended so that the amended and added material reads as follows:

**§ 17.60 Outpatient treatment and examination.**

(a) \* \* \*

(7) \* \* \*

(iii) Any veteran in receipt of pension based on need of regular aid and attendance or of an aid and attendance allowance received under section 314 or 334 of title 38, United States Code, or who, but for the receipt of retired pay, would be in receipt of such pension or allowance, and has received post-hospital care under subdivision (ii) of this subparagraph for not less than 1 year for one of the following: Cardiovascular-renal disease, including hypertension; endocrinopathies; diabetes mellitus; cancer; a neuropsychiatric disorder; or tuberculosis, may be furnished such further care as is reasonably necessary for such disease or disorder. The period of "not

less than one year" must be either (a) an unbroken period of post-hospital care for that length of time, or (b) an accumulation of two or more successive periods of post-hospital care, if the break between them is for re-hospitalization involving treatment of the same condition or conditions. However, the total period described in either (a) or (b) of this subdivision must encompass or be subsequent to August 19, 1964, the date of enactment of Public Law 88-450.

(b) Outpatient treatment may be authorized in accordance with prescribed principles for an adjunct non-service-connected condition associated with and held to be aggravating a disability from a disease or injury for which the veteran is entitled to receive outpatient care under this section. The opinion of the Chief Medical Director may be requested in any individual case where advice is desired as to the propriety of furnishing adjunct treatment.

8. Immediately preceding § 17.66, the center title is amended to read as follows:

**DISCIPLINARY CONTROL OF BENEFICIARIES RECEIVING HOSPITAL, DOMICILIARY OR NURSING HOME CARE**

9. In § 17.66, paragraphs (a) and (b) are amended to read as follows:

**§ 17.66 Authority for disciplinary action.**

(a) The good conduct of beneficiaries receiving hospitalization for observation and examination or for treatment, or receiving domiciliary or nursing home care in facilities under direct and exclusive jurisdiction of the Veterans' Administration, will be maintained by corrective and disciplinary procedure formulated by the Veterans' Administration. Such corrective and disciplinary measures, to be selectively applied in keeping with the comparative gravity of the particular offense, will consist, in respect to hospital patients, of such penalties as the withholding for a determined period of pass privileges, exclusion from entertainments, or disciplinary discharge; and, in respect to domiciled members, such penalties as confinement to sections or grounds, deprivation of privileges, enforced furlough, or disciplinary discharge.

(b) Discharge for infraction of hospital or nursing home discipline will carry the accompanying penalty of exclusion from rehospitalization or nursing home care, except in a medical emergency, and from domiciliation, for a prescribed period, with denial of Government transportation to cover return travel upon such discharge or to cover rehospitalization in a medical emergency, unless the offender executes affidavit of inability to defray the expenses of such travel.

10. The center title preceding § 17.75 and § 17.75 are revised to read as follows:

**REIMBURSEMENT FOR LOSS BY FIRE OF PERSONAL EFFECTS OR HOSPITALIZED OR NURSING HOME PATIENTS**

**§ 17.75 Conditions of custody.**

When the personal effects of a patient who has been or is hospitalized or receiv-

ing nursing home care in a Veterans' Administration hospital or center were or are duly delivered to a designated location for custody and loss of such personal effects has occurred or occurs by fire, either during such storage or during laundering, reimbursement will be made as provided in §§ 17.76 and 17.77.

11. In § 17.100, the headnotes of paragraphs (a) and (g) and paragraphs (a)(2), (e), (f)(1) and (5), and (g)(2) are amended to read as follows:

**§ 17.100 Transportation of claimants and beneficiaries.**

Transportation at Government expense will be authorized eligible claimants and beneficiaries of the Veterans' Administration for these purposes:

(a) *Admission.* \* \* \*  
(2) Hospital admission of applicants under § 17.47 (c) and (d) for treatment of non-service-connected conditions, provided such applicants, except those whose admission is arranged to avoid interruption of training authorized under 38 U.S.C. chapter 31, have made sworn statement upon application—VA Form 10-P-10—that they are unable to defray expense of transportation.

(e) *Interstation transfer for treatment, diagnosis, or domiciliary care.* Prior consent of the Area Medical Director will be had for transfers of patients or members en bloc within the area, and of both Area Medical Directors if interarea transfers are involved. Interstation transfer will include transfer from a Veterans' Administration hospital to a nursing home.

(f) *Discharge.* (1) Upon regular discharge from hospitalization for treatment, observation and examination, or nursing home care, return transportation to the point from which the beneficiary had proceeded; or to another point if no additional expense be thereby caused the Government.

(5) No return transportation will be supplied a patient who receives an irregular discharge from hospital or nursing home care, unless he executes an affidavit of inability to defray the expense of return transportation.

(g) *Outpatient services.* \* \* \*  
(2) Outpatient treatment for service-connected conditions, including adjunct treatment thereof, and for non-service-connected conditions to avoid interruption of training authorized under 38 U.S.C. chapter 31, subject to exceptions defined in paragraph (h) of this section.

12. In § 17.120, paragraphs (d) and (f) are amended to read as follows:

**§ 17.120 Authorization of dental examinations.**

(d) Those requiring dental examination during hospital, nursing home, or domiciliary care.

(f) Those requiring dental examination for determination of necessity of dental treatment to avoid interruption

of vocational training authorized under 38 U.S.C. chapter 31 or to hasten return to such training of a veteran in interrupted or leave status when a cessation of instruction has become necessary because of a dental condition.

13. In § 17.123, paragraph (f) is amended to read as follows:

**§ 17.123 Authorization of outpatient dental treatment.**

(f) *Class V.* Those pursuing a course of vocational training authorized under 38 U.S.C. chapter 31 may be authorized dental treatment indicated as reasonably necessary to avoid the interruption of an authorized course of vocational training or to hasten return to training of a veteran in interrupted or leave status when a cessation of instruction has become necessary because of a dental condition.

14. Section 17.129 is revised to read as follows:

**§ 17.129 Dental services for hospital or nursing home patients and domiciled members.**

Persons receiving hospital, nursing home, or domiciliary care pursuant to the provisions of §§ 17.46 and 17.47, will be furnished such dental services as are professionally determined necessary to the patients' or members' overall hospital, nursing home, or domiciliary care.

15. In § 17.140, paragraph (b) is amended to read as follows:

**§ 17.140 Adjudication of claims.**

(b) Claims for services rendered veterans in foreign countries excluding the Philippines will be adjudicated in the Office of the Chief, Outpatient Service, Veterans' Administration Hospital, Washington, D.C.

(72 Stat. 1114; 38 U.S.C. 210)

These VA Regulations are effective February 19, 1965, except § 17.60(a) (7) (iii) which is effective August 19, 1964.

Approved: February 3, 1965.

By direction of the Administrator.

[SEAL] A. H. MONK,  
Acting Deputy Administrator.

[P.R. Doc. 65-1357; Filed, Feb. 8, 1965;  
8:47 a.m.]

## Title 41—PUBLIC CONTRACTS AND PROPERTY MANAGEMENT

### Chapter 101—Federal Property Management Regulations

#### SUBCHAPTER D—PUBLIC BUILDINGS AND SPACE

#### PART 101-20—ASSIGNMENT AND UTILIZATION OF SPACE

#### Agency Reports to GSA of Expansion Space Needs

Subparts 101-20.9 and 101-20.49 are amended as follows:

#### Subpart 101-20.9—Space Reports

Subpart 101-20.9 (29 F.R. 15989, Dec. 1, 1964) is amended by adding new § 101-20.902 "Notice of anticipated space changes", § 101-20.902-1 "New or expanded programs", § 101-20.902-2 "Other space changes", and § 101-20.902-3 "Budget procedures", as follows:

**§ 101-20.902 Notice of anticipated space changes.**

Agencies are required to advise GSA of anticipated changes in space requirements. Realistic forecasts are required showing the additional numbers of employees and square feet of space which the agencies believe are essential to the success of new or expanding programs that have received some form of preliminary approval by the Congress or the Bureau of the Budget, or for which there exists other equally positive indications of probable approval. Requests for additional space arising from agency plans which do not have such preliminary approval are not considered to be realistic reporting. Executive Order No. 11035 of July 9, 1962 (27 F.R. 6519, 3 CFR), directs agencies to cooperate with GSA to achieve more efficient and economical use of space.

**§ 101-20.902-1 New or expanded programs.**

(a) Each Federal agency shall notify GSA on GSA Form 1807, Notice of Anticipated Expansion Space Changes for Budget Fiscal Year (see § 101-20.4902-1807), of anticipated increases in the number of employees and in the amount of general purpose space required for new or expanding programs and of the estimated rental cost of the additional space for the fiscal year the space is requested for assignment. The same form shall be used for advising GSA of planned decreases in space of all types, the cost of the space to be released, and the decreases in the number of employees which make possible the release of space.

(b) Separate forms shall be submitted by each agency for:

- (1) Space requirements in the Washington, D.C., Metropolitan Area; and
- (2) Space requirements outside the Washington, D.C., Metropolitan Area.

(c) For the purposes of this § 101-20.902, the Washington, D.C., Metropolitan Area means:

- (1) The District of Columbia;
- (2) In Maryland: Montgomery and Prince Georges Counties; and
- (3) In Virginia: Arlington and Fairfax Counties; the cities of Alexandria, Fairfax, and Falls Church.

(d) Instructions for preparing GSA Form 1807 are printed on a separate sheet identified as GSA Form 1807A, Instructions for Preparation and Submission of GSA Form 1807, June 1964, Notice of Anticipated Expansion Space Changes for Budget Fiscal Year. (See § 101-20.4902-1807A.)

(e) GSA Form 1807 shall be submitted in triplicate, not later than August 1 of

each year, to the General Services Administration, Public Buildings Service, Office of Space Management, Washington, D.C., 20405.

**§ 101-20.902-2 Other space changes.**

Each Federal agency shall notify the appropriate GSA regional office (Subpart 101-20.48, Regional Offices) of its requirements for additional space not covered in § 101-20.902-1 and other space changes, such as for relief from overcrowding, for special purpose space, and space changes not involving increases or decreases such as consolidations, upgrading, and special installations, in time to permit consideration in annual budget estimates of GSA.

**§ 101-20.902-3 Budget procedures.**

(a) Bureau of the Budget Circular No. A-11, Revised, Transmittal Memorandum No. 26 dated October 10, 1964, provides the instructions for preparation and submission of annual budget estimates in cases involving the acquisition of new leased space in 1965 fiscal year and thereafter.

(b) Reports submitted under § 101-20.902-1 will be evaluated by GSA and transmitted to the Bureau of the Budget for consideration in the review of agency estimates of appropriations.

#### Subpart 101-20.49—Forms

Subpart 101-20.49—Forms (29 F.R. 15990, Dec. 1, 1964), is amended by adding new § 101-20.4902-1807 "GSA Form 1807, Notice of Anticipated Expansion Space Changes for Budget Fiscal Year", and § 101-20.4902-1807A "GSA Form 1807A, Instructions for Preparation and Submission of GSA Form 1807, June 1964, Notice of Anticipated Expansion Space Changes for Budget Fiscal Year", as follows:

**§ 101-20.4902-1807 GSA Form 1807, Notice of Anticipated Expansion Space Changes for Budget Fiscal Year.**

NOTE: Form filed as part of original document. Copies may be obtained from Central Office, GSA.

**§ 101-20.4902-1807A GSA Form 1807A, Instructions for Preparation and Submission of GSA Form 1807, June 1964, Notice of Anticipated Expansion Space Changes for Budget Fiscal Year.**

NOTE: Form filed as part of original document. Copies may be obtained from Central Office, GSA.

**Effective date.** This regulation is effective on the date of publication in the FEDERAL REGISTER.

(Sec. 205(c), 63 Stat. 390; 40 U.S.C. 486(c))

Dated: February 1, 1965.

LAWSON B. KNOTT, Jr.,  
Acting Administrator  
of General Services.

[P.R. Doc. 65-1350; Filed, Feb. 8, 1965;  
8:47 a.m.]

## Title 14—AERONAUTICS AND SPACE

## Chapter I—Federal Aviation Agency

## SUBCHAPTER F—AIR TRAFFIC AND GENERAL OPERATING RULES

[Reg. Docket No. 6433; Amdt. 413]

## PART 97—STANDARD INSTRUMENT APPROACH PROCEDURES

## Miscellaneous Amendments

The amendments to the standard instrument approach procedures contained herein are adopted to become effective when indicated in order to promote safety. The amended procedures supersede the existing procedures of the same classification now in effect for the airports specified therein. For the convenience of the users, the complete procedure is republished in this amendment indicating the changes to the existing procedures.

As a situation exists which demands immediate action in the interests of safety in air commerce, I find that compliance with the notice and procedure provisions of the Administrative Procedure Act is impracticable and that good cause exists for making this amendment effective within less than 30 days from publication.

In view of the foregoing and pursuant to the authority delegated to me by the Administrator (24 F.R. 5662), Part 97 (14 CFR Part 97) is amended as follows:

## 1. By amending the following low or medium frequency range procedures prescribed in § 97.11(a) to read:

## LFR STANDARD INSTRUMENT APPROACH PROCEDURE

Bearings, headings, courses and radials are magnetic. Elevations and altitudes are in feet MSL. Ceilings are in feet above airport elevation. Distances are in nautical miles unless otherwise indicated, except visibilities which are in statute miles.

If an instrument approach procedure of the above type is conducted at the below named airport, it shall be in accordance with the following instrument approach procedure, unless an approach is conducted in accordance with a different procedure for such airport authorized by the Administrator of the Federal Aviation Agency. Initial approaches shall be made over specified routes. Minimum altitudes shall correspond with those established for en route operation in the particular area or as set forth below.

Transition				Ceiling and visibility minimums			
From—	To—	Course and distance	Minimum altitude (feet)	Condition	2-engine or less		More than 2-engine, more than 65 knots
					65 knots or less	More than 65 knots	
DLS VOR.....	DL LFR (final).....	Direct.....	2300	T-dn%..... C-dn..... A-dn.....	1000-1 1500-1 1500-2	1000-1 1500-1 1500-2	1000-1 1500-1½ 1500-2

Procedure turn S side of crs, 075° Outbnd, 253° Inbnd, 3800' within 10 miles.

Final approach from holding pattern at DL LFR not authorized; procedure turn required.

Minimum altitude over facility on final approach crs, 2300'.

Crs and distance, facility to airport, 253°—2.5 miles.

If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 2.5 miles after passing DL LFR, turn left, return to DL LFR, climb to 3800' on E crs DL LFR within 10 miles. All maneuvering S of crs.

CAUTION: High terrain W through NE of airport.

%Takeoffs all runways: Climb visually over the airport to 1200', thence climb direct to DLS VORTAC to cross DLS VORTAC at or above 2700'. LFR departures: Climb visually over the airport to 1200', thence climb direct to DL LFR, continue climb in a 170-175-knot 1-minute left turn holding pattern on the E crs DL LFR to MEA for direction of flight.

MSA within 25 miles of facility: NE—6900'; SE—4400'; SW—11,400'; NW—6900'.

City, The Dalles; State, Oreg.; Airport name, The Dalles Municipal; Elev., 243'; Fac. Class, SBRAZ; Ident., DL; Procedure No. 1, Amdt. 11; Eff. date, 20 Feb. 63; Sup. Amdt. No. 10; Dated, 12 Oct. 63

				T-dn%.....	500-1	500-1	500-1
				C-dn.....	1000-1	1000-1	1000-1½
				A-dn.....	1400-2	1400-2	1400-2

Procedure turn W side of S crs, 153° Outbnd, 333° Inbnd, 3700' within 10 miles. Not authorized beyond 10 miles.

Final approach from holding pattern at TDO LFR not authorized; procedure turn required.

Minimum altitude over facility on final approach crs, 1900'.

Crs and distance, facility to airport, 235°—2.5 miles.

If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 2.5 miles after passing LFR, make left-climbing turn and return to TDO-LFR, climbing to 4000', in a 1-minute holding pattern on S crs. All turns W of crs.

NOTES: ADF procedure not authorized. Night operations not authorized.

CAUTION: High terrain NE through SE of range station.

%Takeoffs all runways: Climb visually over the airport to 900' thence climb direct to TDO LFR, continue climb in a 170-175-knot left turn 1-minute holding pattern on the S crs of TDO LFR to MEA for direction of flight.

MSA within 25 miles of facility: NE—5400'; SE—9900'; SW—4000'; NW—4200'.

City, Toledo; State, Wash.; Airport name, Toledo-Winlock Municipal; Elev., 371'; Fac. Class., BMRLZ; Ident., TDO; Procedure No. 1, Amdt. 4; Eff. date, 20 Feb. 63; Sup. Amdt. No. 3; Dated, 28 Dec. 63

## 2. By amending the following automatic direction finding procedures prescribed in § 97.11(b) to read:

## ADF STANDARD INSTRUMENT APPROACH PROCEDURE

Bearings, headings, courses and radials are magnetic. Elevations and altitudes are in feet MSL. Ceilings are in feet above airport elevation. Distances are in nautical miles unless otherwise indicated, except visibilities which are in statute miles.

If an instrument approach procedure of the above type is conducted at the below named airport, it shall be in accordance with the following instrument approach procedure, unless an approach is conducted in accordance with a different procedure for such airport authorized by the Administrator of the Federal Aviation Agency. Initial approaches shall be made over specified routes. Minimum altitudes shall correspond with those established for en route operation in the particular area or as set forth below.

Transition				Ceiling and visibility minimums			
From—	To—	Course and distance	Minimum altitude (feet)	Condition	2-engine or less		More than 2-engine, more than 65 knots
					65 knots or less	More than 65 knots	
Fort Smith VOR	LOM	Direct	2500	T-dn	300-1	300-1	200-1/2
Fort Smith (FSM) RBN	LOM	Direct	3000	C-d	600-1	600-1	600-1/2
Int FSM R-215 and LOM bearing 073°	LOM	Vis LOM bearing 073°	2300	C-n	600-2	600-2	600-2
				S-d-25	600-1	600-1	600-1
				S-n-25	600-2	600-2	600-2
				A-dn	800-2	800-2	800-2

Procedure turn N side of crs, 073° Outbnd, 253° Inbnd, 2600' within 10 miles.

Minimum altitude over LOM Inbnd final approach crs, 2000'.

Crs and distance, facility to airport, 253°—6.9 miles.

If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 6.9 miles after passing LOM, climb to 1200' on 253° bearing from LOM, turn right, continue climb to 3000', proceeding direct to Fort Smith RBN or, when directed by ATC, turn left to heading 180° until intercepting FSM VOR R-194 (Outbnd), climbing to 3000' within 20 miles.

NOTE: No reduction in takeoff or landing minimums authorized.

CAUTION: All maneuvering must be completed N of final approach crs. Standard distance not applied between final approach crs and restricted area R-2402.

\*Aircraft departing Runway 25 shall maintain runway heading until reaching 1300' prior to starting right turn.

MSA within 25 miles of facility: 090°-090°—3500'; 090°-270°—3000'; 270°-360°—3000'.

City, Fort Smith; State, Ark.; Airport name, Fort Smith Municipal; Elev., 468'; Fac. Class., LOM; Ident., FS; Procedure No. 1, Amdt. 14; Eff. date, 20 Feb. 65; Sup. Amdt. No. 15; Dated, 11 July 64

Meridian VOR	LOM (HW)	Direct	2000	T-dn	300-1	300-1	200-1/2
Stratton Int.	LOM (HW)	Direct	2000	C-dn	500-1	600-1	500-1/2
Decatur Int.	LOM (HW)	Direct	2000	S-dn-01	500-1	500-1	500-1
Newton Int.	LOM (HW)	Direct	2000	A-dn	800-2	800-2	800-2
Rose Hill Int.	LOM (HW)	Direct	2000				
Kewanee VOR	LOM (HW)	Direct	2000				

Radar vectoring authorized in accordance with approved patterns.

Procedure turn S side of crs, 186° Outbnd, 066° Inbnd, 2000' within 10 miles.

Minimum altitude over facility on final approach crs, 1700'.

Crs and distance, facility to airport, 066°—4.5 miles.

If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 4.5 miles after passing LOM, climb to 2000' on crs 066° within 10 miles.

NOTE: Takeoffs with less than 200-1/2 not authorized on Runways 5 and 23. No approach lights. Overrun lights and high-intensity runway lights only on Runway 1-19. Runway 9-27 closed.

CAUTION: Trees 600' 2 miles E of airport. 1000' tower 2.5 miles E of airport. 880' tower 4.2 miles SE of airport.

MSA within 25 miles of facility: 000°-090°—2000'; 090°-180°—1700'; 180°-270°—1600'; 270°-360°—1600'.

City, Meridian; State, Miss.; Airport name, Key Field; Elev., 297'; Fac. Class., HW; Ident., ME; Procedure No. 1, Amdt. 8; Eff. date, 20 Feb. 65; Sup. Amdt. No. 7; Dated, 23 May 64

Pendleton VOR	DT LMM	Direct	4200	T-dn	300-1	300-1	200-1/2
Pilot Rock VHF Int.	DT LMM	Direct	4800	C-dn	500-1	500-1	500-1/2
Gardena VHF Int.	DT LMM	Direct	4200	A-dn	800-2	800-2	800-2

Procedure turn N side of crs, 070° Outbnd, 290° Inbnd, 4200' within 10 miles of LMM.

Final approach from holding pattern at PD LOM not authorized, procedure turn required.

Minimum altitude over PD LOM on final approach crs, 3100'; over DT LMM, 2000'.

Crs and distance, PD LOM to airport, 250°—4.1 miles; DT LMM, 250°—0.6 mile.

If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 4.1 miles after passing PD LOM or 0.6 mile after passing DT LMM, climb to 4000' on crs 250° Outbnd, 070° Inbnd, within 15 miles of DT LMM or, when directed by ATC, climb to 4000' direct to PDT VOR, continue climb on R-230 within 15 miles.

Other change: Deletes transition from Pendleton LFR.

%Takeoffs all runways: Climb direct to PDT VOR, thence continue climb on R-234 PDT VOR within 15 miles so as to cross PDT VOR at or above: Southeastbound V-4 2500'; southbound V-28 2500'; southwestbound V-281 2500'.

LFR departure: Climb on the W crs PN LFR within 10 miles so as to cross PN LFR at or above 2700' on any crs from 090° clockwise to 230°. All maneuvering N of R-234 of PDT VOR or N side of the W crs PN LFR.

MSA within 25 miles of facility: 000°-180°—6500'; 180°-270°—4400'; 270°-360°—2800'.

City, Pendleton; State, Oreg.; Airport name, Pendleton Municipal; Elev., 1493'; Fac. Class., LMM; Ident., DT; Procedure No. 1, Amdt. 4; Eff. date, 20 Feb. 65; Sup. Amdt. No. 3; Dated, 16 Mar. 63

GEG VOR	GE LOM	Direct	4500	T-dn	300-1	300-1	200-1/2
Rockford VHF Int.	GE LOM	Direct	5500	C-dn	500-1	500-1	500-1/2
				S-dn-21	400-1	400-1	400-1
				A-dn	800-2	800-2	800-2

Radar vectoring authorized in accordance with approved patterns.

When used in lieu of procedure turn, alignment on final approach heading within 10 miles of LOM is required.

Procedure turn N side of crs, 028° Outbnd, 205° Inbnd, 4500' within 10 miles. Not authorized beyond 10 miles.

Shuttle descent to 4500' in a 170-175-knot 1-minute right turn holding pattern NE of GE LOM.

Minimum altitude over facility on final approach crs, 3600'.

Crs and distance, facility to airport, 235°—3.9 miles.

If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 3.9 miles after passing GE LOM, climb to 4000' direct GEG VOR, continue climb on R-237 within 10 miles of GEG VOR or, when directed by ATC, turn right, climb direct to GE LOM, thence continue climb to 4500' in a 170-175-knot 1-minute right turn holding pattern NE of GE LOM.

CAUTION: High terrain N and E of airport. 3188' tower 4.5 miles SE of GE LOM. Terrain and tower 6081' 16 miles NE of LOM; 4549' TV tower 9.2 miles E of airport.

%Takeoffs all runways: Climb direct GEG VOR, thence continue climb on R-237 GEG VOR within 10 miles so as to cross GEG VOR at or above: Eastbound V-2 3200'; northeastbound V-2N 3200'; southeastbound V-2S 5000'.

LFR departure: Climb on the 206° bearing from EG LMM within 10 miles to MEA for direction of flight.

MSA within 25 miles of facility: 000°-090°—7100'; 090°-180°—6300'; 180°-270°—4100'; 270°-360°—5100'.

City, Spokane; State, Wash.; Airport name, Spokane International; Elev., 2372'; Fac. Class., LOM; Ident., GE; Procedure No. 1, Amdt. 5; Eff. date, 20 Feb. 65; Sup. Amdt. No. 4; Dated, 23 Jan. 64

## ADF STANDARD INSTRUMENT APPROACH PROCEDURE—Continued

Transition				Ceiling and visibility minimums			
From—	To—	Course and distance	Minimum altitude (feet)	Condition	2-engine or less		More than 2-engine, more than 65 knots
					65 knots or less	More than 65 knots	
SEA VOR	TIW RBN	Direct	2000	T-dn	300-1	300-1	200-1½
TCM VOR	TIW RBN	Direct	2000	C-dn	600-1	600-1	600-1½
Carr Int.	TIW RBN	Direct	2000	A-dn	800-2	800-2	800-2
Rainbridge Int.	TIW RBN	Direct	2000				

Radar vectoring utilizing Seattle-Tacoma and McChord Radar authorized in accordance with approved patterns.

Procedure turn W side of crs, 345° Outbnd, 165° Inbnd, 2000' within 10 miles of TIW RBN.

Minimum altitude over facility on final approach crs, 1700'.

Crs and distance, facility to airport, 165°—5.9 miles.

If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 5.9 miles after passing TIW RBN, turn right, climb to 2000' direct to TIW RBN, hold N, 1-minute right turn holding pattern.

NOTE: TIW RBN private facility. The Federal Government disclaims responsibility for non-Federal navigational facilities.

\*CAUTION: 957' tower and 736' stack 2.5 miles E of airport. 600' tower 1 mile E of airport. All circling and maneuvering W of airport.

\*\*Alternate weather minimums authorized only for those who have approved arrangement for weather service at the airport.

%Takeoffs all runways: (1) Climb direct to TIW RBN, thence proceed on crs. (2) Climb direct to GRF RBN, thence proceed on crs. See caution note.

MSA within 25 miles of facility: 000°-090°—3700'; 090°-180°—2700'; 180°-270°—6400'; 270°-360°—7000'.

City, Tacoma; State, Wash.; Airport name, Tacoma Industrial; Elev., 290'; Fac. Class., MIIW; Ident., TIW; Procedure No. 1, Amdt. 1; Eff. date, 20 Feb. 65; Sup. Amdt. No. Orig.; Dated, 28 Dec. 63

OLM VOR	GRF RBN	Direct	2000	T-dn	300-1	300-1	200-1½
Carr Int.	GRF RBN	Direct	2000	C-dn	600-1	600-1	600-1½
McChord Int.	GRF RBN	Direct	2000	A-dn	800-2	800-2	800-2

Radar vectoring utilizing Seattle-Tacoma and McChord Radar authorized in accordance with approved patterns.

Procedure turn W side of crs, 167° Outbnd, 347° Inbnd, 2000' within 10 miles.

Minimum altitude over facility on final approach crs, 1800'.

Crs and distance, facility to airport, 347°—6.7 miles.

If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 6.7 miles after passing GRF RBN, turn left, climb to 2000' direct to GRF RBN, hold S, 1-minute left turn holding pattern.

NOTE: This procedure overflies R-6703 and R-6704 and is not usable without prior ATC approval.

\*CAUTION: 957' tower and 736' stack 2.5 miles E of airport. 600' tower 1 mile E of airport. All circling and maneuvering W of airport.

\*\*Alternate weather minimums authorized only for those who have approved arrangement for weather service at the airport.

%Takeoffs all runways: (1) Climb direct to GRF RBN, thence proceed on crs. (2) Climb direct to TIW RBN, thence proceed on crs. See Caution note.

MSA within 25 miles of facility: 000°-090°—3600'; 090°-180°—5600'; 180°-270°—3700'; 270°-360°—2800'.

City, Tacoma; State, Wash.; Airport name, Tacoma Industrial; Elev., 290'; Fac. Class., MIIW; Ident., GRF; Procedure No. 2, Amdt. 1; Eff. date, 20 Feb. 65; Sup. Amdt. No. Orig.; Dated, 28 Dec. 63

ALW VOR	ALW RBN	Direct	3000	T-dn	300-1	300-1	200-1½
Lamar VHF Int.	ALW RBN	Direct	3000	C-dn	700-1	700-1	700-1½
				A-dn	800-2	800-2	800-2

Procedure turn W side of crs, 353° Outbnd, 173° Inbnd, 3600' within 10 miles.

Minimum altitude over facility on final approach crs, 2800'.

Crs and distance, facility to airport, 173°—3.2 miles.

If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 3.2 miles after passing ALW RBN, turn right, climb direct to ALW RBN, thence continue climb to 3600' in a 170-175-knot 1-minute right turn holding pattern N of ALW RBN, bearing 353° Outbnd, 173° Inbnd.

NOTE: Final approach from holding pattern at ALW RBN not authorized, procedure turn required.

%Takeoffs all runways: Climb on R-195 ALW VOR within 10 miles so as to cross ALW VOR at or above; Northeastbound V-536 and V-520 2500'. LFR departures: Climb direct to ALW RBN, thence continue climb in a 170-175-knot 1-minute right turn holding pattern N of ALW RBN bearing 353° Outbnd and 173° Inbnd to MSA for direction of flight.

MSA within 25 miles of facility: 000°-090°—7300'; 090°-180°—7300'; 180°-270°—3600'; 270°-360°—3300'.

City, Walla Walla; State, Wash.; Airport name, Walla Walla City-County; Elev., 1205'; Fac. Class., BH; Ident., ALW; Procedure No. 1, Amdt. 1; Eff. date, 20 Feb. 65; Sup. Amdt. No. Orig.; Dated, 7 Dec. 63

### 3. By amending the following very high frequency omnirange (VOR) procedures prescribed in § 97.11(c) to read:

#### VOR STANDARD INSTRUMENT APPROACH PROCEDURE

Bearings, headings, courses and radials are magnetic. Elevations and altitudes are in feet MSL. Ceilings are in feet above airport elevation. Distances are in nautical miles unless otherwise indicated, except visibilities which are in statute miles.

If an instrument approach procedure of the above type is conducted at the below named airport, it shall be in accordance with the following instrument approach procedure, unless an approach is conducted in accordance with a different procedure for such airport authorized by the Administrator of the Federal Aviation Agency. Initial approaches shall be made over specified routes. Minimum altitudes shall correspond with those established for en route operation in the particular area or as set forth below.

Transition				Ceiling and visibility minimums			
From—	To—	Course and distance	Minimum altitude (feet)	Condition	2-engine or less		More than 2-engine, more than 65 knots
					65 knots or less	More than 65 knots	
				T-dn	300-1	300-1	200-1½
				C-dn	400-1	500-1	500-1½
				S-dn	400-1	400-1	400-1
				A-dn	800-2	800-2	800-2

Procedure turn E side of crs, 008° Outbnd, 188° Inbnd, 2000' within 10 miles.

Minimum altitude over facility on final approach crs, 1000'.

Crs and distance, facility to airport, 188°—2.5 miles.

If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 2.5 miles after passing DHN-VOR, climb to 2000' on R-188 DHN-VOR within 20 miles.

NOTE: Night operations not authorized Runways 5 and 23.

MSA within 25 miles of facility: 000°-090°—2500'; 090°-180°—2500'; 180°-270°—1700'; 270°-360°—1700'.

City, Dothan; State, Ala.; Airport name, Dothan Municipal; Elev., 330'; Fac. Class., L-BVOR; Ident., DHN; Procedure No. 1, Amdt. 2; Eff. date, 20 Feb. 65; Sup. Amdt. No. 1; Dated, 28 Nov. 64

## VOR STANDARD INSTRUMENT APPROACH PROCEDURE—Continued

Transition				Ceiling and visibility minimums			
From—	To—	Course and distance	Minimum altitude (feet)	Condition	2-engine or less		More than 2-engine, more than 65 knots
					65 knots or less	More than 65 knots	
				T-dn.....	300-1	300-1	200-1 $\frac{1}{2}$
				C-dn.....	500-1	500-1	300-1 $\frac{1}{2}$
				A-dn.....	800-2	800-2	500-2

Procedure turn S side of crs, 153° Outbnd, 333° Inbnd, 2000' within 10 miles.  
Minimum altitude over facility on final approach crs, 1200'.  
Crs and distance, facility to airport, 333°—1.9 miles.  
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 1.9 miles after passing DHN VOR, turn right, climb to 2000' on R-018 of DHN VOR within 20 miles.  
NOTE: Procedure turn S side of R-153 due to obstruction.  
Other change: Deletes DME note.  
MSA within 25 miles of facility: 000°-090°—2500'; 090°-180°—2000'; 180°-270°—1700'; 270°-360°—1700'.  
City, Dothan; State, Ala.; Airport name, Napier Field; Elev., 397'; Fac. Class., BVOR; Ident., DHN; Procedure No. 1, Amdt. 1; Eff. date, 20 Feb. 65; Sup. Amdt. No. Orig.; Dated, 24 Oct. 64

				T-dn.....	300-1	300-1	200-1 $\frac{1}{2}$
				C-dn.....	500-1	500-1	300-1 $\frac{1}{2}$
				C-n.....	600-2	600-2	600-2
				S-d-25.....	600-1	600-1	600-1
				S-n-25.....	600-2	600-2	600-2
				A-dn.....	800-2	800-2	800-2

Procedure turn S side of crs, 040° Outbnd, 225° Inbnd, 2500' within 10 miles.  
Minimum altitude over facility on final approach crs, 2000'.  
Crs and distance, facility to airport, 225°—5.2 miles.  
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 5.2 miles after passing FSM VOR, climb to 2500' on R-235 within 20 miles or, when directed by ATC, turn left to heading 180° until intercepting FSM VOR R-194 (Outbnd) climbing to 3000' within 20 miles.  
NOTE: No reduction in takeoff or landing minimums authorized.  
CAUTION: 620' unlighted hill 1.5 miles ESE of airport.  
\*Aircraft departing Runway 25 shall maintain runway heading until reaching 1200' prior to starting right turn.  
MSA within 25 miles of facility: 000°-090°—3500'; 090°-270°—3000'; 270°-360°—3000'.  
City, Fort Smith; State, Ark.; Airport name, Fort Smith Municipal; Elev., 468'; Fac. Class., BVORTAC; Ident., FSM; Procedure No. 1, Amdt. 8; Eff. date, 20 Feb. 65; Sup. Amdt. No. 7; Dated, 11 July 64

				T-dn.....	300-1	300-1	200-1 $\frac{1}{2}$
				C-dn.....	700-1	700-1	700-1 $\frac{1}{2}$
				S-d-22.....	700-1	700-1	700-1
				A-dn.....	NA	NA	NA

Procedure turn S side of crs, 060° Outbnd, 240° Inbnd, 2000' within 10 miles. Beyond 10 miles not authorized.  
Minimum altitude over facility on final approach crs, 1700'.  
Crs and distance, facility to airport, 240°—4.3 miles.  
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 4.3 miles after passing OKM VOR, turn left, climb to 2200' on R-236 within 20 miles.  
CAUTION: Tower 1701' 11 miles NNE of airport; tower 933' 3 miles S of airport.  
NOTE: Weather service not available. Pilots using this procedure are directed to close their IFR flight plans immediately upon completion of approach with Tulsa radio.  
If unable, flight plan must be closed by commercial facilities as soon as practicable after landing.  
MSA within 25 miles of facility: 350°-080°—2800'; 080°-170°—2000'; 170°-260°—2200'; 260°-350°—2000'.  
City, Okmulgee; State, Okla.; Airport name, Okmulgee Municipal; Elev., 715'; Fac. Class., BVOR; Ident., OKM; Procedure No. 1, Amdt. 3; Eff. date, 20 Feb. 65; Sup. Amdt. No. 2; Dated, 12 Dec. 64

Prescott RBN.....	PRC VOR.....	Direct.....	7500	T-dn%*.....	800-2	800-2	800-2
				C-dn.....	800-2	800-2	800-2
				A-dn.....	1000-2	1000-2	1000-2

Procedure turn N side of crs, 289° Outbnd, 109° Inbnd, 7500' within 10 miles. Nonstandard due to high terrain S.  
Minimum altitude over facility on final approach crs, 6000'.  
Crs and distance, facility to airport, 112°—4.0 miles.  
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 4.0 miles after passing PRC-VOR, make immediate left-climbing turn and return to PRC VOR; continue climb to 8000' on R-289 within 20 miles or, when directed by ATC, make immediate left turn and climb to 9000' on R-089 within 15 miles of PRC VOR. Beyond 15 miles not authorized.  
NOTES: 1. Final approach crs is to NE side of airport. 2. Circling and maneuvering W and S not authorized.  
\*600-2 authorized for takeoff on Runways 3 and 21.  
%Takeoffs all runways: Runways 3 and 30 climb direct to PRC VOR/RBN; Runway 12 turn left, Runway 21 turn right, climb direct to PRC VOR/RBN, then climb NW via PRC VOR R-289/319° bearing from PRC RBN to recross PRC VOR/RBN at minimum crossing altitudes for direction of flight.  
MCAs: PRC VOR R-089 to R-180 and 055° to 180° bearing from PRC RBN—5800', PRC VOR R-181 to R-258 and 181° to 255° bearing from PRC RBN—7200'. North-bound (209° through 049°) on-course climb authorized.  
MSA within 25 miles of facility: 000°-090°—8800'; 090°-180°—9000'; 180°-270°—8000'; 270°-360°—8300'.  
City, Prescott; State, Ariz.; Airport name, Prescott Municipal; Elev., 5642'; Fac. Class., H-BVORTAC; Ident., PRC; Procedure No. 1, Amdt. 12; Eff. date, 20 Feb. 65; Sup. Amdt. No. 11; Dated, 28 Nov. 64

Bay Int.....	LAX VOR (final).....	Direct.....	3000	T-dn.....	300-1	300-1	200-1 $\frac{1}{2}$
				C-dn.....	800-1	800-1	800-1 $\frac{1}{2}$
				A-dn.....	1000-2	1000-2	1000-2

Radar vectoring utilizing Los Angeles Radar authorized in accordance with approved patterns.  
Procedure turn S side of crs, 285° Outbnd, 105° Inbnd, 3800' within 10 miles.  
Minimum altitude over LAX VOR on final approach crs, 3000'; over Redondo Int, 1300'.  
Crs and distance, Redondo Int to airport, 135°—2.9 miles.  
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 2.9 miles after passing Redondo Int, make immediate left-climbing turn to heading 340°, turn left to intercept LGB R-209, climb to 2000' at Redondo Int.  
\*Weather service available 0600-2200.  
MSA within 25 miles of facility: 000°-090°—7200'; 090°-180°—2500'; 180°-270°—2400'; 270°-360°—5200'.  
City, Torrance; State, Calif.; Airport name, Torrance Municipal; Elev., 99'; Fac. Class., H-BVORTAC; Ident., LAX; Procedure No. 1, Amdt. 4; Eff. date, 20 Feb. 65; Sup. Amdt. No. 3; Dated, 22 Feb. 64

## 4. By amending the following terminal very high frequency omnirange (TerVOR) procedures prescribed in § 97.13 to read:

## TERMINAL VOR STANDARD INSTRUMENT APPROACH PROCEDURE

Bearings, headings, courses and radials are magnetic. Elevations and altitudes are in feet MSL. Ceilings are in feet above airport elevation. Distances are in nautical miles unless otherwise indicated, except visibilities which are in statute miles.

If an instrument approach procedure of the above type is conducted at the below named airport, it shall be in accordance with the following instrument approach procedure, unless an approach is conducted in accordance with a different procedure for such airport authorized by the Administrator of the Federal Aviation Agency. Initial approaches shall be made over specified routes. Minimum altitudes shall correspond with those established for en route operation in the particular area or as set forth below.

Transition				Ceiling and visibility minimums			
From—	To—	Course and distance	Minimum altitude (feet)	Condition	2-engine or less		More than 2-engine, more than 65 knots
					65 knots or less	More than 65 knots	
FML VOR	Ross Int (final)	Direct	1800	T-dn	300-1	300-1	300-1½
Bradley Int	CLT VOR	Direct	2900	C-dn	400-1	500-1	500-1½
Weddington Int	CLT VOR	Direct	2300	S-dn-36	400-1	400-1	400-1
Bothany Int	CLT VOR	Direct	2300	A-dn	800-2	800-2	800-2
Waco Int	CLT VOR	Direct	2900				
Stanley Int	CLT VOR	Direct	2900				

Radar vectoring authorized in accordance with approved patterns.

Procedure turn E side of crs, 171° Outbnd, 351° Inbnd, 2300' within 10 miles of Ross Int.

Minimum altitude over Ross Int on final approach crs, 1800'.

Crs and distance, Ross Int to airport, 351°—3.7 miles.

If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 3.7 miles after passing Ross Int, climb to 3000' on R-007 of FML VOR to Mount Holly Int or, when directed by ATC, turn right, climb to 2100' and proceed to FML-VOR via FML R-007.

Note: Aircraft executing missed approach may be radar controlled after being reidentified.

# 400-34 authorized, except for turbojet aircraft, with operative high-intensity runway lights.

MSA within 25 miles of facility: 000°-090°—2900'; 090°-180°—2300'; 180°-270°—2700'; 270°-360°—2900'.

City, Charlotte, State, N.C.; Airport name, Douglas Municipal; Elev., 748'; Fac. Class., BVORTAC; Ident., CLT; Procedure No. TerVOR-36, Amdt. 2; Eff. date, 20 Feb. 65; Sup. Amdt. No. 1; Dated, 15 Sept. 62

Cleo Int	MKT VOR	Direct	2500	T-dn	300-1	300-1	300-1½
				C-d	600-1	700-1	700-1½
				C-n	600-2	700-2	700-2
				S-dn-32	600-1	600-1	600-1
				A-dn	NA	NA	NA

Procedure turn E side of crs, 142° Outbnd, 322° Inbnd, 2500' within 10 miles.

Minimum altitude over facility on final approach crs, 1600'.

Facility on airport.

If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 0.9 mile of MKT-VOR, make immediate left turn climbing to 2500' on R-142 within 10 miles. Return to VOR and hold SE on R-142.

Note: 122.1 Receiver removed from MKT VOR to MSP FSS.

(When weather is below 500-1 and the intended route of flight is northbound, aircraft departing Runway 32 make left-climbing turn to 2000' prior to departing on crs, aircraft departing Runway 3 make right-climbing turn to 2000' prior to departing on crs due to 1508' tower 2.8 miles NW and 1373' tower 1.6 miles NE of airport.

# 600-2 authorized for air carriers with weather reporting at the airport.

MSA within 25 miles of facility: 000°-180°—2400'; 180°-270°—3300'; 270°-360°—2000'.

City, Mankato, State, Minn.; Airport name, Mankato Municipal; Elev., 1005'; Fac. Class., BVOR; Ident., MKT; Procedure No. TerVOR-32, Amdt. 2; Eff. date, 20 Feb. 65; Sup. Amdt. No. 1; Dated, 7 Mar. 64

				T-dn	300-1	300-1	300-1
				C-dn	800-1	800-1	800-1½
				S-dn-20R	800-1	800-1	800-1
				A-dn	1000-2	1000-2	1000-2

Procedure turn N side of crs, 015° Outbnd, 195° Inbnd, 2100' within 10 miles.

Minimum altitude over facility on final approach crs, 1200'.

Facility on airport.

Crs and distance, breakoff point to approach end of Runway 20R, 205°—0.7 mile.

If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 0.9 mile, turn left, climb to 3000' on R-111 PSC-VOR within 10 miles.

CAUTION: Prohibited area 6 miles NW of airport.

\*Alternate minimums not authorized 2200 to 0400 local time. Alternate minimums authorized 24 hours daily for air carriers with weather reporting service at the airport.

MSA within 25 miles of facility: 000°-090°—2000'; 090°-180°—3400'; 180°-270°—4300'; 270°-360°—4600'.

%Takeoffs all runways: Climb on R-111 PSC VOR within 10 miles to cross PSC VOR at or above 1500' southbound on V-112W. All maneuvering N side R-111 PSC VOR.

City, Pasco, State, Wash.; Airport name, Pasco Public; Elev., 403'; Fac. Class., L-BVOR; Ident., PSC; Procedure No. VOR-20R, Amdt. 4; Eff. date, 20 Feb. 65; Sup. Amdt. No. 3; Dated, 25 July 64

				T-dn	300-1	300-1	300-1
				C-dn	800-1	800-1	800-1½
				S-dn-20R	800-1	800-1	800-1
				A-dn	1000-2	1000-2	1000-2

Procedure turn E side of crs, 111° Outbnd, 291° Inbnd, 2100' within 10 miles.

Facility on airport.

Minimum altitude over facility on final approach crs, 1200'.

Crs and distance, breakoff point to approach end of Runway 29R, 295°—0.5 mile.

If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 0.9 mile, turn right, climb to 3000' on R-015 within 10 miles.

CAUTION: Prohibited area 6 miles NW of airport.

\*Alternate minimums not authorized 2200 to 0400 local time. Alternate minimums authorized 24 hours daily for air carriers with weather reporting service at the airport.

%Takeoffs all runways: Climb on R-111 PSC VOR within 10 miles to cross PSC VOR at or above 1500' southbound on V-112W. All maneuvering N side R-111 PSC VOR.

MSA within 25 miles of facility: 000°-090°—2000'; 090°-180°—3400'; 180°-270°—4300'; 270°-360°—4600'.

City, Pasco, State, Wash.; Airport name, Pasco Public; Elev., 403'; Fac. Class., L-BVOR; Ident., PSC; Procedure No. VOR-29R, Amdt. 4; Eff. date, 20 Feb. 65; Sup. Amdt. No. 3; Dated, 25 July 64

## TERMINAL VOR STANDARD INSTRUMENT APPROACH PROCEDURE—Continued

Transition				Ceiling and visibility minimums			
From—	To—	Course and distance	Minimum altitude (feet)	Condition	2-engine or less		More than 2-engine, more than 65 knots
					65 knots or less	More than 65 knots	
Lamar Int.	ALW VOR	Direct	3100	T-dn%	300-1	300-1	200-1½
College Place Int.	ALW VOR	Direct	3100	C-dn	600-1	600-1	400-1½
				A-dn	800-2	800-2	800-2

Procedure turn W side of crs, 195° Outbnd, 015° Inbnd, 3100' within 10 miles.

Facility on airport.

Minimum altitude over facility on final approach crs, 1800'.

If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 0.6 mile after passing ALW VOR, turn left, climb to 3100' on R-335 within 10 miles.

NOTE: Final approach from holding pattern at ALW VOR not authorized, procedure turn required.

%Takeoffs all runways: Climb on R-195 ALW VOR within 10 miles so as to cross ALW VOR at or above; northeast bound on V-536 and V-520 2500'. LFR departures: Climb direct to ALW RBN, thence continue climb in a 170-175-knot 1-minute right turn holding pattern N of ALW RBN bearing 353° Outbnd, 173° Inbnd to MEA for direction of flight.

MSA within 25 miles of facility: 000°-090°-7300'; 090°-180°-7000'; 180°-270°-3000'; 270°-360°-3300'.

City, Walla Walla; State, Wash.; Airport name, Walla Walla City-County; Elev., 1205'; Fac. Class, L-BVOR; Ident., ALW; Procedure No. VOR-02, Amdt. 4; Eff. date, 20 Feb. 65; Sup. Amdt. No. 3; Dated, 25 Jan. 64

Lamar Int.	ALW VOR	Direct	3100	T-dn%	300-1	300-1	200-1½
College Place Int.	ALW VOR	Direct	3100	C-dn	1100-1	1100-1	1100-1½
				A-dn	1100-2	1100-2	1100-2
*If aircraft equipped to receive VOR and ADF simultaneously and Russell Int identified the following minimums apply:							
				C-dn	600-1	600-1	400-1½
				S-dn-16	400-1	400-1	400-1½

Procedure turn W side of crs, 335° Outbnd, 155° Inbnd, 3100' within 10 miles.

Facility on airport.

Minimum altitude over Russell Int on final approach crs, 2300'; over ALW VOR, 1600'.

Crs and distance, Russell Int to airport, 155°-3.7 miles.

If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 0.6 mile after passing ALW VOR, climb to 3100' on R-195 within 10 miles.

NOTE: Final approach from holding pattern at ALW VOR not authorized, procedure turn required.

%Takeoffs all runways: Climb on R-195 ALW VOR within 10 miles so as to cross ALW VOR at or above; northeastbound V-536 and V-520 2500'. LFR departures: Climb direct ALW RBN, thence continue climb in a 170-175-knot 1-minute right turn holding pattern N of ALW RBN bearing 353° Outbnd, 173° Inbnd, to MEA for direction of flight.

\*If Russell Int not identified, minimum authorized altitude over facility, 2300'.

MSA within 25 miles of facility: 000°-090°-7300'; 090°-180°-7000'; 180°-270°-3000'; 270°-360°-3300'.

City, Walla Walla; State, Wash.; Airport name, Walla Walla City-County; Elev., 1205'; Fac. Class, L-BVOR; Ident., ALW; Procedure No. VOR-16, Amdt. 6; Eff. date, 20 Feb. 65; Sup. Amdt. No. 5; Dated, 25 Jan. 64

Lamar Int.	ALW VOR	Direct	3000	T-dn%	300-1	300-1	200-1½
				C-dn	2100-1	2100-1	2100-1½
				A-dn	2100-2	2100-2	2100-2
*If aircraft equipped to receive VOR and ADF simultaneously and Dixie Int identified the following minimums apply:							
				C-dn	1100-1	1100-1	1100-1½
				A-dn	1100-2	1100-2	1100-2

Procedure turn W side of crs, 019° Outbnd, 199° Inbnd, 3000' within 10 miles.

Minimum altitude Dixie Int on final approach crs, 3300'; over ALW VOR, 2300'.

Facility on airport.

Crs and distance, Dixie Int to airport, 199°-3.3 miles.

If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 0.6 mile after passing ALW VOR, turn left, climb to 3100' on R-195 of ALW VOR within 10 miles.

NOTE: Final approach from holding pattern at ALW VOR not authorized, procedure turn required.

\*If Dixie Int not identified, minimum authorized altitude over facility, 3300'.

%Takeoffs all runways: Climb on R-195 ALW VOR within 10 miles so as to cross ALW VOR at or above; northeastbound V-536 and V-520 2500'. LFR departures: Climb direct to ALW RBN, thence continue climb in a 170-175-knot 1-minute right turn holding pattern N of ALW RBN bearing 353° Outbnd, 173° Inbnd, to MEA for direction of flight.

MSA within 25 miles of facility: 000°-090°-7300'; 090°-180°-7000'; 180°-270°-3000'; 270°-360°-3300'.

City, Walla Walla; State, Wash.; Airport name, Walla Walla City-County; Elev., 1205'; Fac. Class, L-BVOR; Ident., ALW; Procedure No. VOR-20, Amdt. 3; Eff. date, 20 Feb. 65; Sup. Amdt. No. 2; Dated, 7 Dec. 63.

5. By amending the following very high frequency omnirange-distance measuring equipment (VOR/DME) procedures prescribed in § 97.15 to read:

## VOR/DME STANDARD INSTRUMENT APPROACH PROCEDURE

Bearings, headings, courses and radials are magnetic. Elevations and altitudes are in feet MSL. Ceilings are in feet above airport elevation. Distances are in nautical miles unless otherwise indicated, except visibilities which are in statute miles.

If an instrument approach procedure of the above type is conducted at the below named airport, it shall be in accordance with the following instrument approach procedure, unless an approach is conducted in accordance with a different procedure for such airport authorized by the Administrator of the Federal Aviation Agency. Initial approaches shall be made over specified routes. Minimum altitudes shall correspond with those established for en route operation in the particular area or as set forth below.

From—	Transition	To—	Course and distance	Minimum altitude (feet)	Condition	Ceiling and visibility minimums		
						2-engine or less		More than 2-engine, more than 65 knots
						65 knots or less	More than 65 knots	
10.6-mile DME Fix PRC-R-289	PRC VOR (final)	Direct		6600	T-dn <sup>a</sup>	800-2	800-2	800-2
					C-dn	800-2	800-2	800-2
					A-dn	1000-2	1000-2	1000-2

Procedure turn Teardrop, 309° Outbound, turn left, 109° Inbound, 7500' within 10 miles.

Minimum altitude over facility on final approach crs, 6600'.

Crs and distance, facility to airport, 112°—4.0 miles.

If visual contact not established upon descent to authorized landing minimums or if landing not accomplished at 4.6 miles after passing PRC VOR, make immediate left-climbing turn and return to PRC VOR, climb to 8000' on R-289 within 15 miles or, when directed by ATC, make immediate left turn and climb to 9000' on R-080 within 15 miles. Not authorized beyond 15 miles.

NOTES: 1. When authorized by ATC, DME may be used at 10 miles at 9100' altitude from PRC R-237 to R-238 and at 8000' altitude between PRC R-238 and R-348 to position aircraft for a straight-in approach with the elimination of the procedure turn. 2. Final approach crs is to NE side of airport.

<sup>a</sup>800-2 authorized for takeoff on Runways 3 and 21.

<sup>c</sup>Circling W and S not authorized.

<sup>e</sup>Takeoffs all runways: Runways 3 and 30 climb direct to PRC VOR/RBn. Runway 12 turn left, Runway 21 turn right, climb direct to PRC VOR/RBn, then climb NW via PRC VOR R-289/319° bearing from PRC RBn to recross PRC VOR/RBn at minimum crossing altitudes for direction of flight.

MCAs: PRC VOR R-030 to R-180 and 035° to 180° bearing from PRC RBn—3800', PRC VOR R-181 to R-258 and 181° to 255° bearing from PRC RBn—7200'. Northbound (259° through 049°) on crs climb authorized.

MSA within 25 miles of facility: 000°-090°—8800'; 090°-180°—6000'; 180°-270°—8600'; 270°-360°—8300'.

City, Prescott; State, Ariz.; Airport name, Prescott Municipal; Elev., 5042'; Fac. Class., II-BVORTAC; Ident., PRC; Procedure No. 1, Amdt. 1; Eff. date, 20 Feb. 65; Sup. Amdt. No. Orig.; Dated, 12 Dec. 64

Rockford Int.	GEG VOR	Direct	5500	T-dn <sup>a</sup>	300-1	300-1	300-1½
29-mile DME Fix R-073	11-mile DME Fix R-073	Direct	5500	C-dn	500-1	500-1	500-1½
11-mile DME Fix R-073	GEG VOR	Direct	4300	S-dn-3#	400-1	400-1	400-1
Williams Int.	Corskey Int.	Direct	4000	A-dn	800-2	800-2	800-2
Amber Int.	Corskey Int.	Direct	4000				
Tyler Int.	Corskey Int.	Direct	4000				
Edwall Int/10.1-mile DME Fix R-341	Corskey Int.	Direct	4000				
Corskey Int.	GEG VOR (final)	Direct	3700				

Radar transitions and vectoring utilizing Spokane Radar authorized in accordance with approved radar patterns.

When used in lieu of procedure turn, alignment on final approach heading within 10 miles of VOR is required.

Procedure turn 8 side of crs, 207° Outbound, 027° Inbound, 4000' within 10 miles.

Minimum altitude over facility on final approach crs, 3700'.

Crs and distance, facility to airport, 027°—4.4 miles.

If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 4.4 miles after passing GEG-VOR, climb on R-020 to GE LOM, then continue climb to 4500' in a 1-minute right turn holding pattern on R-020 NE of GE LOM or, when directed by ATC, make left-climbing turn and climb to 4500' on R-271 within 20 miles, all turns 8 side R-271, or make left-climbing turn and return to VOR, climbing to 4000'.

NOTE: When authorized by ATC, DME may be used within 9 miles at 4000' to position aircraft for straight-in approach with elimination of the procedure turn.

CAUTION: Terrain and tower 6034' 16 miles NE of LOM; high terrain N through E of airport; 3188' tower 4.8 miles SE of GE LOM; 4549' TV tower 9.2 miles E of airport.

<sup>a</sup>800-1½ authorized, except for turbojet aircraft, with operative high-intensity runway lights.

MSA within 25 miles of facility: 000°-090°—6200'; 090°-180°—5000'; 180°-270°—4100'; 270°-360°—5100'.

<sup>c</sup>Takeoffs all runways: Climb direct GEG VOR, then continue climb on R-207 GEG VOR within 10 miles so as to cross GEG VOR at or above: Eastbound V-2

3200'; northbound V-2N 3200'; southbound V-2S 3000'.

LFR departures: Climb on the 205° bearing from EG LMM within 10 miles to MEA for direction of flight.

City, Spokane; State, Wash.; Airport name, Spokane International; Elev., 3372'; Fac. Class., II-BVORTAC; Ident., GEG; Procedure No. VOR/DME No. 1, Amdt. 4; Eff. date, 20 Feb. 65; Sup. Amdt. No. 3; Dated, 15 Aug. 64

10 mile DME Fix R-075	DLS VOR (final)	Direct	2300	T-dn <sup>a</sup>	1000-1	1000-1	1000-1
				C-dn	1500-1	1500-1	1500-1½
				A-dn	1500-2	1500-2	1500-2

Procedure turn 8 side of crs, 075° Outbound, 255° Inbound, 3500' within 10 miles.

Final approach from holding pattern at DLS VORTAC not authorized; procedure turn required.

Minimum altitude over facility on final approach crs, 2300'.

Crs and distance, facility to airport, 249°—11.8 miles.

If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 6.0 miles after passing DLS VOR, or at 6-mile DME

Fix R-249, turn left, return to DLS VOR, climb to 3500' on R-075 of the DLS VOR within 10 miles. All maneuvering 8 of R-075.

CAUTION: High terrain W through NE of airport.

NOTES: Operations from 6.0 miles to airport must be conducted in accordance with visual flight rules. When authorized by ATC, DME may be used between R-075 clockwise to R-172 within 10 miles at 3500' to position aircraft for straight-in approach with elimination of the procedure turn.

Other change: Deletes transition from DL LFR.

<sup>c</sup>Takeoffs all runways: Climb visually over the airport to 1200', then climb direct to DLS VORTAC to cross DLS VORTAC at or above 2700'. LFR departures: Climb visually over the airport to 1200', then climb direct to DL LFR, continue climb in a 170-175-knot 1-minute left turn holding pattern on the E crs DL LFR to MEA for direction of flight.

MSA within 25 miles of facility: 000°-090°—5200'; 090°-180°—3700'; 180°-270°—5600'; 270°-360°—6900'.

City, The Dalles; State, Ore.; Airport name, The Dalles Municipal; Elev., 243'; Fac. Class., II-BVORTAC; Ident., DLS; Procedure No. VOR/DME No. 1, Amdt. 1; Eff. date, 20 Feb. 65; Sup. Amdt. No. Orig.; Dated, 12 Oct. 63

12 mile DME Fix R-276	LAX VOR	Direct	3000	T-dn	300-1	300-1	300-1½
9 mile DME Fix R-323	LAX VOR	Direct	3000	C-dn	800-1	800-1	800-1½
8 mile DME Fix R-340	LAX VOR	Direct	3000	A-dn <sup>a</sup>	1000-2	1000-2	1000-2

Radar vectoring authorized in accordance with approved patterns.

Procedure turn Teardrop, R-276 Outbound to 7.0-mile DME Fix; orbit clockwise via 7.0-mile DME to R-318. Minimum altitude, 3000'.

Minimum altitude over LAX VOR on final approach crs, 3000'; at 5.7-mile DME Fix R-135, 1300'.

Crs and distance, 5.7-mile DME Fix R-135 to airport, 135°—2.9 miles; breakoff point to runway, 135°—0.7 mile.

If visual contact not established upon descent to authorized landing minimums or if landing not accomplished at 8-mile DME Fix R-135, turn left, climb via 8.0-mile DME

orbit to R-123, climb inbound to 6-mile DME Fix R-123 at 2000'.

NOTES: When authorized by ATC, DME may be used within 7.0 miles at 2000' from 205° clockwise to 123° to position aircraft for a straight-in approach with elimination of the procedure turn.

<sup>a</sup>Weather service available 0600-2200.

MSA within 25 miles of facility: 000°-090°—7200'; 090°-180°—2500'; 180°-270°—2400'; 270°-360°—5200'.

City, Torrance; State, Calif.; Airport name, Torrance Municipal; Elev., 95'; Fac. Class., II-BVORTAC; Ident., LAX; Procedure No. VOR/DME No. 1, Amdt. 1; Eff. date, 20 Feb. 65; Sup. Amdt. No. Orig.; Dated, 2 Nov. 63

## 6. By amending the following instrument landing system procedures prescribed in § 97.17 to read:

## ILS STANDARD INSTRUMENT APPROACH PROCEDURE

Bearings, headings, courses and radials are magnetic. Elevations and altitudes are in feet MSL. Ceilings are in feet above airport elevation. Distances are in nautical miles unless otherwise indicated, except visibilities which are in statute miles.

If an instrument approach procedure of the above type is conducted at the below named airport, it shall be in accordance with the following instrument approach procedure, unless an approach is conducted in accordance with a different procedure for such airport authorized by the Administrator of the Federal Aviation Agency. Initial approaches shall be made over specified routes. Minimum altitudes shall correspond with those established for en route operation in the particular area or as set forth below.

From—	Transition	To—	Course and distance	Minimum altitude (feet)	Condition	Ceiling and visibility minimums		
						2-engine or less		More than 2-engine, more than 65 knots
						65 knots or less	More than 65 knots	
Int FSM R-215 and E crs FSM ILS.....	LOM.....	Via E crs FSM ILS.	2700	T-dn.....	300-1	300-1	300-1	200-1/2
Fort Smith VOR.....	LOM.....	Direct.....	2700	C-d.....	600-1	600-1	600-1	600-1/2
Fort Smith RBN.....	LOM.....	Direct.....	3000	C-n.....	600-2	600-2	600-2	600-2
				S-dn-25.....	200-1/2	200-1/2	200-1/2	200-1/2
				A-dn##.....	600-2	600-2	600-2	600-2

Procedure turn N side of crs, 675° Outbnd, 253° Inbnd, 2700' within 10 miles.

Minimum altitude at glide slope Int Inbnd, 2700'.

Altitude of glide slope and distance to approach end of runway at OM, 2658'—6.9 miles; at MM, 684'—0.6 mile.

If visual contact not established upon descent to authorized landing minimums or if landing not accomplished, climb to 1200' on 253° bearing from LOM, turn right, continue climb to 3000', proceeding direct to Fort Smith RBN or, when directed by ATC, turn left to heading 180° until intercepting FSM VOR R-194 (Outbnd), climbing to 3000' within 20 miles.

NOTE: No reduction in takeoff or landing minimums authorized.

CAUTION: All maneuvering must be completed N of the localizer crs. Standard distance not applied between localizer crs and restricted area R-2402.

\*Aircraft departing Runway 25 shall maintain runway heading until reaching 1300' prior to starting right turn.

#500-1/2 required when glide slope not utilized.

##All installed components of the ILS must be operating otherwise alternate minimums of 800-2 apply.

City, Fort Smith; State, Ark.; Airport name, Fort Smith Municipal; Elev., 468'; Fac. Class., ILS; Ident., I-PSM; Procedure No. ILS-25, Amdt. 6; Eff. date, 20 Feb. 62; Sup. Amdt. No. 5, Dated, 11 July 64

Meridian VOR.....	LOM (HW).....	Direct.....	2000	T-dn.....	300-1	300-1	200-1/2
Stratton Int.....	LOM (HW).....	Direct.....	2000	C-dn.....	600-1	600-1	600-1/2
Decatur Int.....	LOM (HW).....	Direct.....	2000	S-dn-18.....	300-1/2	300-1/2	300-1/2
Newton Int.....	LOM (HW).....	Direct.....	2000	A-dn.....	600-2	600-2	600-2
Rose Hill Int.....	LOM (HW).....	Direct.....	2000				
Kewanee VOR.....	LOM (HW).....	Direct.....	2000				

Radar vectoring authorized in accordance with approved patterns.

Procedure turn S side of crs, 184° Outbnd, 004° Inbnd, 2000' within 10 miles.

Minimum altitude at glide slope interception Inbnd 1700'.

Altitude of glide slope and distance to approach end of runway at OM, 1700'—4.5 miles; at MM, 506'—0.6 mile.

If visual contact not established upon descent to authorized landing minimums or if landing not accomplished, turn left, climb to 2000', proceed direct to MEI VOR. Hold NW on R-309, 1-minute right turns or, when directed by ATC, turn left and return to LOM at 2000'.

NOTE: Takeoffs with less than 200-1/2 not authorized on Runways 5 and 23.

No approach lights. Over-run lights and high-intensity runway lights only on Runway 1-19. Runway 5-27 closed.

CAUTION: Trees 600' 2 miles E of airport. 1000' tower 2.5 miles E of airport. 880' tower 4.2 miles SE of airport.

#500-1 required when glide slope not used.

City, Meridian; State, Miss.; Airport name, Key Field; Elev., 297'; Fac. Class., ILS; Ident., I-MEI; Procedure No. ILS-1, Amdt. 8; Eff. date, 20 Feb. 62; Sup. Amdt. No. 7, Dated, 11 Apr. 64

Pendleton VOR.....	LOM.....	Direct.....	4600	T-dn.....	300-1	300-1	200-1/2
Pilot Rock Int.....	LOM.....	Direct.....	4800	C-dn.....	600-1	600-1	600-1/2
Mission Int.....	LOM.....	Direct.....	4600	S-dn-25R.....	200-1/2	200-1/2	200-1/2
Gardena Int.....	LOM.....	Direct.....	4600	A-dn.....	600-2	600-2	600-2

Procedure turn N side of crs, 070° Outbnd, 250° Inbnd, 4600' within 10 miles.

Final approach from holding pattern at PD LOM not authorized, procedure turn required.

Minimum altitude at glide slope interception Inbnd, 3700'.

Altitude of glide slope and distance to approach end of runway at OM, 2750'—4.1 miles; at MM, 1725'—0.6 mile.

If visual contact not established upon descent to authorized landing minimums or if landing not accomplished, climb to 4000' direct to PDT VOR, continue climb on R-250 within 15 miles or, when directed by ATC, climb to 4000' on crs 250° Outbnd, 070° Inbnd within 15 miles of DT LMM.

Other change: Deletes transition from Pendleton VOR.

%Takeoffs all runways: Climb direct to PDT VOR, then continue climb on R-234 PDT VOR within 15 miles so as to cross PDT VOR at or above Southeastbound V-4 2500'; southeastbound V-298 2500'; southwestbound V-281 2500'.

LFR departure: Climb on the W crs PN LFR within 10 miles so as to cross PN LFR at or above 2700' on any crs from 050° clockwise to 230°. All maneuvering N of R-234 of PDT VOR or N side of the W crs PN LFR.

City, Pendleton; State, Oreg.; Airport name, Pendleton Municipal; Elev., 1493'; Fac. Class., ILS; Ident., I-PDT; Procedure No. ILS-25R, Amdt. 7; Eff. date, 20 Feb. 62; Sup. Amdt. No. 6, Dated, 16 Mar. 63

Raleigh RBN.....	LOM.....	Direct.....	2000	T-dn.....	300-1	300-1	200-1/2
Raleigh VOR.....	LOM.....	Direct.....	2000	C-dn.....	600-1	600-1	600-1/2
Chapel Hill Int.....	LOM.....	Direct.....	2100	S-dn-5°.....	200-1/2	200-1/2	200-1/2
Holly Springs Int.....	LOM.....	Direct.....	2000	A-dn.....	600-2	600-2	600-2
Monrovia Int.....	LOM (final).....	Direct.....	2000				
Durham Int.....	LOM.....	Direct.....	2000				
Int LIB-VOR R-102 and RDU-VOR R-244.....	LOM (final).....	Direct.....	2000				

Radar vectoring authorized in accordance with approved patterns.

Procedure turn N side of crs, 229° Outbnd, 049° Inbnd, 2000' within 10 miles. Nonstandard due ATC.

Minimum altitude at glide slope Int Inbnd, 2000'.

Altitude of glide slope and distance to approach end of runway at OM, 2025'—5.8 miles; at MM, 614'—0.6 mile.

If visual contact not established upon descent to authorized landing minimums or if landing not accomplished, climb to 2000' on R-041 of VOR within 15 miles or, when directed by ATC, turn left, climb to 2400' on R-309 of VOR within 15 miles.

\*300-1/2 required when glide slope not utilized.

City, Raleigh; State, N.C.; Airport name, Raleigh-Durham; Elev., 435'; Fac. Class., ILS; Ident., I-RDU; Procedure No. ILS-5, Amdt. 8; Eff. date, 20 Feb. 62; Sup. Amdt. No. 7, Dated, 28 Nov. 64

## ILS STANDARD INSTRUMENT APPROACH PROCEDURE—Continued

Transition				Ceiling and visibility minimums			
From—	To—	Course and distance	Minimum altitude (feet)	Condition	2-engine or less		More than 2-engine, more than 65 knots
					65 knots or less	More than 65 knots	
GEG VOR.....	Willow Lake VHF Int.....	Direct.....	4000	T-dn%.....	300-1	300-1	200-1½
				C-dn.....	500-1	500-1	500-1½
				S-dn-3#.....	400-1	400-1	400-1
				A-dn.....	800-2	800-2	800-2

Radar vectoring authorized in accordance with approved patterns.  
 Procedure turn 8 side of crs, 206° Outbnd, 025° Inbnd, 4000' within 10 miles of Willow Lake Int.  
 Minimum altitude over Willow Lake Int on final approach crs, 3700'.  
 Crs and distance, Willow Lake Int to airport, 025°—4.5 miles.  
 No glide slope. Back crs.  
 If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 4.5 miles after passing Willow Lake Int, climb direct GE LOM, thence continue climb to 4500' in a 170-175-knot 1-minute right turn holding pattern NE of GE LOM, on NE crs of localizer or when directed by ATC, turn left, climb to 4000' direct GEG VOR.  
 NOTES: 1. Dual VHF receivers required for this approach. 2. When authorized by ATC, DME may be used within 9 miles of GEG VOR at 4000' to position aircraft for straight-in approach with elimination of procedure turn.  
 CAUTION: Terrain and tower 6031' 16 miles NE of LOM; high terrain N through E of airport; 3188' tower 4.5 miles SE of GE LOM; 4549' TV tower 9.2 miles E of airport. 400-1½ authorized, except for turbojet aircraft, with operative high-intensity runway lights.  
 \*Takeoffs all runways: Climb direct GEG VOR, thence continue climb on R-207 GEG VOR within 10 miles so as to cross GEG VOR at or above: Eastbound V-2 3200'; northbound V-2N 3200'; southbound V-2S 3000'.  
 LFR departures: Climb on the 206° bearing from GE LMM within 10 miles to MEA for direction of flight.  
 City, Spokane; State, Wash.; Airport name, Spokane International; Elev., 2372'; Fac. Class., ILS; Ident., I-GEG; Procedure No. ILS-3 (back crs), Amdt. 3; Eff. date, 20 Feb. 65; Sup. Amdt. No. 2; Dated, 20 Aug. 64

GEG VOR.....	GE LOM.....	Direct.....	4500	T-dn%*.....	300-1	300-1	200-1½
Rockford VHF Int.....	GE LOM.....	Direct.....	5500	C-dn.....	500-1	500-1	500-1½
				S-dn-21**.....	200-1½	200-1½	200-1½
				A-dn.....	600-2	600-2	600-2

RADAR vectoring authorized in accordance with approved patterns. When used in lieu of procedure turn, alignment on final approach heading within 10 miles of LOM is required.  
 Procedure turn N side of NE crs, 025° Outbnd, 206° Inbnd, 4500' within 10 miles. Beyond 10 miles not authorized.  
 Shuttle descent to 4500' in a 170-175-knot 1-minute right turn holding pattern NE of GE LOM on NE crs of ILS localizer.  
 Minimum altitude at glide slope Int Inbnd, 3000'.  
 Altitude of glide slope and distance to approach end of runway at LOM, 3527'—3.9 miles; at LMM, 2560'—0.6 miles.  
 If visual contact not established upon descent to authorized landing minimums or if landing not accomplished, climb straight ahead to the GEG VOR and climb to 4000' on R-207 within 10 miles of GEG VOR or, when directed by ATC, turn right, climb direct to GE LOM, thence continue climb to 4500' in a 170-175-knot 1-minute right turn holding pattern NE of GE LOM on the localizer crs.  
 CAUTION: Terrain and tower 6031' 16 miles NE of LOM; high terrain N through E of airport; 3188' tower 4.5 miles SE of GE LOM; 4549' TV tower 9.2 miles E of airport.  
 \*Runway visual range 2000' also authorized for takeoff on Runway 21 in lieu of 200-1½ when 200-1½ is authorized provided high-intensity runway lights are operational.  
 \*\*Runway visual range 2000' also authorized for landing on Runway 21, provided all components of the ILS, high-intensity runway lights, approach lights, centerline lights, outer crossbar lights, and all related airborne equipment are operating satisfactorily. Descent below 2372' shall not be made unless visual contact with approach lights has been established or the aircraft is clear of the clouds.  
 \*Takeoffs all runways: Climb direct GEG VOR, thence continue climb on R-207 GEG VOR within 10 miles so as to cross GEG VOR at or above: Eastbound V-2 3200'; northbound V-2N 3200'; southbound V-2S 3000'.  
 LFR departures: Climb on the 206° bearing from GE LMM within 10 miles to MEA for direction of flight.  
 City, Spokane; State, Wash.; Airport name, Spokane International; Elev., 2372'; Fac. Class., ILS; Ident., I-GEG; Procedure No. ILS-21, Amdt. 8; Eff. date, 20 Feb. 65; Sup. Amdt. No. 7; Dated, 25 Jan. 64

## 7. By amending the following radar procedures prescribed in § 97.19 to read:

## RADAR STANDARD INSTRUMENT APPROACH PROCEDURE

Bearings, headings, courses and radials are magnetic. Elevations and altitudes are in feet, MSL. Ceilings are in feet above airport elevation. Distances are in nautical miles unless otherwise indicated, except visibilities which are in statute miles.  
 If a radar instrument approach is conducted at the below named airport, it shall be in accordance with the following instrument procedure, unless an approach is conducted in accordance with a different procedure for such airport authorized by the Administrator of the Federal Aviation Agency. Initial approaches shall be made over specified routes. Minimum altitude(s) shall correspond with those established for en route operation in the particular area or as set forth below. Positive identification must be established with the radar controller. From initial contact with radar to final authorized landing minimums, the instructions of the radar controller are mandatory except when (A) visual contact is established on final approach at or before descent to the authorized landing minimums, or (B) at pilot's discretion if it appears desirable to discontinue the approach, except when the radar controller may direct otherwise prior to final approach, a missed approach shall be executed as provided below when (A) communication on final approach is lost for more than 5 seconds during a precision approach, or for more than 30 seconds during a surveillance approach; (B) directed by radar controller; (C) visual contact is not established upon descent to authorized landing minimums; or (D) if landing is not accomplished.

Transition				Ceiling and visibility minimums			
From—	To—	Course and distance	Minimum altitude (feet)	Condition	2-engine or less		More than 2-engine, more than 65 knots
					65 knots or less	More than 65 knots	
000°.....	300°.....	Within:			Surveillance approach		
000°.....	250°.....	0-15 miles.....	2200	T-dn.....	300-1	300-1	200-1½
210°.....	300°.....	15-25 miles.....	2500	C-dn.....	400-1	400-1	500-1½
		15-25 miles.....	3300	S-dn-15, # 30, 5, 23,*.....	400-1	400-1	400-1
				A-dn.....	800-2	800-2	800-2

All bearings and distances are from radar antenna site on Douglas Municipal Airport with sector azimuths progressing clockwise.  
 If visual contact not established upon descent to authorized landing minimums or if landing not accomplished, Runways 36 and 5: Climb to 2000' on R-007 FML-VOR and proceed direct to CLT LOM. Runway 18: Climb to 2500' and proceed direct to FML-VOR. Hold S on R-186, 1-minute right turns. Runway 23: Climb to 2200' and proceed direct to CLT LOM. Hold SW on 230° bearing, 1-minute left turns.  
 \*Radar control will provide 1000' vertical clearance within a 3-mile radius of the following towers: 1932', 10 miles NE; 1899', 10 miles NW.  
 \*Maintain 1800' or above until 2.5 miles from approach end of Runway 23 on final.  
 #Runway 5: 400-1½ authorized except for turbojet aircraft, with operative ALS and high-intensity runway lights.  
 Runway 23: 400-1½ authorized except for turbojet aircraft, with operative high-intensity runway lights.  
 Runway 18: 400-1½ authorized except for turbojet aircraft, with operative high-intensity runway lights.  
 Runway 36: 400-1½ authorized except for turbojet aircraft, with operative high-intensity runway lights.  
 City, Charlotte; State, N.C.; Airport name, Douglas Municipal; Elev., 748'; Fac. Class. and Ident., Charlotte radar; Procedure No. 1, Amdt. 1; Eff. date, 20 Feb. 65; Sup. Amdt. No. Orig.; Dated, 5 May 62

## RADAR STANDARD INSTRUMENT APPROACH PROCEDURE—Continued

Transition				Ceiling and visibility minimums			
From--	To--	Course and distance	Minimum altitude (feet)	Condition	2-engine or less		More than 2-engine, more than 65 knots
					65 knots or less	More than 65 knots	
				Surveillance approach			
305°	035°	Within: 40 miles	8000				
035°	085°	40 miles	7200	T-dn	300-1	300-1	300-1
085°	130°	40 miles	6300	C-dn	500-1	500-1	500-1
130°	145°	40 miles	5600	A-dn	800-2	800-2	800-2
145°	250°	40 miles	5000				
250°	305°	40 miles	7300				

If visual contact not established upon descent to authorized landing minimums or if landing not accomplished, all runways: Climb direct GEG VOR, thence continue climb to 4000' on R-207 GEG VOR within 10 miles of GEG VOR or, when directed by ATC, climb direct GE LOM, thence continue climb to 4000' in a 170-175-knot 1-minute right turn holding pattern NE of GE LOM.

CAUTION: High terrain N through E of airport; 3185' tower 4.8 miles SE of GE LOM; 4549' TV towers 9.2 miles E of airport.

%Takeoffs all runways: Climb direct GEG VOR, thence continue climb on R-207 GEG VOR within 10 miles so as to cross GEG VOR at or above: Eastbound V-2 3200'; northeastbound V-2N 3200'; southeastbound V-2S 3000'. LFR departures: Climb on the 205° bearing from EG LMM within 10 miles to MEA for direction of flight.

City, Spokane; State, Wash.; Airport name, Spokane International; Elev., 2372'; Fac. Class. and Ident., Fairchild RAPCON; Procedure No. 1, Amdt. 4; Eff. date, 2 Feb. 66; Sup. Amdt. No. 3; Dated, 22 July 61

These procedures shall become effective on the dates specified therein.

(Secs. 307(c), 313(a), 601, Federal Aviation Act of 1958; 49 U.S.C. 1348(c), 1354(a), 1421; 72 Stat. 749, 752, 775)

Issued in Washington, D.C., January 14, 1965.

C. W. WALKER,  
Acting Director, Flight Standards Service.

[F.R. Doc. 65-635; Filed, Feb. 8, 1965; 8:50 a.m.]

## Title 28—JUDICIAL ADMINISTRATION

### Chapter I—Department of Justice

#### PART 0—ORGANIZATION OF THE DEPARTMENT OF JUSTICE

##### Subpart 0—Administrative Division

FEBRUARY 1, 1965.

This memorandum shall be published as an Appendix to Subpart 0 of Part 0 of Title 28 of the Code of Federal Regulations.

#### ADMINISTRATIVE DIVISION

[Memo No. 398]

PRESCRIBING REGULATIONS WITH RESPECT TO THE MILITARY PERSONNEL AND CIVILIAN EMPLOYEES' CLAIMS ACT OF 1964 (78 STAT. 767)

Pursuant to the authority vested in me by § 0.78a of Title 28 of the Code of Federal Regulations (Order No. 327-64), I hereby prescribe the following regulations with respect to all claims filed by or on behalf of employees of this Department under the Military Personnel and Civilian Employees' Claims Act of 1964 (hereinafter referred to as the Act)—

**SECTION 1. Scope.** The Act authorizes the settlement of employees' claims arising after August 31, 1964, for the loss of or damage to personal property which occurs incident to Government service. A claim must be substantiated and the possession of the property determined to be reasonable, useful, or proper. The maximum amount allowable on any claim is \$6,500 and property may be replaced in kind at the option of the Government.

**Sec. 2. Claimants.** A claim may be filed by an employee, or in his name by

his spouse, as authorized agent, or by any other authorized agent or legal representative of the employee. If the employee is dead, the claim may be filed by his (1) spouse, (2) children, (3) father or mother, or both, or (4) brothers or sisters, or both. Payments in settlement of claims to survivors of employees will be made in the same order of precedence.

**SEC. 3. Conditions.** Under the Act, a claim may be allowed only if it is presented in writing within 2 years after it accrues, except that if the claim accrues in time of war or in time of armed conflict in which any armed force of the United States is engaged or if such a war or armed conflict intervenes within 2 years after it accrues, and if good cause is shown, the claim may be presented not later than 2 years after that cause ceases to exist, or 2 years after the war or armed conflict is terminated, whichever is earlier. A claim may not be allowed if the loss or damage shall have occurred at quarters occupied by the claimant within one of the 50 States or the District of Columbia unless those quarters shall have been assigned to him or otherwise provided in kind by the United States. Nor can a claim be allowed if it shall have been caused wholly or partly by the negligent or wrongful act of the claimant, his agent, or his employee.

**SEC. 4. Principal types of claims payable.** Claims are allowable when the damage or loss involves one or more of the following circumstances—

1. Loss, theft, or damage in quarters or other authorized places if it occurred at:

a. Quarters, wherever situated, if assigned or provided in kind by the Government.

b. Quarters outside the 50 States and the District of Columbia without regard to whether assigned or provided in

kind by the Government, unless the employee involved is a local or native resident.

c. Any warehouse, office, hospital, storage place designated by superior authority for reception of the property.

2. A marine, rail, aircraft, or other common disaster or a natural disaster such as a fire, flood, hurricane, etc.

3. Property, including personal clothing and vehicles, subjected to extraordinary risks in the performance of duty, such as in connection with civil disturbance, public disorder, common or natural disaster, or efforts to save Government property or human life.

4. Property used for the benefit of the Government at the direction of a superior authority.

5. Money deposited with an authorized Government agent for safekeeping.

**SEC. 5. Principal types of claims not payable.** Claims are not allowable for the following:

1. Losses or damages totaling less than \$10.

2. Money or currency except when deposited with an authorized Government agent for safekeeping or except when lost incident to a marine, rail, aircraft, or other common disaster or a natural disaster such as a fire, flood, hurricane, etc.

3. Transportation losses involving baggage, household goods, or other shipments which could have been insured.

4. Articles of extraordinary value.

5. Articles being worn (unless allowable under sec. 4).

6. Intangible property such as bank books, checks, notes, stock certificates, money orders, travelers checks, etc.

7. Property owned by the United States unless employee is financially responsible for it to another Government agency.

8. Claims for loss or damage to motor vehicles or trailers (unless allowable under sec. 4).

9. Losses of insurers and subrogees.  
10. Losses recoverable from insurers and carriers.

11. Losses in quarters within the United States not assigned or otherwise provided in kind by the Government.

12. Losses recovered or recoverable pursuant to contract.

13. Claims for damage or loss caused, in whole or in part, by the negligence or wrongful act of the employee or his agent.

14. Property used for business or profit.  
15. Theft from the possession of the employee unless due care was used to protect possession.

16. Property acquired, possessed or transported in violation of law, or regulations.

**Sec. 6. Types and quantity of property.** Claims are allowable only for such types and quantities of tangible personal property the possession of which is determined to be reasonable, useful, or proper under the attendant circumstances at the time of the loss or damage.

**Sec. 7. Computation of award and finality of settlement.** The amount awarded on any item of property will not exceed the adjusted cost, based either on the price paid or value at the time of acquisition. The amount normally payable for property damaged beyond economical repair is found by determining its depreciated value immediately before loss or damage, less any salvage value. If the cost of repair is less than the depreciated value, it will be considered to be economically repairable and only the cost of repair will be allowable.

There is reserved to the Assistant Attorney General for Administration, on behalf of the Government, the right to fix a maximum amount to be payable as to specific articles and to establish maximum quantity limitations with respect to which payments will be allowed. Notwithstanding any other provision of law, settlements of claims under the Act are final and conclusive.

**Sec. 8. Claims procedure.** The form prescribed by me for filing claims pursuant to these regulations (Form DJ-110) shall be completed by the employee, the person acting on his behalf, or by his survivor and shall be forwarded through the employee's supervisor to the head of the office, division, bureau, or board concerned. That official shall be responsible for assuring that all necessary supporting papers are attached to that form and shall forward the entire file to the Assistant Attorney General for Administration by a brief memorandum summarizing the facts concerning the loss or damage, commenting on the merits of the claim, and recommending what amount, if any, should be paid in settlement thereof. Claim forms may be obtained from the administrative units of the various offices, divisions, bureaus, and boards and from the Administrative Division of this Department.

**Sec. 9. Supporting papers.** In addition to the information required to complete the claim form, the following evidence will be required—

1. Two itemized repair estimates, or value estimates, whichever is applicable.

2. With respect to claims involving thefts or losses in quarters or other authorized places—

a. A statement as to geographical location of place where the theft or loss occurred;

b. A statement as to what security precautions were taken to protect the property involved; and

c. An explanation of the facts and circumstances surrounding the loss or theft.

3. With respect to claims involving property being used for benefit of the Government, a statement by the employee's superior to the effect that the claimant was required to provide such property.

4. A claim filed by an agent or survivor must be supported by a power of attorney or other satisfactory evidence of authority to file.

5. A report shall be provided by the employee's supervisor summarizing all the facts and circumstances and giving any other pertinent information ascertained by his investigation of the claim.

**Sec. 10. Settlement.** Upon receipt of the claim file in the Administrative Division, a determination will be made with respect to the merits of the claim. If it is disallowed, a memorandum will be sent to the head of the office, division, bureau, or board concerned briefly explaining the disallowance. If allowed, in whole or in part, a memorandum to that effect will be sent and will be accompanied by an approved voucher which should be signed by an authorized certifying officer and paid.

S. A. ANDRETTA,  
Assistant Attorney General  
for Administration.

[F.R. Doc. 65-1330; Filed, Feb. 8, 1965;  
8:45 a.m.]

# Proposed Rule Making

## DEPARTMENT OF AGRICULTURE

### Agricultural Marketing Service

[7 CFR Parts 1135, 1137]

[Dockets Nos. AO-300-A9, AO-326-A7]

## MILK IN COLORADO SPRINGS-PUEBLO AND EASTERN COLORADO MARKETING AREAS

### Notice of Joint Hearing on Proposed Amendments to Tentative Marketing Agreements and Orders

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.), and the applicable rules of practice and procedure governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), notice is hereby given of a public hearing to be held at Writer's Manor Motel, 1730 South Colorado Boulevard, Denver, Colo., beginning at 9:30 a.m., local time, on February 24, 1965, with respect to proposed amendments to the tentative marketing agreements and to the orders, regulating the handling of milk in the Colorado Springs-Pueblo and Eastern Colorado marketing areas.

The public hearing is for the purpose of receiving evidence with respect to the economic and marketing conditions which relate to the proposed amendments, hereinafter set forth, and any appropriate modifications thereof, to the tentative marketing agreements and to the orders.

A proposal to combine under one order the Colorado Springs-Pueblo and Eastern Colorado marketing areas contemplates termination of Order No. 135 (Colorado Springs-Pueblo) with a merger of the administrative, marketing service funds, and producer-settlement funds. This proposal also raises the issue of whether the present provisions of either Order 135 or Order 137, if amended in accordance with the proposals listed below, would tend to effectuate the declared policy of the act, if they are applied to the marketing area as proposed to be redefined and, if not, what modifications of the provisions of either of the orders would be appropriate.

The proposed amendments, set forth below, have not received the approval of the Secretary of Agriculture.

Proposed by Arvada Gibson Dairy; Owen's Dairy; Robinson's Dairy, Inc.; Royal Crest Dairy; Sealtest Foods, division of National Dairy Products Corp.; and Watts-Hardy Dairy, Inc. (except that Watts-Hardy Dairy, Inc., is not a proponent with respect to § 1137.52(a) herein).

**Proposal No. 1.** Combine the Eastern Colorado milk marketing order, 7 CFR Part 1137, and the Colorado Springs-Pueblo milk marketing order, 7 CFR Part 1135, under a consolidated order with appropriate designation.

Combine under said consolidated order, the marketing areas of the present Eastern Colorado order and the present Colorado Springs-Pueblo order.

Provide for the merger of the administrative and marketing service funds of the two orders.

The complete regulatory terms for said consolidated order are proposed as follows:

#### DEFINITIONS

##### § 1137.1 Act.

"Act" means Public Act No. 10, 73d Congress, as amended, and re-enacted and amended by the Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.).

##### § 1137.2 Department.

"Department" means the Department of Agriculture.

##### § 1137.3 Secretary.

"Secretary" means the Secretary of Agriculture of the United States or any officer or employee of the United States authorized to exercise the powers and to perform the duties of the Secretary of Agriculture.

##### § 1137.4 Person.

"Person" means any individual, partnership, corporation, association, or any other business unit.

##### § 1137.5 Cooperative association.

"Cooperative association" means any cooperative marketing association of producers which the Secretary determines:

(a) To be qualified under the provisions of the act of Congress of February 18, 1922, as amended, known as the "Capper-Volstead Act";

(b) To have full authority in the sale of milk of its members; and

(c) To be engaged in making collective sales, or marketing milk or its products for its members.

##### § 1137.6 Marketing area.

"Marketing area" means all the territory within the perimetric boundaries of the counties of Adams, Arapahoe, Boulder, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson, Kit Carson, Larimer, Logan, Morgan, Park, Phillips, Sedgwick, Washington, Weld, Yuma, Cheyenne, Crowley, Custer, El Paso, Huerfano, Kiowa, Las Animas, Lincoln, Otero, Pueblo, and Teller, all in the State of Colorado, and the counties of Cheyenne, Logan, Sherman, and Wallace, all in the State of Kansas, including all territory within such boundaries which is occupied by government (municipal, State or Federal) installations, institutions and other establishments.

##### § 1137.7 Pool plant.

"Pool plant" means any plant meeting the conditions of paragraph (a) or (b) of this section except the plant of a producer-handler or the plant of a handler

exempt pursuant to § 1137.61. If a portion of a plant is physically separated from the Grade A portion of such plant, is operated separately and is not approved by any health authority for the receiving, processing or packaging of any fluid milk products for Grade A disposition, it shall not be considered as part of a pool plant pursuant to this section.

(a) Any plant, hereinafter referred to as a "distributing pool plant", in which during the month fluid milk products are processed and packaged and from which (1) an amount equal to 50 percent or more of the total receipts of Grade A milk (except receipts from distributing pool plants) is disposed of as fluid milk products on routes, and (2) 20 percent or more of such disposition is on routes in the marketing area; and

(b) Any plant, hereinafter referred to as a "supply pool plant" from which 50 percent of its dairy farm supply of Grade A milk is moved to distributing pool plant(s). Any supply plant which has qualified as a pool plant in each of the months of September through February (or for such of the months of September 1961 through February 1962 as this section is in effect) shall be a pool plant in each of the following months of March through August unless written request for nonpool status for any such month(s) is furnished in advance to the market administrator. A plant withdrawn from supply pool plant status may not be reinstated for any subsequent month of March through August unless it fulfills the shipping requirements of this paragraph for such month.

##### § 1137.8 Nonpool plant.

"Nonpool plant" means any milk receiving, manufacturing or processing plant other than a pool plant. The following categories of nonpool plants are further defined as follows:

(a) "Other order plant" means a plant that is fully subject to the pricing and pooling provisions of another order issued pursuant to the act.

(b) "Producer-handler plant" means a plant operated by a producer-handler as defined in any order (including this part) issued pursuant to the act.

(c) "Partially regulated distributing plant" means a nonpool plant that is neither an other order plant nor a producer-handler plant, from which fluid milk products labeled Grade A in consumer-type packages or dispenser units are distributed on routes in the marketing area during the month.

(d) "Unregulated supply plant" means a nonpool plant which is not an other order plant or a producer-handler plant and from which Grade A fluid milk products are moved during the month to a pool plant qualified pursuant to § 1137.7.

##### § 1137.9 Handler.

"Handler" means:

(a) Any person in his capacity as the operator of a pool plant;

(b) Any person who operates a partially regulated distributing plant;

(c) A cooperative association with respect to the milk of its member producers which is diverted from a pool plant to a nonpool plant for the account of such cooperative association;

(d) A cooperative association with respect to the milk of its member producers which is received from the farm for delivery to the pool plant of another handler in a tank truck owned and operated by or under contract to such cooperative association, if the cooperative association notifies the market administrator and the operator of the pool plant to whom the milk is delivered in writing prior to the first day of the month in which the milk is delivered, that it elects to be the handler for all such milk; or

(e) A producer-handler, or any person who operates an other order plant described in § 1137.61.

#### § 1137.10 Producer.

"Producer" means any person (other than a producer-handler as defined in any order, including this part, issued pursuant to the act, or a dairy farmer with respect to milk which qualifies as producer milk under another Federal order issued pursuant to the act) who produces milk eligible for distribution as Grade A milk in compliance with the fluid milk product requirements of a duly constituted health authority, whose milk is:

(a) Received at a pool plant; or

(b) Diverted from a distributing pool plant to a nonpool plant for the account of the handler operating the pool plant or of a cooperative association acting as a handler pursuant to § 1137.9(c), subject to the following conditions:

(1) A cooperative association may divert for its account the milk of any member-producer whose milk is received at a distributing pool plant for at least 3 days during the month, without limit during the other days of such month. However, the total quantity of milk so diverted may not exceed 30 percent in the months of March, April, May, June, July and December and 20 percent in other months of its member producer milk received at all distributing pool plants during the month. Diversions in excess of such percentages shall not be considered producer milk, and the diverting cooperative shall specify the dairy farmers whose milk is ineligible as producer milk. Two or more cooperative associations may have their allowable diversions computed on the basis of the combined deliveries of milk by their member producers if each association has filed such a request in writing with the market administrator on or before the first day of the month the agreement is effective. This request shall specify the basis for assigning over-diverted milk to the producer members of each cooperative according to a method approved by the market administrator;

(2) A handler in his capacity as the operator of a distributing pool plant may divert for his account the milk of any producer, other than a member of a cooperative association which has di-

verted milk pursuant to subparagraph (1) of this paragraph, whose milk is received at his distributing pool plant for at least 3 days during the month, without limit during the other days of such month. However, the total quantity of milk so diverted may not exceed 30 percent in the months of March, April, May, June, July and December and 20 percent in other months of the milk received at such distributing pool plant during the month from producers who are not members of a cooperative association which has diverted milk pursuant to subparagraph (1) of this paragraph. Diversions in excess of such percentages shall not be considered producer milk, and the diverting handler shall specify the dairy farmers whose milk is ineligible as producer milk;

(3) For the purposes of the requirements of § 1137.7, milk diverted for the account of the operator of a distributing pool plant except an operator which is also a cooperative association diverting milk in the same month pursuant to subparagraph (1) of this paragraph shall be included in the receipts of the pool plant from which diverted;

(4) For purposes of location adjustments pursuant to §§ 1137.52 and 1137.81, milk diverted to a nonpool plant shall be considered to have been received at the location of the nonpool plant to which diverted.

#### § 1137.11 Producer-handler.

"Producer-handler" means any person who operates a dairy farm and a milk processing plant which distributes fluid milk products on routes in the marketing area and who receive no fluid milk products during the month from dairy farmers or any other source except by transfer from a pool plant. Such person must provide proof satisfactory to the market administrator that the care and management of all the dairy animals and other resources necessary to produce the entire volume of fluid milk products (excluding transfers from pool plants) and the operation of the processing and distribution business is the personal enterprise of and at the personal risk of such person.

#### § 1137.12 Producer milk.

"Producer milk" means all skim milk and butterfat in milk produced by a producer:

(a) With respect to receipts at a pool plant for which the handler operating such plant is to be responsible pursuant to § 1137.70:

(1) Received directly from such producer; and

(2) Diverted from such pool plant to a nonpool plant for the account of the operator of the pool plant, subject to the limitations and conditions provided in § 1137.10; and

(b) With respect to the additional receipts of a cooperative association:

(1) For which the cooperative association is the handler pursuant to § 1137.9(c), subject to the limitations and conditions provided in § 1137.10; and

(2) For which the cooperative association is the handler pursuant to § 1137.9(d).

#### § 1137.13 Other source milk.

"Other source milk" means all the skim milk and butterfat contained in:

(a) Receipts during the month of fluid milk products from any source except (1) producer milk; (2) receipts from other pool plants; and (3) receipts from a cooperative association pursuant to § 1137.9(d); and

(b) Products, other than fluid milk products, from any source (including those produced at the plant) which are reprocessed or converted to another product in the plant during the month, and any disappearance of nonfluid milk products not otherwise accounted for pursuant to § 1137.33.

#### § 1137.14 Fluid milk product.

"Fluid milk product" means milk, skim milk, buttermilk, flavored milk, flavored milk drinks, concentrated milk, reconstituted milk or skim milk, fortified milk or skim milk (including "diet" foods), sweet cream, sour cream (except sour cream not disposed of under a Grade A label), half and half, or any mixture in fluid form of milk or skim milk and cream (except ice cream mix, frozen dessert mix, aerated cream, frozen cream, plastic cream, eggnog, cultured sour mixtures to which cheese or any food substance other than a milk product has been added in an amount not less than three percent by weight of the finished product), which are neither sterilized or in hermetically sealed containers.

#### § 1137.15 Route.

"Route" means any delivery to retail or wholesale outlets (including a delivery by a vendor or a sale from a plant or plant store) of any fluid milk product, other than a delivery to a pool plant or a nonpool plant.

#### MARKET ADMINISTRATOR

#### § 1137.20 Designation.

The agency for the administration of this part shall be a market administrator, selected by the Secretary, who shall be entitled to such compensation as may be determined by, and shall be subject to removal at the discretion of the Secretary.

#### § 1137.21 Powers.

The market administrator shall have the following powers with respect to this part:

(a) To administer its terms and provisions;

(b) To receive, investigate, and report to the Secretary complaints of violations;

(c) To make rules and regulations to effectuate its terms and provisions; and

(d) To recommend amendments to the Secretary.

#### § 1137.22 Duties.

The market administrator shall perform all duties necessary to administer the terms and provisions of this part, including but not limited to, the following:

(a) Within 45 days following the date on which he enters upon his duties, or such lesser period as may be prescribed by the Secretary, execute and deliver

to the Secretary a bond, effective as of the date on which he enters upon his duties; in an amount and with surety thereon satisfactory to the Secretary;

(b) Employ and fix the compensation of such persons as may be necessary to enable him to administer the terms and provisions of this part;

(c) Obtain a bond in a reasonable amount and with reasonable surety thereon covering each employee who handles funds entrusted to the market administrator;

(d) Pay out of the funds received by § 1137.88, the cost of his bond and those of his employees, his own compensation, and all other expenses (except those incurred under § 1137.87) necessarily incurred by him in the maintenance and functioning of his office and in the performance of his duties;

(e) Keep such books and records as will clearly reflect the transactions provided for in this part, and, upon request by the Secretary, surrender the same to such other person as the Secretary may designate;

(f) Submit his books and records to examination by the Secretary and furnish such information and reports as may be requested by the Secretary;

(g) Verify all reports and payments of each handler, by audit of such handler's records and the records of any other handler or person upon whose utilization the classification of skim milk and butterfat for such handler depends; and by such other means as are necessary;

(h) Publicly announce, at his discretion, unless otherwise directed by the Secretary, by posting in a conspicuous place in his office and by such other means as he deems appropriate, the name of any person who, within ten days after the date upon which he is required to perform such acts, has not made (1) reports pursuant to §§ 1137.30 and 1137.31; or (2) payments pursuant to §§ 1137.80 through 1137.88;

(i) Publicly announce by posting in a conspicuous place in his office and by such other means as he deems appropriate, and mail to each handler at his last known address, the prices determined for each month as follows:

(1) On or before the sixth day of each month, the Class I price and Class I butterfat differential for the month, computed pursuant to §§ 1137.51(a) and 1137.53(a), respectively;

(2) On or before the sixth day of each month, the Class II and Class III prices and the Class II and Class III butterfat differentials for the preceding month computed pursuant to §§ 1137.51(b) and (c) and 1137.53(b) and (c), respectively; and

(3) On or before the 12th day of each month, the uniform price for producer milk computed pursuant to § 1137.71, and the butterfat differential computed pursuant to § 1137.82, for the preceding month;

(j) On or before the 12th day after the end of each month, report to each cooperative association which so requests the amount and class utilization of producer milk delivered by members of such association to each handler re-

ceiving such milk. For the purpose of this report, the milk so received shall be prorated to each class in accordance with the total utilization of producer milk by such handler;

(k) Prepare and make available for the benefit of producers, consumers, and handlers, such general statistics and such information concerning the operations hereof as are appropriate to the purpose and functioning of this part and which do not reveal confidential information;

(l) Whenever required for purpose of allocating receipts from other order plants pursuant to § 1137.46(a)(8) and the corresponding step of § 1137.46(b), the market administrator shall estimate and publicly announce the utilization (to the nearest whole percentage) in each class during the month of skim milk and butterfat, respectively, in producer milk of all handlers. Such estimate shall be based upon the most current available data and shall be final for such purpose;

(m) Report to the market administrator of the other order, as soon as possible after the report of receipts and utilization for the month is received from a handler who has received fluid milk products from an other order plant, the classification to which such receipts are allocated pursuant to § 1137.46 pursuant to such report, and thereafter any change in such allocation required to correct errors disclosed in verification of such report; and

(n) Furnish to each handler operating a pool plant who has shipped fluid milk products to an other order plant, the classification to which the skim milk and butterfat in such fluid milk products were allocated by the market administrator of the other order on the basis of the report of the receiving handler; and, as necessary, any changes in such classification arising in the verification of such report.

#### REPORTS, RECORDS AND FACILITIES

##### § 1137.30 Reports of receipts and utilization.

On or before the seventh day after the end of each month each handler, except a producer-handler, shall report for each of his plants to the market administrator in the detail and on forms prescribed by the market administrator as follows:

(a) The receipts of producer milk at each plant from each producer, the average butterfat test, and the pounds of butterfat contained therein and, in the case of a nonpool plant, the same information with respect to receipts of milk from approved dairy farmers;

(b) The quantities of skim milk and butterfat contained in (or used in the production of) fluid milk products received from other handlers;

(c) The quantities of skim milk and butterfat contained in receipts of other source milk;

(d) The pounds of skim milk and butterfat contained in all fluid milk products on hand at the beginning and at the end of the month;

(e) The utilization of all skim milk and butterfat required to be reported pursuant to this section;

(f) Such other information with respect to receipts and utilization as the market administrator may prescribe; and

(g) For a handler operating a partially regulated distributing plant, a separate statement showing the respective amounts of skim milk and butterfat disposed of in the marketing area as Class I milk on routes.

##### § 1137.31 Payroll reports.

On or before the 23d day of each month, each handler except a producer-handler or a handler making payments pursuant to § 1137.62(b), shall submit to the market administrator his payroll for receipts of milk during the preceding month which shall show:

(a) The total pounds of milk, the average butterfat test thereof, and the pounds of butterfat received from each producer and cooperative association;

(b) The amount of payment to each producer and cooperative association;

(c) The nature and amount of any deductions or charges involved in such payments; and

(d) Each handler who operates a partially regulated distributing plant and elects to make payments pursuant to § 1137.62(a) shall report as required in this section except that receipts of Grade A milk from dairy farmers shall be reported in lieu of receipts from producers.

##### § 1137.32 Other reports.

Each producer-handler, each handler required to report pursuant to § 1137.61 and each handler making payments pursuant to § 1137.62(b) shall make reports to the market administrator at such time and in such manner as the market administrator may prescribe.

##### § 1137.33 Records and facilities.

Each handler shall maintain and make available to the market administrator during the usual hours of business such accounts and records of his operations and such facilities as are necessary for the market administrator to verify or establish the correct data with respect to:

(a) The receipts and utilization of all skim milk and butterfat handled in any form;

(b) The weights and tests for butterfat and other content of all products handled;

(c) The pounds of skim milk and butterfat contained in or represented by all items of products on hand at the beginning and end of each month; and

(d) Payments to producers, including any deductions, and the disbursement of money so deducted.

##### § 1137.34 Retention of records.

All books and records required under this order to be made available to the market administrator shall be retained by the handler for a period of 3 years to begin at the end of the month to which such books and records pertain: *Provided*, That if within such 3-year period, the market administrator notifies the handler in writing that the retention of such books and records, or of specified books and records, is necessary in connection with a proceeding under section 8c(15)(A) of the act or a court action specified in such notice, the handler shall

retain such books and records, or specified books and records, until further written notification from the market administrator. In either case, the market administrator shall give further notification to the handler promptly upon the termination of the litigation or when the records are no longer necessary in connection therewith.

#### CLASSIFICATION

##### § 1137.40 Skim milk and butterfat to be classified.

All skim milk and butterfat at each pool plant which is required to be reported pursuant to § 1137.30 shall be classified by the market administrator pursuant to the provisions of §§ 1137.41 through 1137.46. If any of the water contained in the milk from which a product is made is removed before the product is utilized or disposed of by a handler, the pounds of skim milk used or disposed of in such product shall be considered to be an amount equivalent to the nonfat milk solids contained in such product, plus all the water originally associated with such solids.

##### § 1137.41 Classes of utilization.

Subject to the conditions set forth in §§ 1137.42 through 1137.46, the classes of utilization shall be as follows:

(a) *Class I milk.* Class I milk shall be all skim milk and butterfat:

(1) Disposed of in the form of a fluid milk product except:

(i) Any products fortified with added nonfat milk solids shall be Class I in an amount equal only to the weight of an equal volume of milk, skim milk, or cream of the same butterfat content; and

(ii) As classified pursuant to paragraph (c) (2), (3) and (5) of this section; or

(2) Not specifically accounted for as Class II or as Class III.

(b) *Class II milk.* Class II milk shall be all skim milk and butterfat used to produce soft uncured cheese prepared from the curd obtained by adding lactic acid producing bacteria, with or without enzymatic action to skim milk and mixtures of skim milk and cream, whether said product is creamed or uncreamed, except as classified pursuant to paragraph (c) (2) and (3) of this section.

(c) *Class III milk.* Class III milk shall be all skim milk and butterfat:

(1) Used to produce any product other than a fluid milk product or a Class II product;

(2) In fluid milk products or cottage cheese disposed of in bulk form for livestock feed;

(3) In fluid milk products, and in non-fluid milk products for which Class III classification is not otherwise provided, or cottage cheese, which are dumped after prior notification to and opportunity for verification by the market administrator;

(4) The weight of skim milk in fluid milk products which is excepted from Class I milk pursuant to paragraph (a) (1) (i) of this section;

(5) Disposed of in fluid milk products in lots of 2 gallons or more to any commercial food processing establishment for

use in food products prepared for consumption off the premises;

(6) In inventory of fluid milk products on hand at the end of the month, including packaged fluid milk products processed at the pool plant and on hand in loaded trucks on premises owned or leased by the pool plant and within the city limits of the city within which the plant is located;

(7) In shrinkage allocated pursuant to § 1137.42(b) (1), not to exceed the following:

(i) 2 percent of receipts of producer milk described in § 1137.12(a) (1); plus

(ii) 1.5 percent of receipts from a cooperative association in its capacity as a handler pursuant to § 1137.9(d), except that if the handler operating the pool plant files with the market administrator notice that he is purchasing such milk on the basis of farm weights determined by farm bulk tank calibrations and butterfat tests determined from farm bulk tank samples, the applicable percentage shall be two percent; plus

(iii) 1.5 percent of receipts in bulk tank lots from other pool plants; plus

(iv) 1.5 percent of receipts of fluid milk products in bulk tank lots from an other order plant, exclusive of the quantity for which Class III (or Class II) utilization was requested by the operator of such plant and the handler; plus

(v) 1.5 percent of receipts of fluid milk products in bulk tank lots from unregulated supply plants, exclusive of the quantity for which Class III (or Class II) utilization was requested by the handler; less

(vi) 1.5 percent of disposition in bulk tank lots to other milk plants; plus

(vii) 0.5 percent of receipts of producer milk by a cooperative association which is the handler pursuant to § 1137.9 (d) unless the exception provided in subdivision (ii) of this subparagraph applies; and

(8) In shrinkage allocated pursuant to § 1137.42(b) (2).

##### § 1137.42 Shrinkage.

The market administrator shall allocate shrinkage over a handler's receipts at each of his pool plants as follows:

(a) Compute the total shrinkage of skim milk and butterfat, respectively, for each handler at each plant; and

(b) If a handler has receipts of other source milk, shrinkage shall be prorated between:

(1) Skim milk and butterfat in amounts respectively equal to 50 times the maximum amount that may be computed pursuant to § 1137.41(c) (7); and

(2) Skim milk and butterfat in other source milk in the form of fluid milk products exclusive of that specified in § 1137.41(c) (7).

##### § 1137.43 Responsibility of handlers and reclassification of milk.

(a) All skim milk and butterfat shall be Class I milk unless the handler who first receives such skim milk or butterfat proves to the market administrator that such skim milk or butterfat should be classified otherwise; and

(b) Any skim milk or butterfat shall be reclassified if verification by the mar-

ket administrator discloses that the original classification was incorrect.

##### § 1137.44 Transfers.

Skim milk and butterfat disposed of in the form of a fluid milk product by a handler, including a handler pursuant to § 1137.9 (c) and (d), either by transfers or diversions, shall be classified as follows:

(a) At the utilization indicated by the operator of both plants or by the handler pursuant to § 1137.9(d) and the plant operator, otherwise as Class I milk, if transferred from a pool plant to another pool plant or from a cooperative association in its capacity as a handler pursuant to § 1137.9(d) to a pool plant, except as provided in paragraph (d) of this section, subject in either event to the following conditions:

(1) The skim milk or butterfat so assigned to any class shall be limited to the amount thereof remaining in such class in the transferee plant after computations pursuant to § 1137.46(a) (8) and the corresponding step of § 1137.46(b);

(2) If the transferor plant received during the month other source milk to be allocated pursuant to § 1137.46(a) (3) and the corresponding step of § 1137.46 (b), the skim milk and butterfat so transferred shall be classified so as to allocate the least possible Class I (then Class II) utilization to such other source milk; and

(3) If the transferor handler received during the month other source milk to be allocated pursuant to § 1137.46(a) (7) and (8) and the corresponding steps of § 1137.46(b), the skim milk and butterfat so transferred up to the total of such receipts shall not be classified as Class I or Class II milk to a greater extent than would be applicable to a like quantity of such other source milk received at the transferee plant;

(b) As Class I milk, if transferred from a pool plant to a producer-handler;

(c) As Class I milk, if transferred or diverted in bulk to a nonpool plant that is neither an other order plant nor a producer-handler plant unless the requirements of subparagraphs (1) and (2) of this paragraph are met, in which case the skim milk and butterfat so transferred or diverted shall be classified in accordance with the assignment resulting from subparagraph (3) of this paragraph, except that cream so transferred may be classified as Class III if the handler claims classification of such cream in Class III in his report pursuant to § 1137.30, the handler tags the container of such cream as for manufacturing purposes, and the handler gives the market administrator sufficient notice to allow him to verify the shipment;

(1) The transferring or diverting handler claims classification pursuant to the assignment set forth in subparagraph (3) of this paragraph in his report submitted to the market administrator pursuant to § 1137.30 for the month within which such transaction occurred;

(2) The operator of such nonpool plant maintains books and records showing the utilization of all skim milk and butterfat received at such plant which are made available if requested by

the market administrator for the purpose of verification; and

(3) The skim milk and butterfat so transferred shall be classified on the basis of the following assignment of utilization at such nonpool plant in excess of receipts of packaged fluid milk products from all pool plants and other order plants:

(i) Any Class I utilization disposed of on routes in the marketing area shall be first assigned to the skim milk and butterfat in the fluid milk products so transferred or diverted from pool plants, next pro rata to receipts from other order plants and thereafter to receipts from dairy farmers who the market administrator determines constitute regular sources of Grade A milk for such nonpool plant;

(ii) Any Class I utilization disposed of on routes in the marketing area of another order issued pursuant to the act shall be first assigned to receipts from plants fully regulated by such order, next pro rata to receipts from pool plants and other order plants not regulated by such order, and thereafter to receipts from dairy farmers who the market administrator determines constitute regular sources of supply for such nonpool plant;

(iii) Class I utilization in excess of that assigned pursuant to subdivisions (i) and (ii) of this subparagraph shall be assigned first to remaining receipts from dairy farmers who the market administrator determines constitute the regular source of supply for such nonpool plant and Class I utilization in excess of such receipts shall be assigned pro rata to unassigned receipts at such nonpool plant from all pool and other order plants;

(iv) To the extent that Class I utilization is not so assigned to it, the skim milk and butterfat so transferred shall be classified as Class II milk to the extent of such uses at the plant and then as Class III milk; and

(v) If any skim milk or butterfat is transferred to a second plant under this paragraph, the same conditions of audit, classification and allocation shall apply.

(d) If a specified utilization is not claimed by both handlers subject to paragraph (a) of this section, skim milk and butterfat transferred to the pool plant of another handler by a cooperative association which is the handler of such milk pursuant to § 1137.9(d) shall be classified pro rata to the respective amounts thereof remaining in each class for such month in the pool plant of the receiving handler after the computation pursuant to § 1137.46(a) (9) and the corresponding step of § 1137.46(b);

(e) As follows, if transferred to an other order plant in excess of receipts from such plant in the same category as described in subparagraph (1), (2) or (3) of this paragraph:

(1) If transferred in packaged form, classification shall be in the classes to which allocated as a fluid milk product under the other order;

(2) If transferred in bulk form, classification shall be in Class I if allocated as a fluid milk product under the other order to Class I, in Class II if allocated

to Class II under an order which provides three classes and in Class III if allocated to Class III under the other order or if allocated to Class II under an order which provides only two classes (including allocation under the conditions set forth in subparagraph (3) of this paragraph);

(3) If the operators of both the transferor and transferee plants so request in the reports of receipts and utilization filed with their respective market administrators, transfers in bulk form shall be classified as Class III (or Class II) to the extent of the Class III (or Class II) utilization (or comparable utilization under such other order) available for such assignment pursuant to the allocation provisions of the transferee order;

(4) If information concerning the classification to which allocated under the other order is not available to the market administrator for purposes of establishing classification pursuant to this paragraph, classification shall be as Class I, subject to adjustment when such information is available;

(5) For purposes of this paragraph, if the transferee order provides for only two classes of utilization, milk allocated to a class consisting primarily of fluid milk products shall be classified as Class I, and milk allocated to another class shall be classified as Class III; and

(6) If the form in which any fluid milk product is transferred to an other order plant is not defined as a fluid milk product under such other order, classification shall be in accordance with the provisions of § 1137.41.

#### § 1137.45 Computation of skim milk and butterfat in each class.

For each month, the market administrator shall correct, for mathematical and other obvious errors, the reports submitted by each handler pursuant to § 1137.30 and compute the total pounds of skim milk and butterfat, respectively, in each class.

#### § 1137.46 Allocation of skim milk and butterfat classified.

After making the computations pursuant to § 1137.45, the market administrator shall determine the classification of producer milk for each handler at each pool plant as follows:

(a) Skim milk shall be allocated in the following manner:

(1) Subtract from the total pounds of skim milk in Class III the pounds of skim milk classified as Class III pursuant to § 1137.41(c) (7);

(2) Subtract from the remaining pounds of skim milk in each class the pounds of skim milk in fluid milk products received in packaged form from other order plants as follows:

(i) From Class III milk, the lesser of the pounds remaining or two percent of such receipts; and

(ii) From Class I milk, the remainder of such receipts;

(3) Subtract in the order specified below from the pounds of skim milk remaining in each class, in series beginning with Class III, the pounds of skim milk in each of the following:

(i) Other source milk in a form other than that of a fluid milk product;

(ii) Receipts of fluid milk products for which Grade A certification is not established, or which are from unidentified sources; and

(iii) Receipts of fluid milk products from a producer-handler, as defined under this or any other Federal order;

(4) Subtract, in sequence beginning with Class III in the order specified below, from the pounds of skim milk remaining in Class III and Class II:

(i) The pounds of skim milk in receipts of fluid milk products from unregulated supply plants for which the handler requests Class III (or Class II) utilization, but not in excess of the pounds of skim milk remaining in Class III and Class II;

(ii) The pounds of skim milk remaining in receipts of fluid milk products from unregulated supply plants which are in excess of the pounds of skim milk determined as follows:

(a) Multiply the pounds of skim milk remaining in Class I (excluding Class I transfers between pool plants of the handler) at all pool plants of the handler by 1.25;

(b) Subtract from the result the sum of the pounds of skim milk at all such plants in producer milk, in receipts from other pool handlers, from cooperative handlers pursuant to § 1137.9(d), and in receipts in bulk from other order plants; and

(c) (1) Multiply any resulting plus quantity by the percentage that receipts of skim milk in fluid milk products from unregulated supply plants remaining at this plant is of all such receipts remaining at all pool plants of such handler, after any deductions pursuant to subdivision (i) of this subparagraph;

(2) Such subtraction is to be made first from the remaining Class III at the pool plant where received, next from remaining Class III at other pool plant(s) of such handler. If the amount to be subtracted is greater than the remaining Class III at all pool plants of the handler, such additional amount is to be subtracted first from the remaining Class II at the pool plant where received, next from Class II at other pool plant(s) of such handler. In such case, the utilization of skim milk in Class III (then Class II) shall be increased and the utilization of skim milk in Class II (then Class I) shall be decreased in an amount equal to the quantity necessary to make such subtraction, and the utilization of skim milk at other pool plant(s) of such handler shall be adjusted in the reverse direction by an identical amount in sequence beginning with the nearest other pool plant of such handler at which such adjustment can be made;

(iii) The pounds of skim milk in receipts of fluid milk products in bulk from an other order plant in excess of similar transfers to such plant, but not in excess of the pounds of skim milk remaining in Class III and Class II milk, if Class III (or Class II) utilization was requested by the operator of such plant and the handler;

(5) Subtract from the pounds of skim milk remaining in each class, in series beginning with Class III, the pounds of skim milk in inventory of fluid milk prod-

ucts on hand at the beginning of the month;

(6) Add to the remaining pounds of skim milk in Class III milk the pounds subtracted pursuant to subparagraph (1) of this paragraph;

(7) (i) Subtract from the pounds of skim milk remaining in each class, pro rata to the total pounds of skim milk remaining in each class in all pool plants of the receiving handler, the pounds of skim milk in receipts of fluid milk products from unregulated supply plants that were not subtracted pursuant to subparagraph (4) (i) or (ii) of this paragraph;

(ii) Should such proration result in the amount to be subtracted from any class exceeding the pounds of skim milk remaining in such class in the pool plant at which such skim milk was received, the pounds of skim milk in such class shall be increased to the amount to be subtracted and the pounds of skim milk in the other classes shall be decreased a like amount. In such case the utilization of milk at other pool plant(s) of such handler shall be adjusted in the reverse direction by an identical amount in sequence beginning with the nearest other pool plant of such handler at which such adjustment can be made;

(8) Subtract, beginning with Class III, from the pounds of skim milk remaining in each class the pounds of skim milk in receipts of fluid milk products in bulk from an other order plant, in excess in each case of similar transfers to the same plant, that were not subtracted pursuant to subparagraph (4) (iii) of this paragraph pursuant to the following procedure:

(i) Subject to the provisions of subdivisions (ii) and (iii) of this subparagraph, such subtraction shall be pro rata to whichever of the following represents the higher proportion of Class III and Class II milk combined:

(a) The estimated utilization of skim milk in each class, by all handlers, as announced for the month pursuant to § 1137.22(1); or

(b) The pounds of skim milk in each class remaining at all pool plants of the handler;

(ii) Should proration pursuant to subdivision (i) of this subparagraph result in the total pounds of skim milk to be subtracted from Class III and Class II at all pool plants of the handler exceeding the pounds of skim milk remaining in Class III and Class II at such plants, the pounds of such excess shall be subtracted from the pounds of skim milk remaining in Class I after such proration at the pool plants at which received;

(iii) Except as provided in subdivision (ii) of this subparagraph, should proration pursuant to either subdivision (i) or (ii) of this subparagraph result in the amount to be subtracted from any class exceeding the pounds of skim milk remaining in such class in the pool plant at which such skim milk was received, the pounds of skim milk in such class shall be increased to the amount to be subtracted and the pounds of skim milk in other classes shall be decreased a like amount. In such case the utilization of milk at other pool plant(s) of such handler shall be adjusted in the reverse

direction by an identical amount in sequence beginning with the nearest other pool plant of such handler at which such adjustment can be made;

(9) Subtract from the pounds of skim milk remaining in each class the pounds of skim milk received from other pool plants or from a cooperative association in its capacity as a handler pursuant to § 1137.9(d) according to the classification assigned pursuant to § 1137.44(a);

(10) Subtract from the pounds of skim milk remaining in each class the pounds of skim milk received from a cooperative association in its capacity as a handler pursuant to § 1137.9(d) according to its classification as determined pursuant to § 1137.44(d); and

(11) If the remaining pounds of skim milk in all classes exceed the pounds of skim milk contained in milk received from producers, subtract such excess from the remaining pounds of skim milk in series beginning with Class III. Any amount so subtracted shall be known as "overage".

(b) Butterfat shall be allocated in accordance with the procedure outlined for skim milk in paragraph (a) of this section; and

(c) Combine the amounts of skim milk and butterfat determined pursuant to paragraphs (a) and (b) of this section into one total for each class and determine the weighted average butterfat content of producer milk in each class.

#### MINIMUM PRICES

##### § 1137.50 Basic formula price.

The basic formula price shall be the average price per hundredweight for manufacturing grade milk, f.o.b. plants in Wisconsin and Minnesota, as reported by the Department for the month, adjusted to a 3.5 percent basis by a butterfat differential rounded to the nearest one-tenth cent computed at 0.12 times the simple average of the daily wholesale selling prices (using the midpoint of any price range as one price) of Grade A (92-score) bulk creamery butter per pound at Chicago, as reported by the Department for the month. The basic formula price shall be rounded to the nearest full cent.

##### § 1137.51 Class prices.

Subject to the provisions of §§ 1137.52 and 1137.53, the class prices per hundredweight for the month shall be as follows:

(a) *Class I milk.* The Class I price shall be the basic formula for the preceding month plus \$2.00, plus or minus a supply-demand adjustment calculated for each month as follows:

(1) For each month calculate a utilization ratio as follows:

(i) Calculate a utilization ratio for the 12-month period ending with the second preceding month by dividing the total receipts of producer milk by the total gross volume of Class I milk (excluding interhandler transfers and any inter-market transfers that would result in the same milk being accounted for the second time as Class I milk) under this part and under Part 1134 of this chapter regulating the handling of milk in the Western Colorado marketing area, and multiply by 100;

(ii) Add or subtract, respectively, any amount by which the percentage computed pursuant to subdivision (i) of this subparagraph is greater or less than a comparable utilization percentage calculated using the 12-month period ending with the fourth preceding month; and

(iii) The resultant figure rounded to the nearest whole percentage shall be known as the utilization ratio.

(2) For each percentage by which the utilization ratio calculated for the month pursuant to subparagraph (1) of this paragraph exceeds 136, subtract from, or for each percentage by which it is less than 130, add to, the Class I price, 2 cents: *Provided*, That any additions or subtractions shall be limited to 20 cents per hundredweight.

(b) *Class II milk.* The basic formula price for the month plus 15 cents; and

(c) *Class III milk.* The basic formula price for the month.

##### § 1137.52 Location adjustments to handlers.

(a) For milk received from producers at a pool plant (or diverted to a nonpool plant) located more than 180 miles by shortest highway distance as measured by the market administrator, from the County Courthouse in Denver, Colo., and classified as Class I milk or assigned Class I location adjustment credit pursuant to paragraph (b) of this section, and for other source milk for which a location adjustment is applicable, the price computed pursuant to § 1137.51(a) shall be reduced by 27 cents if such plant is located more than 180 miles but not more than 190 miles from such Courthouse, and by an additional 1.5 cents for each 10 miles or fraction thereof that such distance exceeds 190 miles; and

(b) For purposes of calculating such adjustment, transfers between pool plants shall be assigned to Class I disposition at the transferee plant, in excess of the sum of receipts at such plant from producers and cooperative associations pursuant to § 1137.9(d), and the pounds assigned as Class I to receipts from other order plants and unregulated supply plants. Such assignment is to be made first to transferor plants at which no location adjustment credit is applicable and then in sequence beginning with the plant at which the least location adjustment would apply.

##### § 1137.53 Butterfat differentials to handlers.

For milk containing more or less than 3.5 percent butterfat, the class prices pursuant to § 1137.51 shall be increased or decreased, respectively, for each one-tenth of 1 percent of butterfat by the appropriate rate, rounded in each case to the nearest one-tenth cent, determined as follows:

(a) *Class I milk.* Multiply the butter price specified in § 1137.50 for the preceding month by 1.30 and divide the result by 10;

(b) *Class II milk.* Multiply the butter price specified in § 1137.50 by 1.20 and divide the result by 10; and

(c) *Class III milk.* Multiply the butter price specified in § 1137.50 by 1.20 and divide the result by 10.

### § 1137.54 Use of equivalent prices.

If for any reason a price quotation required by this order for computing class prices or for other purposes is not available in the manner described, the market administrator shall use a price determined by the Secretary to be equivalent to the price which is required.

#### APPLICATION OF PROVISIONS

### § 1137.60 Producer-handler.

Sections 1137.40 to 1137.46, 1137.50 to 1137.54, 1137.70 to 1137.72 and 1137.80 to 1137.88, shall not apply to a producer-handler.

### § 1137.61 Plants subject to another Federal order.

The provisions of this part shall not apply with respect to the operation of any plant specified in paragraph (a), (b) or (c) of this section except that the operator shall, with respect to total receipts of skim milk and butterfat at such plant, make reports to the market administrator at such time and in such manner as the market administrator may require and allow verification of such reports by the market administrator.

(a) A plant meeting the requirements to § 1137.7(a) which also meets the pooling requirements of another Federal order and from which, the Secretary determines, a greater quantity of Class I milk is disposed of during the month on routes in such other Federal order marketing area than was disposed of on routes in this marketing area, except that if such plant was subject to all the provisions of this part in the immediately preceding month, it shall continue to be subject to all the provisions of this part until the third consecutive month in which a greater proportion of its Class I disposition is made in such other marketing area unless, notwithstanding the provisions of this paragraph, it is regulated under such other order;

(b) A plant meeting the requirements of § 1137.7(a) which also meets the pooling requirements of another Federal order on the basis of distribution in such other marketing area and from which, the Secretary determines, a greater quantity of Class I milk is disposed of during the month on routes in this marketing area than is so disposed of in such other marketing area but which plant is, nevertheless, fully regulated under such other Federal order; and

(c) A plant meeting the requirements of § 1137.7(b) which also meets the pooling requirements of another Federal order and from which greater qualifying shipments are made during the month to plants regulated under such other order than are made to plants regulated under this part.

### § 1137.62 Obligations of handler operating a partially regulated distributing plant.

Each handler who operates a partially regulated distributing plant shall pay to the market administrator for the producer-settlement fund on or before the 25th day after the end of the month either of the amounts (at the handler's

election) calculated pursuant to paragraph (a) or (b) of this section. If the handler fails to report pursuant to §§ 1137.30 and 1137.31(d) the information necessary to compute the amount specified in paragraph (a) of this section, he shall pay the amount computed pursuant to paragraph (b) of this section:

(a) An amount computed as follows:

- (1) (i) The obligation that would have been computed pursuant to § 1137.70 at such plant shall be determined as though such plant were a pool plant. For purposes of such computation, receipts at such nonpool plant from a pool plant or an other order plant shall be assigned to the utilization at which classified at the pool plant or other order plant and transfers from such nonpool plant to a pool plant or an other order plant shall be classified as Class III (or Class II) milk if allocated to such class at the pool plant or other order plant and be valued at the uniform price of the respective order if so allocated to Class I milk. There shall be included in the obligation so computed a charge in the amount specified in § 1137.70(e) and a credit in the amount specified in § 1137.84(b) (2) with respect to receipts from an unregulated supply plant, unless an obligation with respect to such plant is computed as specified in subdivision (ii) of this subparagraph;

- (ii) If the operator of the partially regulated distributing plant so requests, and provides with his reports pursuant to §§ 1137.30 and 1137.31(d) similar reports with respect to the operations of any other nonpool plant which serves as a supply plant for such partially regulated distributing plant by shipments to such plant during the month equivalent to the requirements of § 1137.7(b), with agreement of the operator of such plant that the market administrator may examine the books and records of such plant for purposes of verification of such reports, there will be added the amount of the obligation computed at such nonpool supply plant in the same manner and subject to the same conditions as for the partially regulated distributing plant;

(2) From this obligation there will be deducted the sum of:

- (i) The gross payments made by such handler for Grade A milk received during the month from dairy farmers at such plant and like payments made by the operator of a supply plant(s) included in the computations pursuant to subparagraph (1) of this paragraph; and

- (ii) Any payments to the producer-settlement fund of another order under which such plant is also a partially regulated distributing plant.

(b) An amount computed as follows:

- (1) Determine the respective amounts of skim milk and butterfat disposed of as Class I milk on routes in the marketing area;

- (2) Deduct the respective amounts of skim milk and butterfat received as Class I milk at the partially regulated distributing plant from pool plants and other order plants, except that deducted under a similar provision of another order issued pursuant to the act;

(3) Combine the amounts of skim milk and butterfat remaining into one total and determine the weighted average butterfat content; and

(4) From the value of such milk at the Class I price applicable at the location of the nonpool plant, subtract its value at the uniform price applicable at such location (not to be less than the Class III price).

#### DETERMINATION OF UNIFORM PRICE

### § 1137.70 Computation of the net pool obligation of each pool handler.

The net pool obligation of each pool handler during each month shall be a sum of money computed by the market administrator as follows:

(a) Multiply the quantity of producer milk in each class, as computed pursuant to § 1137.46(c), by the applicable class prices (adjusted pursuant to §§ 1137.52 and 1137.53);

(b) Add the amount obtained from multiplying the pounds of overage deducted from each class pursuant to § 1137.46(a) (11) and the corresponding step of § 1137.46(b), by the applicable class prices;

(c) Add the amounts computed under subparagraphs (1) and (2) of this paragraph:

- (1) Multiply the difference between the appropriate Class III price for the preceding month and the appropriate Class I price for the current month by the hundredweight of skim milk and butterfat subtracted from Class I pursuant to § 1137.46(a) (5) and the corresponding step of § 1137.46(b), for the current month; and

- (2) Multiply the difference between the appropriate Class III price for the preceding month and the appropriate Class II price for the current month by the hundredweight of skim milk and butterfat subtracted from Class II pursuant to § 1137.46(a) (5) and the corresponding step of § 1137.46(b), for the current month, or the hundredweight of skim milk remaining in Class III milk after the calculation pursuant to § 1137.46(a) (8) and the corresponding step of § 1137.46(b), for the preceding month, less the hundredweight used in the computation pursuant to subparagraph (1) of this paragraph, whichever is less;

(d) Add an amount equal to the difference between the value at the Class I price applicable at the pool plant and the value at the Class III price, with respect to skim milk and butterfat in other source milk subtracted from Class I pursuant to § 1137.46(a) (3) and the corresponding step of § 1137.46(b); and

(e) Add an amount equal to the value at the Class I price, adjusted for location of the nearest nonpool plant(s) from which an equivalent weight was received, with respect to skim milk and butterfat subtracted from Class I pursuant to § 1137.46(a) (7) and the corresponding step of § 1137.46(b).

### § 1137.71 Computation of uniform prices.

For each month the market administrator shall compute the uniform price per hundredweight of milk received from producers as follows:

(a) Combine into one total the values computed pursuant to § 1137.70 for all handlers who filed the reports prescribed by § 1137.30 for the month and who made the payments pursuant to §§ 1137.80 and 1137.84 for the preceding month;

(b) Add an amount equal to the total value of the location differentials computed pursuant to § 1137.81;

(c) Subtract, if the average butterfat content of the milk specified in paragraph (e) of this section is more than 3.5 percent, or add, if such butterfat content is less than 3.5 percent, an amount computed by multiplying the amount by which the average butterfat content of such milk varies from 3.5 percent by the butterfat differential computed pursuant to § 1137.82 and multiplying the result by the total hundredweight of such milk;

(d) Add an amount equal to not less than one-half of the unobligated balance in the producer-settlement fund;

(e) Divide the resulting amount by the sum of the following for all handlers included in these computations:

(1) The total hundredweight of producer milk; and

(2) The total hundredweight for which a value is computed pursuant to § 1137.70 (e); and

(f) Subtract not less than 4 cents nor more than 5 cents per hundredweight. The result shall be the "uniform price" per hundredweight of producer milk of 3.5 percent butterfat content delivered to plants within the 50-mile zone.

#### § 1137.72 Notification of handlers.

On or before the 12th day after the end of each month, the market administrator shall mail to each handler, at his last known address, a statement showing:

(a) The amount and value of his producer milk in each class and the total thereof;

(b) The uniform price computed pursuant to § 1137.71 and the producer location and butterfat differentials computed pursuant to §§ 1137.81 and 1137.82; and

(c) The amount to be paid by such handler pursuant to §§ 1137.84, 1137.86, 1137.87, and 1137.88 and the amount due such handler pursuant to § 1137.85.

#### PAYMENTS

#### § 1137.80 Payment to producers.

Except as provided in paragraph (c) of this section, each handler shall make payment to each producer from whom milk is received as specified in paragraphs (a) and (b) of this section:

(a) On or before the last day of the month, to each producer who had not discontinued shipping milk to such handler before the 18th day of the month, as advance payment with respect to milk received during the first 15 days of the month at the Class III price for the preceding month;

(b) On or before the 16th day after the end of each month, for milk received during such month, as amount computed at not less than the uniform price per hundredweight pursuant to § 1137.71, subject to the butterfat dif-

ferential computed pursuant to § 1137.82 and location adjustment computed pursuant to § 1137.81, plus or minus adjustments for errors made in previous payments to such producers and less:

(1) Payments made pursuant to paragraph (a) of this section.

(2) Marketing service deductions pursuant to § 1137.87, and

(3) Proper deductions authorized in writing by such producer; *Provided*, That if by such date such handler has not received full payment for such delivery period pursuant to § 1137.85 he may reduce his total payment to all producers uniformly by not less than the amount of reduction in payment from the market administrator; the handler shall, however, complete such payments not later than the date for making such payments pursuant to this paragraph next following receipt of the balance from the market administrator;

(c) (1) Upon receipt of a written request from a cooperative association which the market administrator determines is authorized by its members to collect payment for their milk and receipt of a written promise to reimburse the handler the amount of any actual loss incurred by him because of any improper claim on the part of the cooperative association each handler shall pay to the cooperative association on or before the second day prior to the date of payment to producers in lieu of payments pursuant to paragraphs (a) and (b), respectively, of this section an amount equal to the sum of the individual payments otherwise payable to such producers. The foregoing payment shall be made with respect to milk of each producer whom the cooperative association certifies is a member effective on and after the first day of the calendar month next following receipt of such certification through the last day of the month next preceding receipt of notice from the cooperative association of a termination of membership or until the original request is rescinded in writing by the cooperative association; and

(2) A copy of each such request, promise to reimburse and certified list of members shall be filed simultaneously with the market administrator by the cooperative association and shall be subject to verification at his discretion through audit of the records of the cooperative association pertaining thereto. Exceptions, if any, to the accuracy of such certification by a producer claimed to be a member, or by a handler, shall be made by written notice to the market administrator and shall be subject to his determination;

(d) In making the payments to producers pursuant to paragraphs (b) and (c) of this section, each handler shall furnish each producer or cooperative association from whom he has received milk with a supporting statement which shall show for each month:

(1) The month and the identity of the handler and of the producer;

(2) The total pounds and the average butterfat content of milk received from such producer;

(3) The minimum rate or rates at which payment to such producer is required pursuant to this part;

(4) The rate which is used in making the payment if such rate is other than the applicable minimum rate;

(5) The amount or the rate per hundredweight and nature of each deduction claimed by the handler; and

(6) The net amount of payment to such producer; and

(e) Each handler who receives milk for which a cooperative association is the handler pursuant to § 1137.9(d), shall on or before the second day prior to the date payments are due individual producers, pay such cooperative association for such milk as follows:

(1) An advance payment for milk received during the first 15 days of the month at not less than the Class III price for the preceding month; and

(2) In final settlement, the value of such milk at the applicable class prices, less payment made pursuant to subparagraph (1) of this paragraph.

#### § 1137.81 Location differentials to producers and on nonpool milk.

(a) The uniform price for producer milk received at a pool plant shall be reduced according to the location of the pool plant, and the uniform price for producer milk diverted to a nonpool plant shall be reduced according to the location of such nonpool plant, each at the rates set forth in § 1137.52; and

(b) For purposes of computations pursuant to §§ 1137.84 and 1137.85 the uniform price shall be adjusted at the rates set forth in § 1137.52 applicable at the location of the nonpool plant from which the milk was received.

#### § 1137.82 Butterfat differential to producers.

The applicable uniform price to be paid producers pursuant to § 1137.80 shall be increased or decreased for each one-tenth of 1 percent which the butterfat content of milk is above or below 3.5 percent, respectively, by a butterfat differential equal to the average of the butterfat differentials determined pursuant to paragraphs (a), (b) and (c) of § 1137.53, weighted by the pounds of butterfat in producer milk in each class and the result rounded to the nearest tenth of a cent.

#### § 1137.83 Producer-settlement fund.

The market administrator shall establish and maintain a separate fund known as the "producer-settlement fund" into which he shall deposit all payments made by handlers pursuant to §§ 1137.62, 1137.84 and 1137.86 and out of which he shall make all payments pursuant to §§ 1137.85 and 1137.86; *Provided*, That any payments due to any handler shall be offset by any payments due from such handler.

#### § 1137.84 Payments to the producer-settlement fund.

On or before the 13th day after the end of the month each handler shall pay to the market administrator the amount, if any, by which the total amounts specified in paragraph (a) of this section exceed the amounts specified in paragraph (b) of this section:

(a) The total of the net pool obligation computed pursuant to § 1137.70 for such handler; and

(b) The sum of:

(1) The value of such handler's producer milk at the applicable uniform prices specified in § 1137.80; and

(2) The value at the uniform price(s) applicable at the location of the plant(s) from which received (not to be less than the value at the Class III price) with respect to other source milk for which a value is computed pursuant to § 1137.70 (e).

#### § 1137.85 Payments out of the producer-settlement fund.

On or before the 14th day after the end of each month the market administrator shall pay to each handler the amount, if any, by which the amount computed pursuant to § 1137.84(b) exceeds the amount computed pursuant to § 1137.84(a). If at such time the balance in the producer-settlement fund is insufficient to make all payments pursuant to this section, the market administrator shall reduce uniformly such payments and shall complete such payments as soon as the funds are available.

#### § 1137.86 Adjustment of accounts.

(a) Whenever audit by the market administrator of any handler's reports, books, records, or accounts or other verification discloses errors resulting in moneys due a producer or the market administrator from such handler or due such handler from the market administrator, the market administrator shall promptly notify such handler of any amount so due and payment thereof shall be made on or before the next date for making payments as set forth in the provisions under which such error occurred.

(b) Any unpaid obligation of a handler pursuant to § 1137.84 or paragraph (a) of this section relative to payments to the producer-settlement fund shall be increased one-half of 1 percent on the first day of the month next following the due date of such obligation and on the first day of each month thereafter until such obligation is paid.

#### § 1137.87 Marketing services.

(a) Except as set forth in paragraph (b) of this section, each handler in making payments to producers for milk (other than milk of his own production) pursuant to § 1137.80, shall deduct 5 cents per hundredweight, or such lesser amount as may be prescribed by the Secretary, and shall pay such deductions to the market administrator on or before the 13th day after the end of the month. Such money shall be used by the market administrator to provide market information and to check the accuracy of the testing and weighing of their milk for producers who are not receiving such services from a cooperative association.

(b) In the case of producers who are members of a cooperative association which the Secretary has determined is actually performing the services set forth in paragraph (a) of this section, each handler shall make, in lieu of the deduction specified in paragraph (a) of this section, such deductions from the payments to be made to producers as may be authorized by the membership agreement or marketing contract between the cooperative association and its members, and on or before the 16th day

after the end of each month, the handler shall pay the aggregate amount of such deductions to the cooperative association, furnishing a statement showing the amount of the deductions and the quantity of milk on which the deduction was computed from each producer.

#### § 1137.88 Expense of administration.

As his pro rata share of the expense of administration of the order, each handler shall pay to the market administrator on or before the 13th day after the end of the month 3 cents per hundredweight or such lesser amount as the Secretary may prescribe, with respect to:

(a) Producer milk (including such handler's own production);

(b) Other source milk allocated to Class I pursuant to § 1137.46(a) (3) and (7) and the corresponding steps of § 1137.46(b); and

(c) Class I milk disposed of from a partially regulated distributing plant on routes in the marketing area that exceeds Class I milk received during the month at such plant from pool plants and other order plants.

#### § 1137.89 Termination of obligation.

The provisions of this section shall apply to any obligation under this part for the payment of money.

(a) The obligation of any handler to pay money required to be paid under the terms of this part shall, except as provided in paragraphs (b) and (c) of this section terminate 2 years after the last day of the month during which the market administrator received the handler's utilization report on the milk involved in such obligation, unless within such 2-year period the market administrator notifies the handler in writing that such money is due and payable. Service of such notice shall be complete upon mailing to the handler's last known address, and it shall contain, but need not be limited to, the following information:

(1) The amount of the obligation;

(2) The months during which the milk, with respect to which the obligation exists, was received or handled; and

(3) If the obligation is payable to one or more producers or to a cooperative association, the names of such producer or cooperative association, or if the obligation is payable to the market administrator, the account for which it is to be paid;

(b) If a handler fails or refuses, with respect to any obligation under this part, to make available to the market administrator or his representatives all books and records required by this part to be made available, the market administrator may, within the 2-year period provided for in paragraph (a) of this section, notify the handler in writing of such failure or refusal. If the market administrator so notifies a handler, the said 2-year period with respect to such obligation shall not begin to run until the first day of the month following the month during which all such books and records pertaining to such obligations are made available to the market administrator or his representatives;

(c) Notwithstanding the provisions of paragraphs (a) and (b) of this section

a handler's obligation under this part to pay money shall not be terminated with respect to any transaction involving fraud, or willful concealment of a fact, material to the obligation, on the part of the handler against whom the obligation is sought to be imposed; and

(d) Any obligation on the part of the market administrator to pay a handler any money which such handler claims to be due him under the terms of this part shall terminate 2 years after the end of the month during which the milk involved in the claim was received if an underpayment is claimed, or 2 years after the end of the month during which the payment (including deduction or offset by the market administrator) was made by the handler if a refund on such payment is claimed, unless such handler, within the applicable period of time, files pursuant to section 8c(15) (A) of the act, a petition claiming such money.

#### EFFECTIVE TIME, SUSPENSION OR TERMINATION

#### § 1137.90 Effective time.

The provisions of this part or any amendment thereto, shall become effective at such time as the Secretary may declare and shall continue in force until suspended or terminated.

#### § 1137.91 Suspension or termination.

The Secretary shall whenever he finds that any or all provisions of this part, or any amendment thereto, obstruct or do not tend to effectuate the declared policy of the act, terminate or suspend the operation of any or all provisions of this part or any amendment thereto. This part shall terminate in any event whenever the provisions of the act authorizing it cease to be in effect.

#### § 1137.92 Continuing obligations.

If upon the suspension or termination of any or all provisions of this part, or any amendment thereto, there are any obligations thereunder, the final accrual or ascertainment of which requires further acts by any persons (including the market administrator), such further acts shall be performed notwithstanding such suspension or termination.

#### § 1137.93 Liquidation.

(a) Upon the suspension or termination of any or all provisions of this part, the market administrator, or such other liquidating agent as the Secretary may designate, shall if so directed by the Secretary, liquidate the business of the market administrator's office, dispose of all property in his possession or control, including accounts receivable, and execute and deliver all assignments or other instruments necessary or appropriate to effectuate any such disposition; and

(b) If a liquidating agent is so designated, all assets, books and records of the market administrator shall be transferred promptly to such liquidating agent. If upon such liquidation, the funds on hand exceed the amounts required to pay outstanding obligations of the office of the market administrator and to pay necessary expenses of liquidating and distribution, such excess shall be distributed to contributing handlers and producers in an equitable manner.

## MISCELLANEOUS PROVISIONS

## § 1137.100 Agents.

The Secretary may, by designation in writing, name any officer or employee of the United States to act as his agent and representative in connection with any of the provisions of this part.

## § 1137.101 Separability of provisions.

If any provisions of this part, or its application to any person or circumstances, is held invalid, the application of such provisions, and of the remaining provisions of this part, to other persons or circumstances shall not be affected thereby.

*Proposal No. 2.* If the orders are not consolidated, amend the Eastern Colorado order as provided in Proposal No. 1 above, at §§ 1137.14, 1137.41 (b), (c) (3), (5), and (6), 1137.51 (a), (a) (2), 1137.52 (a), and 1137.88.

Proposed by Denver Milk Producers, Inc.:

*Proposal No. 3.* Merge the Eastern Colorado Milk Marketing Order Number 137 and the Colorado Springs-Pueblo Milk Marketing Order Number 135 into a consolidated order and provide an appropriate designation for the consolidated order.

Combine the marketing areas of the Eastern Colorado order and the Colorado Springs-Pueblo order as presently constituted into a common area in the consolidated order.

Provide for the merger of the producer settlement, administrative, and marketing service funds of the two orders.

Provide the complete regulatory terms for the merged Federal order following the provisions of the present Eastern Colorado Milk Marketing Order Number 137, except as modified by the following:

*Proposal No. 4.* Revise § 1137.6 to read as follows:

## § 1137.6 Marketing area.

"Marketing Area" means all of the territory within the boundaries of the Counties of Adams, Arapahoe, Boulder, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson, Kit Carson, Larimer, Logan, Morgan, Park, Phillips, Sedgwick, Washington, Weld, Yuma, Cheyenne, Crowley, Custer, El Paso, Huerfano, Kiowa, Las Animas, Lincoln, Otero, Pueblo, and Teller, all in the State of Colorado and the Counties of Cheyenne, Logan, Sherman and Wallace, all in the State of Kansas, including all territory within such boundaries that is occupied by Government (Municipal, State or Federal) installations, institutions or other establishments.

*Proposal No. 5.* Revise § 1137.7 to read as follows:

## § 1137.7 Pool plant.

"Pool plant" means any plant meeting the conditions of paragraphs (a) or (b) of this section except the plant of a producer-handler or the plant of a handler exempt pursuant to § 1137.61. For the purpose of computing percentages pursuant to paragraphs (a) and (b) of this section that plants operated under the same management or control, shall be combined.

(a) Any plant, hereinafter referred to as a "distributing pool plant," in which during the month milk products are processed or packaged and from which (1) an amount equal to 50 percent or more of the total receipts of Grade A milk (except receipts from distributing pool plants, but including milk diverted pursuant to § 1137.10(b)) is disposed of as fluid milk products on routes, and (2) 5 percent or more of such receipts is on routes in the marketing area; and

(b) Any plant, hereinafter referred to as a "supply plant" from which 50 percent of its dairy farm supply of Grade A milk is moved to distributing pool plant(s). Any supply plant which has qualified as a pool plant in each of the months of September through February shall be a pool plant in each of the following months of March through August, unless written request for nonpool status for any such month(s) is furnished in advance to the market administrator. A plant withdrawn from supply pool plant status may not be reinstated for any subsequent month of March through August unless it fulfills the shipping requirements of this paragraph for such month.

*Proposal No. 6.* Revise § 1137.9 to read as follows:

## § 1137.9 Handler.

"Handler" means:

(a) Any person or business unit in his capacity as the operator of one or more pool or nonpool plants, provided he shall be considered to be the handler for all such plants.

(b) Any person who operates a partially regulated distributing plant;

(c) A cooperative association with respect to the milk of its member producers which is diverted from a pool plant to a nonpool plant for the account of such cooperative association;

(d) A cooperative association with respect to the milk of its member producers which is received from the farm for delivery to the pool plant of another handler in a tank truck owned and operated by or under contract to such cooperative association, if the cooperative association notifies the market administrator and the operator of the pool plant to whom the milk is delivered in writing prior to the first day of the month in which the milk is delivered, that it elects to be the handler for all such milk;

(e) A producer-handler, or any person who operates an other order plant described in § 1137.61.

*Proposal No. 7.* Revise § 1137.10 to read as follows:

## § 1137.10 Producer.

"Producer" means any person (other than a producer-handler as defined in any order, including this part, issued pursuant to the act, or a dairy farmer with respect to milk which qualifies as producer milk under another Federal order issued pursuant to the act) who produces milk eligible for distribution as Grade A milk in compliance with the fluid milk product requirements of a duly constituted health authority, whose milk is:

(a) Received at a pool plant; or

(b) Diverted from a distributing pool plant to a nonpool plant for the account of the handler operating the pool plant or of a cooperative association acting as a handler pursuant to § 1137.9(c), subject to the following conditions:

(1) A cooperative association may divert for its account the milk of any member producer whose milk is received at a distributing pool plant for a least 3 days during the month, without limit during the other days of such month. However, the total quantity of milk so diverted may not exceed 30 percent in the months of March, April, May, June, July and December and 20 percent in other months of its member-producer milk received at distributing pool plants of other handlers during the month. Diversions in excess of such percentages shall not be considered producer milk, and the diverting cooperative shall specify the dairy farmers whose milk is ineligible as producer milk. Two or more cooperative associations may have their allowable diversions computed on the basis of the combined deliveries of milk by their producers if each association has filed such a request in writing with the market administrator on or before the first day of the month the agreement is effective. This request shall specify the basis for assigning over-diverted milk to the producer-members of each cooperative according to a method approved by the market administrator.

(2) A handler in his capacity as the operator of a distributing pool plant may divert for his account the milk of any producer, other than a member of a cooperative association (other than the operator of such plant) which has diverted milk pursuant to subparagraph (1) of this paragraph, whose milk is received at his distributing pool plant for at least 3 days during the month, without limit during the other days of such month. However, the total quantity of milk so diverted may not exceed 30 percent in the months of March, April, May, June, July and December and 20 percent in other months of the milk received at such distributing pool plant during the month from producers who are not members of such cooperative associations which have diverted milk pursuant to subparagraph (1) of this paragraph. Diversions in excess of such percentages shall not be considered producer milk, and the diverting handler shall specify the dairy farmers whose milk is ineligible as producer milk; and

(3) For purposes of location adjustments pursuant to §§ 1137.52 and 1137.81, milk diverted to a nonpool plant shall be considered to have been received at the location of the nonpool plant to which diverted.

*Proposal No. 8.* Revise § 1137.30 to read as follows:

## § 1137.30 Reports of receipts and utilization.

On or before the seventh day after the end of each month each handler, except a producer-handler shall report for each of his plants to the market administrator

in the detail and on forms prescribed by the market administrator as follows:

(a) The receipts of producer milk at each of his pool plants as defined in § 1137.10, milk diverted, and receipts for which a cooperative association is the handler under § 1137.9(d) and supply plants operated by cooperative associations, the average butterfat tests and the pounds of butterfat contained therein, (and in the case of a nonpool plant, the same information with respect to receipts of milk from approved dairy farmers);

(b) The quantities of skim milk and butterfat contained in fluid milk products received from other pool plants except that reported in paragraph (a) of this section;

(c) The quantities of skim milk and butterfat contained in receipts of other source milk;

(d) The pounds of skim milk and butterfat contained in all fluid milk products on inventory in the processing plant at the beginning and at the end of the month;

(e) The utilization of all skim milk and butterfat required to be reported pursuant to this section;

(f) Such other information with respect to receipts and utilization as the market administrator may prescribe;

(g) For a handler operating a partially regulated distributing plant, a separate statement showing the respective amounts of skim milk and butterfat disposed of in the marketing area as Class I milk on routes; and

(h) For a handler operating a nonpool plant a separate statement showing comparable information where applicable and required by the market administrator.

**Proposal No. 9.** Revise § 1137.41 to read as follows:

**§ 1137.41 Classes of utilization.**

Subject to the conditions set forth in §§ 1137.42 through 1137.46, the classes of utilization shall be as follows:

(a) **Class I milk.** Class I milk shall be all skim milk and butterfat:

(1) Disposed of from the processing plant in the form of a fluid milk product except:

(i) Any products fortified with added nonfat milk solids shall be Class I in an amount equal only to the weight of an equal volume of milk, skim milk, or cream of the same butterfat content; and

(ii) As classified pursuant to paragraph (c) (2), (3) and (5) of this section; or

(2) Not specifically accounted for as Class II or Class III.

(b) **Class II milk.** Class II milk shall be all skim milk and butterfat used to produce soft uncured cheese, prepared from the curd obtained by adding lactic acid producing bacteria, with or without enzymatic to skim milk and mixtures of skim milk and cream, whether said product is creamed or uncreamed, except as classified pursuant to paragraph (c) (2) and (3) of this section.

(c) **Class III milk.** Class III milk shall be all skim milk and butterfat:

(1) Used to produce any product other

than a fluid milk product or a Class II product;

(2) In fluid milk products or cottage cheese disposed of in bulk form for livestock feed;

(3) In the skim milk portion of fluid milk products or cottage cheese dumped after prior notification to and opportunity for verification by the market administrator;

(4) The equivalent weight of skim milk in fluid milk products which is excepted from Class I milk pursuant to paragraph (a) (1) (i) of this section;

(5) Disposed of in fluid milk products in bulk form to any commercial food processing establishment for use in food products prepared for consumption off the premises;

(6) In inventory of fluid milk products in the processing plant at the end of the month;

(7) In shrinkage allocated pursuant to § 1137.42(b) (1), not to exceed the following:

(i) 2 percent of receipts of producer milk described in § 1137.12(a) (1); plus

(ii) 1.5 percent of receipts from a cooperative association in its capacity as a handler pursuant to § 1137.9(d), except that if the handler operating the pool plant files with the market administrator notice that he is purchasing such milk on the basis of farm weights determined by farm bulk tank calibrations and butterfat tests determined by farm bulk tank samples, the applicable percentage shall be two percent; plus

(iii) 1.5 percent of receipts in bulk tank lots from other pool plants; plus

(iv) 1.5 percent of receipts of fluid milk products in bulk tank lots from an other order plant, exclusive of the quantity for which Class III (or Class II) utilization was requested by the operator of such plant and the handler; plus

(v) 1.5 percent of receipts of fluid milk products in bulk tank lots from unregulated supply plants, exclusive of the quantity for which Class III (or Class II) utilization was requested by the handler; less

(vi) 1.5 percent of disposition in bulk tank lots to other milk plants; plus

(vii) 0.5 percent of receipts of producer milk by a cooperative association which is the handler pursuant to § 1137.9 (d) unless the exception provided in subdivision (ii) of this subparagraph applies; and

(8) In shrinkage allocated pursuant to § 1137.42(b) (2).

**Proposal No. 10.** Revise § 1137.42 to read as follows:

**§ 1137.42 Shrinkage.**

The market administrator shall allocate shrinkage over a handler's receipts at his pool plants and if a handler has receipts of other source milk, shrinkage shall be prorated between:

(a) Skim milk and butterfat in amounts respectively equal to 50 times the maximum amount that may be computed pursuant to § 1137.41(c) (7); and

(b) Skim milk and butterfat in other source milk in the form of fluid milk products, exclusive of that specified in § 1137.41(c) (7).

**Proposal No. 11.** Revise § 1137.44 to read as follows:

**§ 1137.44 Transfers.**

Skim milk and butterfat disposed of in the form of a fluid milk product by a handler including a handler pursuant to § 1137.9 (c) and (d) either by transfers or diversions, shall be classified as follows:

(a) Milk for which a cooperative association is the handler under § 1137.9 (d) or from a plant operated by such cooperative association shall be included in the producer milk classified at the plant of the transferee handler rather than the cooperative association.

(b) In the case of fluid milk products received from pool plants of handlers other than cooperative associations, at the utilization requested in writing by both handlers or otherwise as Class I subject to the following conditions:

(1) The skim milk or butterfat so assigned to any class shall be limited to the amount thereof remaining in such class in the transferee plant after computations pursuant to § 1137.46(a) (9) and the corresponding step of § 1137.46 (b);

(2) If the transferor plant received during the month other source milk to be allocated pursuant to § 1137.46(a) (4) and the corresponding step of § 1137.46 (b), the skim milk and butterfat so transferred shall be classified so as to allocate the least possible Class I (then Class II) utilization to such other source milk; and

(3) If the transferor handler received during the month other source milk to be allocated pursuant to § 1137.46(a) (8) and (9), and the corresponding steps of § 1137.46 (b), the skim milk and butterfat so transferred up to the total of such receipts shall be classified:

(i) If received at the pool plant of a transferee handler whose utilization of producer milk in Class I is above the estimated marketwide average as Class I to no greater extent than would have been applicable had a like quantity of such other source milk been received directly at a pool plant of the transferee handler, unless such classification in Class I would not affect the assignment of the other source milk of such transferor handler under § 1137.46(a) (8) and (9) and the corresponding steps of § 1137.46 (b).

(ii) If received at the pool plant of a transferor handler whose utilization of producer milk in Class I is below the estimated marketwide average as Class I to no greater extent than would have been applicable had a like quantity of such other source milk been received directly at a pool plant of such transferor handler.

(c) As Class I milk, if transferred from a pool plant to a producer-handler;

(d) As Class I milk, if transferred or diverted in bulk to a nonpool plant that is neither an other order plant nor a producer-handler plant unless the requirements of subparagraphs (1) and (2) of this paragraph are met, in which case the skim milk and butterfat so transferred or diverted shall be classified in

accordance with the assignment resulting from subparagraph (3) of this paragraph, except that cream so transferred may be classified as Class III if the handler claims classification of such cream in Class III in his report pursuant to § 1137.30, the handler tags the container of such cream as for manufacturing purposes, and the handler gives the market administrator sufficient notice to allow him to verify the shipment:

(1) The transferring or diverting handler claims classification pursuant to the assignment set forth in subparagraph (3) of this paragraph in his report submitted to the market administrator pursuant to § 1137.30 for the month within which such transaction occurred;

(2) The operator of such nonpool plant maintains books and records showing the utilization of all skim milk and butterfat received at such plant which are made available if requested by the market administrator for the purpose of verification; and

(3) The skim milk and butterfat so transferred shall be classified on the basis of the following assignment of utilization at such nonpool plant in excess of receipts of packaged fluid milk products from all pool plants and other order plants:

(i) Any Class I utilization disposed of on routes in the marketing area shall be first assigned to the skim milk and butterfat in the fluid milk products so transferred or diverted from pool plants, next pro rata to receipts from other order plants and thereafter to receipts from dairy farmers who the market administrator determines constitute regular sources of Grade A milk for such nonpool plant;

(ii) Any Class I utilization disposed of on routes in the marketing area of another order issued pursuant to the act shall be first assigned to receipts from plants fully regulated by such order, next pro rata to receipts from pool plants and other order plants not regulated by such order, and thereafter to receipts from dairy farmers who the market administrator determines constitute regular sources of supply for such nonpool plant;

(iii) Class I utilization in excess of that assigned pursuant to subdivisions (i) and (ii) of this subparagraph shall be assigned first to remaining receipts from dairy farmers who the market administrator determines constitute the regular source of supply for such nonpool plant and Class I utilization in excess of such receipts shall be assigned pro rata to unassigned receipts at such nonpool plant from all pool and other order plants;

(iv) To the extent that Class I utilization is not so assigned to it, the skim milk and butterfat so transferred shall be classified as Class II milk to the extent of such uses at the plant and then as Class III milk; and

(v) If any skim milk or butterfat is transferred to a second plant under this paragraph, the same conditions of audit, classification and allocation shall apply.

(e) As follows, if transferred to an other order plant in excess of receipts from such plant in the same category

as described in subparagraph (1), (2), or (3) of this paragraph:

(1) If transferred in packaged form, classification shall be in the classes to which allocated as a fluid milk product under the other order;

(2) If transferred in bulk form, classification shall be in Class I if allocated as a fluid milk product under the other order to Class I, in Class II if allocated to Class II under the order which provides three classes and in Class III if allocated to Class III under the other order or if allocated to Class II under an order which provides only two classes (including allocation under the conditions set forth in subparagraph (3) of this paragraph);

(3) If the operators of both the transferor and transferee plants so request in the reports of receipts and utilization filed with their respective market administrators, transfers in bulk form shall be classified as Class III (or Class II) to the extent of the Class III (or Class II) utilization (or comparable utilization under such other order) available for such assignment pursuant to the allocation provisions of the transferee order;

(4) If information concerning the classification to which allocated under the other order is not available to the market administrator for purposes of establishing classification pursuant to this paragraph, classification shall be as Class I, subject to adjustment when such information is available.

(5) For purposes of this paragraph, if the transferee order provides for only two classes of utilization, milk allocated to a class consisting primarily of fluid milk products shall be classified as Class I, and milk allocated to another class shall be classified as Class III; and

(6) If the form in which any fluid milk product is transferred to an other order plant is not defined as a fluid milk product under such other order, classification shall be in accordance with the provisions of § 1137.41.

**Proposal No. 12.** Revise § 1137.46 to read as follows:

**§ 1137.46 Allocation of skim milk and butterfat classified.**

After making the computations pursuant to § 1137.45, the market administrator shall determine the classification of producer milk for each handler at his pool plants as follows:

(a) Skim milk shall be allocated in the following manner:

(1) Subtract from the total pounds of skim milk in Class III the pounds of skim milk classified as Class III pursuant to § 1137.41(c)(7);

(2) Subtract from the remaining pounds of skim milk in each class the pounds of skim milk in fluid milk products received in packaged form from other order plants as follows:

(i) From Class III milk, the lesser of the pounds remaining or two percent of such receipts; and

(ii) From Class I milk, the remainder of such receipts;

(3) Subtract any skim milk contained in the respective receipts of other source milk in accordance with its classification pursuant to § 1137.44(b)(3)(ii) as possi-

ble, otherwise in series beginning with Class III;

(4) Subtract in the order specified below from the pounds of skim milk remaining in each class, in series beginning with Class III, the pounds of skim milk in each of the following:

(i) Other source milk in a form other than that of a fluid milk product;

(ii) Receipts of fluid milk products for which Grade A certification is not established, or which are from unidentified sources; and

(iii) Receipts of fluid milk products from a producer-handler, as defined under this or any other Federal order;

(5) Subtract, in sequence beginning with Class III in the order specified below, from the pounds of skim milk remaining in Class III and Class II:

(i) The pounds of skim milk in receipts of fluid milk products from unregulated supply plants for which the handler requests Class III (or Class II) utilization, but not in excess of the pounds of skim milk remaining in Class III and Class II;

(ii) The pounds of skim milk remaining in receipts of fluid milk products from unregulated supply plants which are in excess of the pounds of skim milk determined as follows:

(a) Multiply the pounds of skim milk remaining in Class I at all pool plants of the handler by 1.25;

(b) Subtract from the result the sum of the pounds of skim milk at all such plants in producer milk, in receipts from other pool handlers, from cooperative handlers pursuant to § 1137.9(d), and in receipts in bulk from other order plants; and

(iii) The pounds of skim milk in receipts of fluid milk products in bulk from an other order plant in excess of similar transfers to such plant, but not in excess of the pounds of skim milk remaining in Class III and Class II milk, if Class III (or Class II) utilization was requested by the operator of such plant and the handler;

(6) Subtract from the pounds of skim milk remaining in each class, in series beginning with Class III, the pounds of skim milk in inventory of fluid milk products on hand at the beginning of the month;

(7) Add to the remaining pounds of skim milk in Class III milk the pounds subtracted pursuant to subparagraph (1) of this paragraph;

(8) Subtract from the pounds of skim milk remaining in each class, pro rata to the total pounds of skim milk remaining in each class, the pounds of skim milk in receipts of fluid milk products from unregulated supply plants that were not subtracted pursuant to subparagraph (5) (i) or (ii) of this paragraph;

(9) Subtract, beginning with Class III, from the pounds of skim milk remaining in each class the pounds of skim milk in receipts of fluid milk products in bulk from an other order plant, in excess in each case of similar transfers to the same plant, that were not subtracted pursuant to subparagraph (5) (iii) of this paragraph pursuant to the following procedure:

(i) Subject to the provisions of subdivision (ii) of this subparagraph, such

subtraction shall be pro rata to which ever of the following represents the higher proportion of Class III and Class II milk combined:

(a) The estimated utilization of skim milk in each class by all handlers, as announced for the month pursuant to § 1137.22(1); or

(b) The pounds of skim milk remaining in each class for such handler;

(ii) Should proration pursuant to subdivision (i) of this subparagraph result in the total pounds of skim milk to be subtracted from Class III and Class II exceeding the pounds of skim milk remaining in Class III and Class II at such plants, the pounds of such excess shall be subtracted from the pounds of skim milk remaining in Class I after such proration at the pool plants at which received;

(10) Subtract from the pounds of skim milk remaining in each class the pounds of skim milk received from other pool plants according to the classification assigned pursuant to § 1137.44(b);

(11) If the remaining pounds of skim milk in all classes exceed the pounds of skim milk contained in milk received from producers, subtract such excess from the remaining pounds of skim milk in series beginning with Class III. Any amount so subtracted shall be known as "overage".

(b) Butterfat shall be allocated in accordance with the procedure outlined for skim milk in paragraph (a) of this section.

**Proposal No. 13.** Revise § 1137.51 to read as follows:

#### § 1137.51 Class prices.

Subject to the provisions of §§ 1137.52 and 1137.53, the class prices per hundredweight for the month shall be as follows:

(a) *Class I milk.* The Class I price shall be the basic formula for the preceding month plus \$2.10, plus or minus a supply-demand adjustment calculated for each month as follows:

(1) For each month calculate a utilization ratio as follows:

(i) Calculate a utilization ratio for the 12-month period ending with the second preceding month by dividing the total receipts of producer milk by the total gross volume of Class I milk (excluding interhandler transfers and any intermarket transfers that would result in the same milk being accounted for the second time as Class I milk) under this order and Order 134 regulating the handling of milk in the Western Colorado marketing area, respectively, and multiply by 100.

(ii) Add or subtract, respectively, any amount by which the percentage computed pursuant to subdivision (i) of this subparagraph is greater or less than a comparable utilization percentage calculated using the 12-month period ending with the fourth preceding month; and

(iii) The resultant figure rounded to the nearest whole percentage shall be known as the utilization ratio.

(2) For each percentage by which the utilization ratio calculated for the month pursuant to subparagraph (1) of this

paragraph exceeds 136, subtract from, or for each percentage by which it is less than 130, add to, the Class I price, 2 cents.

(b) *Class II milk.* The basic formula price for the month plus 15 cents; and

(c) *Class III milk.* The basic formula price for the month.

**Proposal No. 14.** Revise § 1137.52 to read as follows:

#### § 1137.52 Location adjustment to handlers.

For milk received from producers at a pool plant (or diverted to a nonpool plant) located more than 50 miles by shortest highway distance as measured by the market administrator, from the plant to the nearest County Courthouse located in either Denver, Colo., or Colorado Springs, Colo., and classified as Class I milk or assigned Class I location adjustment credit pursuant to the proviso of this section, and for other source milk for which a location adjustment is applicable the price computed pursuant to § 1137.51(a) shall be reduced by 10 cents if such plant is located more than 50 miles but not more than 75 miles from such Courthouse, and by an additional 1.5 cents for each 10 miles or fraction thereof that such distance exceeds 75 miles: *Provided*, That in calculating such adjustments transfers to pool plants at which no location differential is applicable or at which it is less than at the transferor plant, shall be assigned to Class I only to the extent that Class I disposition at the transferee plant exceeds receipts at such plant from producers and cooperative associations pursuant to § 1137.9(d), and the pounds received from other order plants and unregulated supply plants which is assigned to Class I. Such assignment to transferor plants shall be made first to plants with the same location differential and then in sequence beginning with the plants having the next higher differential credit.

**Proposal No. 15.** Revise § 1137.70 to read as follows:

#### § 1137.70 Computation of the net pool obligation of each pool handler.

The net pool obligation of each pool handler during each month shall be a sum of money computed by the market administrator as follows:

(a) Multiply the quantity of producer milk, including milk specified under § 1137.44(a) in each class, as computed pursuant to § 1137.46(c), by the applicable class prices (adjusted pursuant to §§ 1137.52 and 1137.53);

(b) Add the amount obtained from multiplying the pounds of overage deducted from each class pursuant to § 1137.46(a)(11) and the corresponding step of § 1137.46(b), by the applicable class prices;

(c) Add the amounts computed under subparagraphs (1) and (2) of this paragraph:

(1) Multiply the difference between the appropriate Class III price for the preceding month and the appropriate Class I price for the current month by the hundredweight of skim milk and butterfat subtracted from Class I pursuant

to § 1137.46(a)(6) and the corresponding step of § 1137.46(b), for the current month; and

(2) Multiply the difference between the appropriate Class III price for the preceding month and the appropriate Class II price for the current month by the hundredweight of skim milk and butterfat subtracted from Class II milk pursuant to § 1137.46(a)(6) and the corresponding step of § 1137.46(b), for the current month, or the hundredweight of skim milk remaining in Class III milk after the calculation pursuant to § 1137.46(a)(9) and the corresponding step of § 1137.46(b), for the preceding month, less the hundredweight used in the computation pursuant to subparagraph (1) of this paragraph, whichever is less; and

(d) Add an amount equal to the difference between the value at the Class I price applicable at the pool plant and the value at the Class III price, with respect to skim milk and butterfat in other source milk subtracted from Class I pursuant to § 1137.46(a)(4) and the corresponding step of § 1137.46(b);

(e) Add an amount equal to the value at the Class I price, adjusted for location of the nearest nonpool plant(s) from which an equivalent weight was received, with respect to skim milk and butterfat subtracted from Class I pursuant to § 1137.46(a)(8) and the corresponding step of § 1137.46(b).

**Proposal No. 16.** Revise § 1137.72 to read as follows:

#### § 1137.72 Notification of handlers.

On or before the 12th day after the end of each month, the market administrator shall mail to each handler, at his last known address, a statement showing:

(a) The amount and value of his producer milk, including milk specified under § 1137.44(a) in each class and the total thereof;

(b) The uniform price computed pursuant to § 1137.71 and the producer location and butterfat differentials computed pursuant to §§ 1137.81 and 1137.82; and

(c) The amount to be paid by such handler pursuant to §§ 1137.84, 1137.86, 1137.87, and 1137.88 and the amount due such handler pursuant to § 1137.85.

**Proposal No. 17.** Revise § 1137.80 to read as follows:

#### § 1137.80 Payment to producers.

Except as provided in paragraph (c) of this section, each handler shall make payment to each producer from whom milk is received as specified in paragraphs (a) and (b) of this section:

(a) On or before the last day of the month, to each producer who had not discontinued shipping milk to such handler before the 18th day of the month, an advance payment with respect to milk received during the first 15 days of the month at the Class III price for the preceding month;

(b) On or before the 16th day after the end of each month, for milk received during such month, an amount computed at not less than the uniform price per hundredweight pursuant to § 1137.71, subject to the butterfat differential com-

puted pursuant to § 1137.82 and location adjustment computed pursuant to § 1137.81, plus or minus adjustments for errors made in previous payments to such producers and less:

- (1) Payments made pursuant to paragraph (a) of this section;
- (2) Marketing service deductions pursuant to § 1137.87; and
- (3) Proper deductions authorized in writing by such producer:

Provided, That if by such date such handler has not received full payment for such delivery period pursuant to § 1137.85 he may reduce his total payment to all producers uniformly by not less than the amount of reduction in payment from the market administrator; the handler shall, however, complete such payments not later than the date for making such payments pursuant to this paragraph next following receipt of the balance from the market administrator;

(c) (1) Upon receipt of a written request from a cooperative association which the market administrator determines is authorized by its members to collect payment for their milk and receipt of a written promise to reimburse the handler the amount of any actual loss incurred by him because of any improper claim on the part of the cooperative association each handler shall pay to the cooperative association on or before the second day prior to the date of payment to producers in lieu of payments pursuant to paragraphs (a) and (b), respectively, of this section an amount equal to the sum of the individual payments otherwise payable to such producers. The foregoing payment shall be made with respect to milk of each producer whom the cooperative association certifies is a member effective on and after the first day of the calendar month next following receipt of such certification through the last day of the month next preceding receipt of notice from the cooperative association of a termination of membership or until the original request is rescinded in writing by the cooperative association; and

(2) A copy of each such request, promise to reimburse and certified list of members shall be filed simultaneously with the market administrator by the cooperative association and shall be subject to verification at his discretion through audit of the records of the cooperative association pertaining thereto. Exceptions, if any, to the accuracy of such certification by a producer claimed to be a member, or by a handler, shall be made by written notice to the market administrator and shall be subject to his determination;

(d) In making the payments to producers pursuant to paragraphs (b) and (c) of this section, each handler shall furnish each producer or cooperative association from whom he has received milk with a supporting statement which shall show for each month:

- (1) The name and the identity of the handler and of the producer;
- (2) The total pounds and the average butterfat content of milk received from such producer;

(3) The minimum rate or rates at which payment to such producer is required pursuant to this part;

(4) The rate which is used in making the payment if such rate is other than the applicable minimum rate;

(5) The amount of the rate per hundredweight and nature of each deduction claimed by the handler; and

(6) The net amount of payment to such producer; and

(e) Each handler who receives milk from a cooperative association including that assigned pursuant to § 1137.44(a), shall, on or before the second day prior to the date payments are due individual producers, pay such cooperative association for such milk as follows:

(1) An advance payment for milk received during the first 15 days of the month at not less than the Class III price for the preceding month; and

(2) In final settlement, the value of such milk at not less than the applicable uniform prices, less payment made pursuant to subparagraph (1) of this paragraph.

**Proposal No. 18.** Revise § 1137.84 to read as follows:

**§ 1137.84 Payments to the producer-settlement fund.**

On or before the 13th day after the end of the month each handler shall pay to the market administrator the amount, if any, by which the total amounts specified in paragraph (a) of this section exceed the amounts specified in paragraph (b) of this section:

(a) The total of the net pool obligation computed pursuant to § 1137.70 for such handler; and

(b) The sum of:

(1) The value of such handler's producer milk including milk specified under § 1137.44(a) at the applicable uniform prices specified in § 1137.80; and

(2) The value at the uniform prices applicable at the location of the plant(s) from which received (not to be less than the value at the Class III price) with respect to other source milk for which a value is computed pursuant to § 1137.70 (c).

**Proposal No. 19.** Revise § 1137.86 to read as follows:

**§ 1137.86 Adjustment of accounts.**

(a) Whenever audit by the market administrator of any handler's reports, books, records, or accounts or other verification discloses errors resulting in moneys due a producer or the market administrator from such handler or due such handler from the market administrator, the market administrator shall promptly notify such handler of any amount so due and payment thereof shall be made on or before the next date for making payments as set forth in the provisions under which such error occurred.

(b) Any unpaid obligation of a handler pursuant to § 1137.84 or paragraph (a) of this section relative to payments to the producer-settlement fund shall be increased one-half of one percent on the 18th of the month following the due date of such obligation and on the 18th

day of each month thereafter until such obligation is paid.

Proposed by Beatrice Foods Co.:

**Proposal No. 20.** The present location differentials to handlers and producers, as stated in §§ 1137.52 and 1137.81, respectively, of the Eastern Colorado order should be continued in either the present Eastern Colorado order, or any order resulting from the merger of the Eastern Colorado order and the Colorado Springs-Pueblo Order (No. 135), or any other order, including any appropriate conforming changes.

**Proposal No. 21.** Revise § 1137.84 to provide that the due date of such payments to the market administrator be extended to "on or before the 15th day after the end of the month \* \* \*".

Proposed by Borden Co.:

**Proposal No. 22.** Combine the Eastern Colorado marketing area and the Colorado Springs-Pueblo marketing area so that the whole of these two presently existing market orders will be one and the same, using the same terms as are now used in the Eastern Colorado order, except for two additional changes which are embodied in proposals No. 23 and 24.

**Proposal No. 23.** Provide the necessary language in the order so that fluid milk products on trucks on the last day of the month will be classified and priced as Class III.

**Proposal No. 24.** Classify dumped butterfat in the lowest classification.

Proposed by Fairmont Foods Co.:

**Proposal No. 25.** Add a new § 1137.16 to read as follows:

**§ 1137.16 Nonfluid milk product.**

"Nonfluid milk product" means condensed whole milk, condensed skim milk, milk powder (whole or skim), whey powder, buttermilk powder, butter and frozen cream, but does not mean ice cream or cottage cheese.

**Proposal No. 26.** Revise § 1137.41(b) (3) to read as follows:

**§ 1137.41 Classes of utilization.**

(b) \* \* \*

(3) Dumped after prior notification to and opportunity for verification by the market administrator.

**Proposal No. 27.** Revise § 1137.42(b) (2) by deleting the words "in the form of a fluid milk product".

Proposed by Shoenberg Farms:

**Proposal No. 28.** In § 1137.10 add a new paragraph (c) to read as follows:

**§ 1137.10 Producer.**

(c) Received by a handler at the farm in a tank truck owned and operated by or under contract to him, subject to the following condition:

(1) For purposes of location adjustments pursuant to §§ 1137.52 and 1137.81 milk so received shall be considered received at the location of the handler's plant.

**Proposal No. 29.** Revise § 1137.41(c) (5) to read as follows:

## § 1137.41 Classes of utilization.

(c) \* \* \*

(5) Disposed of in fluid milk products to any commercial food processing establishment or restaurant for use in preparation of manufactured products, or used to produce sour cream or sour cream dressing.

Proposal No. 30. In § 1137.52 add a new paragraph (c) to read as follows:

## § 1137.52 Location adjustment to handlers.

(c) For milk received by a handler in a tank truck at the farm, the price shall be the same as directed for milk, f.o.b. the handler's plant with the exception of a credit for the normal cost of movement from the farm to the handler's plant that will be borne by the producer.

Proposal No. 31. In § 1137.88 where the order specifies 4 cents, change this to read two cents per hundredweight or such lesser amount as the Secretary may prescribe.

Proposed by the Southland Corp.

Proposal No. 32. Revise § 1137.52 by deleting the words "but not located in El Paso County, Colorado."

Proposed by Dairy Division, Agricultural Marketing Service.

Proposal No. 33. Make such changes as may be necessary to make the entire marketing agreements and the orders conform with any amendments thereto that may result from this hearing.

Copies of this notice of hearing and the order may be procured from the Market Administrator, H. Alan Luke, 2765 South Colorado Boulevard, Denver, Colo., 80222, or from the Hearing Clerk, Room 112-A, Administration Building, U.S. Department of Agriculture, Washington, D.C., 20250, or may be there inspected.

Signed at Washington, D.C., on February 4, 1965.

CLARENCE H. GIRARD,  
Deputy Administrator.

[F.R. Doc. 65-1353; Filed, Feb. 8, 1965; 8:47 a.m.]

## Agricultural Research Service

## [ 9 CFR Part 131 ]

[Docket No. AO16-A9]

## HANDLING OF ANTI-HOG-CHOLERA SERUM AND HOG-CHOLERA VIRUS

## Notice of Hearing on Proposed Amendments to Marketing Agreement and Order, as Amended

Pursuant to the provisions of the Anti-Hog-Cholera Serum and Hog-Cholera Virus Marketing Agreement Act (7 U.S.C. 851 et seq.), and the rules of practice and procedure governing formulation of marketing agreements and marketing orders applicable to anti-hog-cholera serum and hog-cholera virus (9

CFR Part 132), notice is hereby given of a public hearing to be held at 9:00 a.m., c.s.t., March 10, 1965, in Room 214, V.F.W. Building, 406 West 34th Street, Kansas City, Mo., for the purpose of receiving evidence with respect to proposed amendments hereinafter set forth or appropriate modifications thereof to the Marketing Agreement and Order, as amended, regulating the handling of anti-hog-cholera serum and hog-cholera virus in interstate commerce or so as to directly burden, obstruct, or affect interstate commerce (9 CFR Part 131). The proposed Marketing Agreement and Order provisions hereinafter set forth have not received the approval of the Secretary of Agriculture.

Amendment to the Marketing Agreement and Order, as amended, has been proposed by the Executive Committee and the Amendment Committee of the Control Agency administering the provisions of such order, as follows:

## 1. Amend § 131.52 to read as follows:

## § 131.52 Filing of new price lists.

Each price list, including discounts and terms of sale, filed by a manufacturer or wholesaler handler shall be filed in the Office of the Control Agency only during the designated business hours of such Office. Each such price list shall, subject to the limitations set forth in section 131.54, only become effective after such price list has been on file in the Office of the Control Agency for 3 days, and such price list shall remain in effect for at least 30 days thereafter. After a price list has been in effect for at least 30 days, a new price list, including discounts and terms of sale, may be filed: *Provided, however*, That the price, including discount, for each product for each classification of buyer set forth in the new price list shall not be decreased or increased more than 10 percent from the price, including any discount, for such classification of buyer as set forth in the handler's previously filed price list for that classification of buyer. A handler shall not file more than one price list within any 30-day period. In the event such list is mailed by registered letter or telegraphed to the Office of the Control Agency, it shall be deemed to have been filed either (a) at the time during the usual business hours it is actually delivered in such office, or (b) at the time during usual business hours such communication would have been received, considering the usual time required for the means of communication used, in the absence of delays in transit, whichever time is earlier.

Proposed by Animal Inspection and Quarantine Division, Agricultural Research Service:

2. Make such other changes as may be necessary to make the entire marketing agreement and order conform with any amendments thereto that may result from this hearing.

Copies of this notice of hearing may be procured from the Hearing Clerk, Room 112, Building A, U.S. Department of Agriculture, Washington, D.C., 20250, or may there be inspected.

Done at Washington, D.C., this 3d day February 1965.

B. T. SHAW,  
Administrator,  
Agricultural Research Service.

[F.R. Doc. 65-1354; Filed, Feb. 8, 1965; 8:47 a.m.]

## FEDERAL AVIATION AGENCY

## [ 14 CFR Part 71 ]

[Airspace Docket No. 65-CE-3]

## CONTROL ZONE AND TRANSITION AREA

## Proposed Designation

The Federal Aviation Agency is considering an amendment to Part 71 of the Federal Aviation Regulations to designate controlled airspace in the McCook, Nebr., terminal area.

No controlled airspace is presently designated in the McCook, Nebr., terminal area.

The Federal Aviation Agency, having completed a comprehensive review of the terminal airspace structure requirements in the McCook, Nebr., terminal area, including studies attendant to the implementation of the provisions of Amendments 60-21 (26 F.R. 570) and 60-29 (27 F.R. 4012) of Part 60 of the Civil Air Regulations, proposes to take the following airspace actions.

1. Designate a control zone at McCook, Nebr., to comprise that airspace within a 5-mile radius of McCook, Nebr., Municipal Airport (latitude 40°12'26" N., longitude 100°35'20" W.), and within 2 miles each side of the McCook VOR 129° and 309° radials extending from the 5-mile radius zone to 8 miles SE and NW of the VOR. This control zone will be effective during the times designated by a Notice to Airmen and continuously published in the Airman's Information Manual.

2. Designate a transition area at McCook, Nebr., to comprise that airspace extending upward from 700 feet above the surface within a 7-mile radius of the McCook, Nebr., Municipal Airport (latitude 40°12'26" N., longitude 100°35'20" W.), and within 2 miles each side of the McCook VOR 129° and 309° radials extending from the 7-mile radius area to 8 miles SE and NW of the VOR; and that airspace extending upward from 1200 feet above the surface within 8 miles NE and 5 miles SW of the McCook VOR 129° radial, extending from the VOR to 13 miles SE of the VOR, and within 5 miles NE and 8 miles SW of the McCook VOR 309° radial, extending from the VOR to 12 miles NW of the VOR; and within 5 miles each side of a direct line from the McCook VOR to the Hays Center, Nebr., VORTAC extending from the McCook VOR to the Hays Center VORTAC.

No controlled airspace is presently designated in the McCook, Nebr., terminal area; however, in part, the North Platte control area extension coincides with the transition area proposed herein. The North Platte control area extension will be revoked at a later date after

studies associated with the implementation of CAR Amendments 60-21/29 have been completed for North Platte, Nebr., terminal area. The floors of the airways that would transverse the transition area proposed herein would automatically coincide with the floors of the transition area.

The weather reporting service will be provided by the Nebraska State Weather Bureau at McCook Municipal Airport from 0600 to 1800 hours local time daily, and by Frontier Airlines personnel from 1800 to 2200 hours local time daily. Therefore, initially, we propose that the McCook, Nebr., control zone be designated from 0600 to 2200 hours local time daily. However, due to seasonal airline schedule changes, the effective times for designation may change occasionally during the year. Normally 30 days notice will be given in case of change. Notice of the change will be given by Notice to Airmen and published in the Airman's Information Manual.

The proposed control zone, when effective, will provide protection for aircraft executing departures and missed approach procedures until reaching an altitude of 700 feet above the surface, and will also protect aircraft executing instrument approach procedures when descending below an altitude of 1,000 feet above the surface. The proposed transition area will provide protection for transitioning, holding, and instrument approach procedures until descending below 1,000 feet above the surface, and also complement the control zone for departures and missed approach procedures.

Certain minor revisions to prescribed instrument procedures would be effected with the actions proposed herein, but operational complexities would not be increased nor would aircraft performance characteristics or present landing minimums be adversely affected.

Specific details of the changes to procedures that would be required may be examined by contacting the Chief, Airspace Branch, Air Traffic Division, Central Region, Federal Aviation Agency, 4825 Troost Avenue, Kansas City, Mo., 64110.

Interested persons may submit such written data, views or arguments as they may desire. Communications should be submitted in triplicate to the Director, Central Region, ATTN: Chief, Air Traffic Division, Federal Aviation Agency, 4825 Troost Avenue, Kansas City, Mo., 64110. All communications received within 45 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. 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 public Docket will be available for examination by interested persons in the office of the Regional Counsel, Federal Aviation Agency, 4825 Troost Avenue, Kansas City, Mo., 64110.

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

Issued at Kansas City, Mo., on January 29, 1965.

EDWARD C. MARSH,  
Director, Central Region.

[F.R. Doc. 65-1333; Filed, Feb. 8, 1965;  
8:45 a.m.]

#### [ 14 CFR Part 71 ]

[Airspace Docket No. 64-80-52]

### FEDERAL AIRWAYS AND TRANSITION AREAS

#### Proposed Revocation and Alteration

The Federal Aviation Agency is considering amendments to Part 71 of the Federal Aviation Regulations that would revoke VOR Federal airways Nos. 267 east alternate and 51 east alternate, and that would alter the Atlanta, Ga., and Knoxville, Tenn., transition areas.

Interested persons may participate in the proposed rule making by submitting such written data, views, or arguments as they may desire. Communications should identify the airspace docket number and be submitted in triplicate to the Director, Southern Region, Attention: Chief, Air Traffic Division, Federal Aviation Agency, Post Office Box 20636, Atlanta, Ga., 30320. All communications received within 45 days after publication of this notice in the FEDERAL REGISTER will be considered before action is taken on the proposed amendments. The proposals contained in this notice may be changed in the light of comments received.

An 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 Avenue SW., Washington, D.C. An informal docket also will be available for examination at the office of the Regional Air Traffic Division Chief.

VOR Federal airway No. 267 is designated in part to include a standard east alternate between Norcross, Ga., and Knoxville, Tenn. VOR Federal airway No. 51 is designated in part to include an east alternate from Crabapple Intersection (intersection of the Rex, Ga., VOR 345° and the Atlanta, Ga., VORTAC 007° true radials) to Crossville, Tenn., via the

intersection of the Atlanta 007° and the Crossville 143° true radials. The latest FAA IFR peak day airway traffic survey shows that no aircraft used either of these airway segments. Therefore, it appears that continued designation of these airway segments is unwarranted as such and the FAA proposes their revocation. However, the controlled airspace associated with these airway segments is used extensively in vectoring aircraft arriving and departing the Knoxville, Chattanooga, and Atlanta terminal areas. It is, therefore, further proposed that the Atlanta and Knoxville transition areas be altered to include the controlled airspace now associated with V-267E and V-51E. Also, the portion of the Knoxville 7,500-foot transition area southeast of Knoxville which is designated in part with reference to V-267E would be redescribed without such reference.

If the proposed actions are adopted, the Atlanta 1,200-foot transition area would be redescribed to include the airspace bounded on the north by V-54, on the east by V-222 and a line 5 miles east of, and parallel to, the Norcross VORTAC 025° and Knoxville VORTAC 166° true radials, and on the west by V-267.

The Knoxville 1,200-foot transition area would be redescribed to include an area south of Knoxville bounded on the north by the arc of a 21-mile circle centered on the McGhee-Tyson Airport, on the east by a line 5 miles east of, and parallel to, the Knoxville VORTAC 166° true radial, on the south by V-54 and on the west by V-267, and an area southwest of Knoxville bounded on the north by a line 12 miles south of, and parallel to, the Crossville, Tenn., VORTAC 064° and 244° true radials, on the northeast and southeast by a line 5 miles east of, and parallel to, the Crossville VORTAC 143° true radial and V-97, on the south by V-54, and on the west by V-51.

The portion of the Knoxville 7,500-foot transition area southeast of Knoxville would be redesignated as that airspace extending upward from 7,500 feet above mean sea level within the area southeast of Knoxville bounded on the north by the arc of a 21-mile circle centered on McGhee-Tyson Airport, on the east by a line 10 miles east of, and parallel to, the Knoxville VORTAC 166° true radial, on the south by latitude 35°26'15"N., and on the west by a line 5 miles east of and parallel to the Knoxville VORTAC 166° true radial.

These amendments are proposed under section 307(a) of the Federal Aviation Act of 1958 (49 U.S.C. 1348).

Issued in Washington, D.C., on February 2, 1965.

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

[F.R. Doc. 65-1333; Filed, Feb. 8, 1965;  
8:45 a.m.]

# Notices

## DEPARTMENT OF THE INTERIOR

### Fish and Wildlife Service

[Docket No. Sub-S-4]

#### EINAR PEDERSEN

##### Amendment to Notice of Hearing

Einar Pedersen, Seattle, Wash., has applied for a fishing vessel construction differential subsidy to aid in the construction of a 97-foot overall steel vessel to engage in the fishery for halibut, King crab, bottom fish, black cod and albacore, including filleting and freezing on the high seas.

Notice was published in the *FEDERAL REGISTER* on January 28, 1965, pursuant to the provisions of the U.S. Fishing Fleet Improvement Act (P.L. 88-498) and Notice and Hearing on Subsidies (50 CFR Part 257) that a hearing in the above-entitled proceedings will be held on February 25, 1965, at 9 a.m., e.s.t., in Room 3356, Interior Building, 18th and C Streets NW., Washington, D.C.

The notice of January 28, 1965, is hereby amended to include the following additional species in the fishery, in which the proposed vessel may engage: herring, Pacific hake, Pacific shrimp, and Pacific scallops, and to change the date and time set for the hearing from February 25, 1965, at 9 a.m., e.s.t., to March 9, 1965, at 10 a.m., e.s.t. Any person desiring to intervene must file a petition of intervention with the Director, Bureau of Commercial Fisheries, as prescribed in 50 CFR Part 257 at least 10 days prior to the date set for the hearing. If such petition of intervention is granted, the place of the hearing may be changed to a field location. Telegraphic notice will be given to the parties in the event of such a change along with the new location.

DONALD L. MCKERNAN,  
Bureau of Commercial Fisheries.

FEBRUARY 5, 1965.

[F.R. Doc. 65-1378; Filed, Feb. 8, 1965;  
8:50 a.m.]

## DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

### Food and Drug Administration

#### CREAMED COTTAGE CHEESE DEVIATING FROM IDENTITY STANDARD

##### Notice of Extension of Temporary Permit for Market Testing

Pursuant to § 10.5(j) of Title 21, Code of Federal Regulations, concerning temporary permits to facilitate market testing of foods varying from the requirements of standards of identity promulgated pursuant to section 401 of the Federal Food, Drug, and Cosmetic Act, notice is given that the temporary per-

mit issued to Fairmont Foods Co., 3201 Farnam Street, Omaha, Nebr., has been extended. This permit covers interstate marketing tests of creamed cottage cheese deviating from the requirement of the standard of identity for this food (21 CFR 19.530). The product deviates from the standard in that an artificial flavoring, diacetyl, is added to the creaming mixture. The creamed cottage cheese will be labeled to show that artificial flavoring has been added.

This permit expires February 15, 1966.

Date: February 3, 1965.

JOHN L. HARVEY,  
Deputy Commissioner  
of Food and Drugs.

[F.R. Doc. 65-1376; Filed, Feb. 8, 1965;  
8:50 a.m.]

## STANDARD OIL COMPANY OF CALIFORNIA

### Notice of Filing of Petition for Food Additives Lubricants With Incidental Food Contact

Pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (sec. 409(b)(5), 72 Stat. 1786; 21 U.S.C. 348 (b)(5)), notice is given that a petition (FAP 5B1613) has been filed by Standard Oil Co. of California, 225 Bush Street, San Francisco 20, Calif., proposing an amendment to § 121.2553 *Lubricants with incidental food contact* to provide for the safe use of aluminum stearoyl benzoyl hydroxide as a thickening agent in mineral oil lubricants at a level not to exceed 10 percent by weight of the mineral oil.

Dated: February 3, 1965.

MALCOLM R. STEPHENS,  
Assistant Commissioner  
for Regulations.

[F.R. Doc. 65-1377; Filed, Feb. 8, 1965;  
8:50 a.m.]

## ATOMIC ENERGY COMMISSION

[Docket No. 50-214]

### DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES

#### Notice of Hearing on Application for Provisional Construction Permit

Pursuant to the Atomic Energy Act of 1954, as amended, and the regulations in Title 10, Code of Federal Regulations, Part 50, "Licensing of Production and Utilization Facilities," and Part 2, "Rules of Practice," notice is hereby given that a hearing will be held at 10 a.m., local time, on March 23, 1965, in the Council Chambers, City Hall, 1685 Main Street, Santa Monica, Calif., to consider the application filed under section 104b. of the

Act by the Department of Water and Power of the city of Los Angeles, Calif., for a provisional construction permit for a pressurized water reactor designed to operate at 1473 megawatts (thermal) to be located at Corral Canyon, Rancho Malibu, Los Angeles County, Calif.

The hearing will be conducted by the Atomic Safety and Licensing Board designated by the Atomic Energy Commission, consisting of Mr. Hood Worthington, Wilmington, Del.; Dr. Lawrence R. Quarles, Charlottesville, Va.; and Samuel W. Jensch, Esq., Chairman, Washington, D.C.

The following issues will be considered at the hearing:

1. Whether in accordance with the provisions of 10 CFR § 50.35(a): (1) The applicant has described the proposed design of the facility, including, but not limited to, the principal architectural, and engineering criteria for the design, and has identified the major features or components on which further technical information is required;

(2) The omitted technical information will be supplied;

(3) The applicant has proposed, and there will be conducted, a research and development program reasonably designed to resolve the safety questions, if any, with respect to those features or components which require research and development; and that

(4) On the basis of the foregoing, there is reasonable assurance that (i) such safety questions will be satisfactorily resolved at or before the latest date stated in the application for completion of construction of the proposed facility and (ii) taking into consideration the site criteria contained in Part 100, the proposed facility can be constructed and operated at the proposed location without undue risk to the health and safety of the public.

2. Whether the applicant is technically qualified to design and construct the proposed facility;

3. Whether the applicant is financially qualified to design and construct the proposed facility;

4. Whether the issuance of a permit for the construction of the facility will be inimical to the common defense and security or to the health and safety of the public.

The application and the reports of the Commission's Advisory Committee on Reactor Safeguards (ACRS) are available for public inspection in the Commission's Public Document Room, 1717 H Street NW., Washington, D.C.; in the Commission's Los Angeles office, 3325 Wilshire Boulevard (Room 804); and in its San Francisco office, 2111 Bancroft Way, Berkeley. Copies of the ACRS reports may be obtained by request to the Director of the Division of Reactor Licensing, United States Atomic Energy Commission, Washington, D.C., 20545.

Petitions for leave to intervene, pursuant to the provisions of § 2.714 of the

Commission's "Rules of Practice," must be received in the Office of the Secretary, United States Atomic Energy Commission, Germantown, Md., or in the Commission's Public Document Room, 1717 H Street NW., Washington, D.C., not later than February 23, 1965, or, in the event of a postponement of the hearing date specified, at such time as the Board may specify.

Any person who wishes to make an oral or written statement setting forth his position on the issues specified, but who does not wish to file a petition to intervene, may request permission to make a limited appearance pursuant to the provisions of § 2.715 of the Commission's "Rules of Practice." Limited appearances will be permitted at the time of the hearing in the discretion of the Board, within such limits and on such conditions as may be fixed by the Board. Persons desiring to make a limited appearance are requested to inform the Secretary, United States Atomic Energy Commission, Washington, D.C., 20545, by February 23, 1965.

The answer to this notice, pursuant to the provisions of § 2.705 of the Commission's "Rules of Practice," must be filed by the applicant on or before February 23, 1965.

Papers required to be filed in this proceeding may be filed by mail or telegram addressed to the Secretary, United States Atomic Energy Commission, Washington, D.C., 20545, or may be filed by delivery to the Office of the Secretary, United States Atomic Energy Commission, Germantown, Md., or the Commission's Public Document Room, 1717 H Street NW., Washington, D.C. Pending further order of the Board, parties are required to file, pursuant to the provisions of § 2.708 of the Commission's "Rules of Practice," an original and twenty conformed copies of each such paper with the Commission.

Dated at Washington, D.C., this 8th day of February 1965.

UNITED STATES ATOMIC  
ENERGY COMMISSION,

W. B. McCool,

Secretary of the Commission.

[F.R. Doc. 65-1490; Filed, Feb. 8, 1965;  
11:22 a.m.]

## CIVIL AERONAUTICS BOARD

[Docket No. 9262]

### ALASKA COASTAL-ELLIS AIR LINES

#### Notice of Hearing

Notice is hereby given pursuant to the Federal Aviation Act of 1958, as amended, that a hearing in the above-entitled proceeding will commence on Monday, March 1, 1965, at 10 a.m., local time, in Room 726, Universal Building, 1825 Connecticut Avenue NW., Washington, D.C., before Examiner Merritt Ruhlen.

Without limiting the scope of the issues to be considered, particular attention will be directed to the following: Do the public convenience and necessity require and should the Board order the amendment of Alaska Coastal-Ellis'

certificate of public convenience and necessity so as to authorize the transportation of mail between Ketchikan, Alaska, on the one hand, and Prince Rupert, British Columbia, Canada, on the other, and, if so, what limitations, if any, should be imposed with respect to the duration and/or scope of such authority?

For further details of the issues involved in this proceeding, interested persons are referred to the applications and any amendments thereto, petitions, motions, and orders entered in the docket of this proceeding, all of which are on file with the Civil Aeronautics Board.

Dated at Washington, D.C., February 3, 1965.

[SEAL]

MERRITT RUHLEN,  
Hearing Examiner.

[F.R. Doc. 65-1364; Filed, Feb. 8, 1965;  
8:48 a.m.]

[Docket No. 13377 etc.]

### BONANZA AIR LINES, INC.

#### Renewal of Segment; Notice of Hearing

Notice is hereby given, pursuant to the Federal Aviation Act of 1958, as amended, that the above-entitled proceeding is assigned for hearing on February 17, 1965, at 10 a.m., in Room 607, Universal Building, Connecticut and Florida Avenues NW., Washington, D.C., before Examiner Ralph L. Wiser.

Without limiting the scope of the issues raised by the pleadings in this proceeding, particular attention will be directed to the following matters:

1. Do the public convenience and necessity require the renewal, in whole or in part, of the portion of the certificate of public convenience and necessity of Bonanza Air Lines, Inc., for route 105 which authorizes segment 4 and, if so, for what period?

2. Is the applicant fit, willing, and able properly to perform the proposed air transportation and to conform to the provisions of the Federal Aviation Act of 1958, as amended, and the rules, regulations, and requirements of the Board thereunder?

3. Do the public convenience and necessity require that the Board alter, amend, modify, or suspend the certificate of Western Air Lines, Inc., to prevent Western from deplaning at Las Vegas, Nev., persons, property, or mail enplaned at San Bernardino, Calif., or deplaning at San Bernardino, Calif., persons, property, or mail enplaned at Las Vegas, Nev., for the period during which Bonanza is authorized to provide service under its certificate between Las Vegas and Riverside/Ontario, Calif.?

For further details with respect to the issues in this proceeding, interested persons are referred to the orders and notices herein, the documents filed by the parties, and the examiner's prehearing conference report served January 13, 1965, all of which are on file with the Docket Section of the Civil Aeronautics Board.

Notice is further given that any person other than parties of record desiring to

be heard in this proceeding shall file with the Board on or before February 12, 1965, a statement setting forth the issues of fact or law raised by this proceeding which he desires to controvert.

Dated at Washington, D.C., February 3, 1965.

[SEAL]

RALPH L. WISER,  
Hearing Examiner.

[F.R. Doc. 65-1365; Filed, Feb. 8, 1965;  
8:48 a.m.]

[Docket No. 15419; Order E-21759]

### FLYING TIGER LINE, INC.

#### Order of Investigation Regarding Proposed Blocked-Space Air Freight Rates Between Chicago and California Cities

Adopted by the Civil Aeronautics Board at its office in Washington, D.C., on the fourth day of February 1965.

By tariff bearing a posting date of January 7, 1965, and marked to become effective February 21, 1965, The Flying Tiger Line, Inc. (Tiger) proposes blocked-space service and rates in both directions between Chicago, on the one hand, and Los Angeles, Oakland, and San Francisco, on the other hand. The proposal is similar to Tiger's blocked-space tariff that became effective December 17, 1964, between New York City, on the one hand, and the same cities in California. In addition, Tiger proposes concurrently to cancel its rates for standard service in the Chicago-California markets for shipments under 200 pounds, as it has already done in the New York-California markets.

United Air Lines, Inc. (United) has filed a complaint requesting suspension and investigation of Tiger's proposed blocked-space rates. In support of its request for suspension, United states that (1) all of the grounds for complaint stated in United's protests submitted with respect to earlier blocked-space tariffs filed by the Slick Corp. (Slick) and Tiger are equally applicable to Tiger's present proposal; (2) the instant proposal would extend unlawful and uneconomic rates to additional markets; (3) the proposed rates are clearly unjust and unreasonable according to Tiger's own previous statements protesting Slick's blocked-space rates having similar yields; in fact, the yields from Tiger's proposal may well be below Slick's; (4) Tiger has not presented any economic justification; (5) there has been no indication to date that blocked-space tariffs have served to generate any volume of new traffic in the New York-California markets and there has been no showing by Tiger that a break-even load factor (approximately 85 percent) could be achieved in those markets; (6) expansion of blocked-space rates into the new markets would not provide the Board with any experience or information that is not obtainable from the existing blocked-space operations; and (7) the public interest will be best served by withholding extension of blocked-space rates into additional markets until such time as the U.S. Court of Appeals resolves the question as to the legality of the

Board's implementation of its blocked-space policy.

Continental Air Lines, Inc., has filed an answer in support of United's complaint. Continental contends that the blocked-space rates effective in the transcontinental markets are uneconomic and that they should not be permitted to be expanded to other markets without a considerably longer period of experimentation.

Upon consideration of all relevant matters, the Board finds that Tiger's proposed blocked-space rates may be unjust or unreasonable, unjustly discriminatory, unduly preferential, or unduly prejudicial, and should be investigated. As indicated above, the proposal is similar to Tiger's blocked-space transcontinental tariff, which the Board set for investigation by Order E-21575, dated December 10, 1964. We shall consolidate this investigation with that pending in Docket 15419, Blocked-Space Air Freight Tariffs.

We have concluded not to suspend Tiger's tariff pending investigation. This would be consistent with our foregoing action permitting Tiger's transcontinental tariff to become effective pending investigation. The two tariffs involve identical features, i.e. contracts with shippers with a minimum period of 90 days, discounts ranging from 7 to 15 percent from the rates for standard service for shipments with contracted frequencies ranging from 1 to 5 days per week, weight breaks ranging from 1,000 to 20,000 pounds, etc. The yields from the instant proposal would range from 10.7 to 18.9 cents per ton-mile for general commodities (exclusive of premium-rated commodities), with certain specific commodity rates as low as 7.3 cents per ton-mile for eastbound movements. The foregoing yields would be actually somewhat higher than those resulting from Tiger's currently effective rates in transcontinental markets, which are as low as 9.4 cents for general commodity rates and 6.3 cents for specific commodity rates. The reason for these differences appears to be the shorter hauls in the current proposals.

We have dealt with United's previous complaints in our orders setting for investigation blocked-space rates currently in effect for Tiger and Slick (especially Order E-21160, dated August 7, 1964, and Order E-21575 supra), and the considerations therein are applicable here.

The transcontinental blocked-space rates have been in effect but little over a month, much too short a period for an adequate test either as to their effectiveness in attracting traffic or as to their being compensatory. Restriction by the Board of such rates to the foregoing markets to obtain further experience data and to await the appellate court's order might prevent the carrier from operating blocked-space service at its maximum efficiency. Moreover, we believe that the experience to be gained in additional markets will be in the public interest because it will provide our investigation a better basis upon which we can judge the blocked-space program.

Accordingly, pursuant to the Federal Aviation Act of 1958, and particularly

sections 204(a) and 1002 thereof: *It is ordered, That:*

1. An investigation is instituted to determine whether the rates, charges, and provisions of The Flying Tiger Line Inc., CAB No. 170, including subsequent revisions or reissues thereof, and rules, regulations or practices affecting such rates, charges and provisions are, or will be, unjust or unreasonable, unjustly discriminatory, unduly preferential, unduly prejudicial, or otherwise unlawful, and if found to be unlawful, to determine and prescribe the lawful rates, charges, and provisions and rules, regulations or practices affecting such rates, charges and provisions.

2. This investigation is consolidated with the proceeding in Docket 15419;

3. The complaint of United Air Lines, Inc., in Docket 15793 and the answer of Continental Air Lines, Inc., in support thereof, are dismissed, except to the extent granted; and

4. Continental Air Lines, Inc., is hereby made a party in Docket 15419.

This order will be published in the FEDERAL REGISTER.

By the Civil Aeronautics Board.

[SEAL] HAROLD R. SANDERSON,  
Secretary.

[F.R. Doc. 65-1366; Filed, Feb. 8, 1965; 8:48 a.m.]

[Docket No. 14522]

#### WIEN ALASKA AIRLINES, INC.

##### Notice of Hearing

Notice is hereby given pursuant to the Federal Aviation Act of 1958, as amended, that a hearing in the above-entitled proceeding will commence on Tuesday, March 2, 1965, at 10 a.m., local time, in Room 726, Universal Building, 1825 Connecticut Avenue NW., Washington, D.C., before Examiner Merritt Ruhlen.

Without limiting the scope of the issues to be considered, particular attention will be directed to the following: Do the public convenience and necessity require and should the Board order the amendment of Wien Alaska's certificate of public convenience and necessity so as to authorize the carrier to engage in air transportation of persons, property, and mail between points on segment 2 of route 123, on the one hand, and Rampart and Tanana on segment 4 of said route, on the other, without stopping at the segment junction point Fairbanks; and, if so, what limitations, if any, should be imposed with respect to the duration and/or scope of such authority?

For further details of the issues involved in this proceeding, interested persons are referred to the application and any amendments thereto, petitions, motions, and orders entered in the docket of this proceeding, all of which are on file with the Civil Aeronautics Board.

Dated at Washington, D.C., February 3, 1965.

[SEAL] MERRITT RUHLEN,  
Hearing Examiner.

[F.R. Doc. 65-1367; Filed, Feb. 8, 1965; 8:48 a.m.]

## CIVIL SERVICE COMMISSION

### CERTAIN NURSES

#### Notice of Manpower Shortage

Under the provisions of Public Law 86-587, the Civil Service Commission has determined, effective January 21, 1965, that the manpower shortage for Nurse, GS-610-0, and Public Health Nurse, GS-615-0, is nationwide. The manpower shortage listing for these series is, accordingly, changed from "Continental United States, excluding Alaska," to "Nationwide." Appointees to these positions may be paid for the expenses of travel and transportation to their duty stations. Payments must be made in accordance with regulations issued by the Bureau of the Budget.

UNITED STATES CIVIL SERVICE COMMISSION,

[SEAL] MARY V. WENZEL,  
Executive Assistant to  
the Commissioners.

[F.R. Doc. 65-1360; Filed, Feb. 8, 1965; 8:48 a.m.]

## FEDERAL POWER COMMISSION

[Docket No. RI65-475 etc.]

### SHELL OIL CO. ET AL.

#### Order Providing for Hearings on and Suspension of Proposed Changes in Rates<sup>1</sup>

JANUARY 29, 1965.

Shell Oil Co. and other Respondent listed herein, Docket No. RI65-475 et al.

The Respondents named herein have filed proposed increased rates and charges of currently effective rate schedules for sales of natural gas under Commission jurisdiction, as set forth in Appendix A below.

The proposed changed rates and charges may be unjust, unreasonable, unduly discriminatory, or preferential, or otherwise unlawful.

The Commission finds: It is in the public interest and consistent with the Natural Gas Act that the Commission enter upon hearings regarding the lawfulness of the proposed changes, and that the supplements herein be suspended and their use be deferred as ordered below.

The Commission orders: (A) Under the Natural Gas Act, particularly sections 4 and 15, the regulations pertaining thereto (18 CFR Ch. I), and the Commission's rules of practice and procedure, public hearings shall be held concerning the lawfulness of the proposed changes.

(B) Pending hearings and decisions thereon, the rate supplements herein are suspended and their use deferred until

<sup>1</sup> Does not consolidate for hearing or dispose of the several matters herein.

date shown in the "Date Suspended Until" column, and thereafter until made effective as prescribed by the Natural Gas Act.

(C) Until otherwise ordered by the Commission, neither the suspended supplements, nor the rate schedules sought

to be altered, shall be changed until disposition of these proceedings or expiration of the suspension period.

(D) Notices of intervention 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 and 1.37(f)) on or before March 17, 1965.

By the Commission.

[SEAL]

JOSEPH H. GUTHRIE,  
Secretary.

APPENDIX "A"

Docket No.	Respondent	Rate schedule No.	Supplement No.	Purchaser and producing area	Amount of annual increase	Date filing tendered	Effective date unless suspended	Date suspended until—	Cents per Mcf		Rate in effect subject to refund in Docket No.
									Rate in effect	Proposed increased rate	
R165-475...	Shell Oil Co. 50 West 50th St., New York 20, N.Y., Attn: Mr. F. C. Sweet.	184	11	El Paso Natural Gas Co. (Bisti Field, San Juan County, N. Mex. (San Juan Basin Area).	\$1,329	12-31-64	2-1-65	7-1-65	13.2486	14.2678	R164-242.
		234	2	Natural Gas Pipe Line Co. (Harrington Field, Texas County, Okla.) (Panhandle Area).	71,681	12-31-64	2-1-65	7-1-65	15.315	16.336	
		241	6	Colorado Interstate Gas Co. (Hugoton Field, Haskell County, Kans.).	2,883	12-31-64	2-1-65	7-1-65	11.0 11.5	12.5 13.5	
		245	2	Lone Star Gas Co. (E. Durant Field, Bryan County, Okla.) (Oklahoma "Other" Area).	6,715	12-31-64	2-1-65	7-1-65	15.0	17.9	
		258	3	Lone Star Gas Co. (Manziel Field, Wood County, Tex.) (R.R. District No. 6).	1,283	12-31-64	2-1-65	7-1-65	14.49	16.56	
		236	1	Northern Natural Gas Co. (Wilburton Field, Morton County, Kans., and Texas County, Okla.) (Panhandle Area).	12,265 522	12-31-64	2-1-65	7-1-65	14.9 18.08	15.0 19.21	
		243	3	Transwestern Pipe Line Co. (Flowers Field, Ochiltree, Roberts and Lipscomb Counties, Tex.) (R.R. District No. 10).	2,504	12-31-64	2-1-65	7-1-65	17.0	17.5	
		196	1	Panhandle Eastern Pipe Line Co. (Kanok Field, Seward County, Kans., and Beaver County, Okla.) (Panhandle Area).	1,067	12-31-64	2-1-65	7-1-65	15.0	16.0	
		197	3	Cimarron Transmission Co. (Enville Field, Love County, Okla.) (Oklahoma "Other" Area).	7,692	12-31-64	2-1-65	7-1-65	15.75	16.80	
		199	1	Lone Star Gas Co. (Big Mineral Field, Grayson County, Tex.) (R.R. District No. 9).	3,635	12-31-64	2-1-65	7-1-65	14.49	16.56	
		218	4	Colorado Interstate Gas Co. (Southwest Camp Creek Field, Beaver County, Okla.) (Panhandle Area).	517	12-31-64	2-1-65	7-1-65	16.65	18.87	
		222	2	Colorado Interstate Gas Co. (Laverne Field, Harper County, Okla.) (Panhandle Area).	300 281	12-31-64	2-1-65	7-1-65	16.63 16.85	17.74 17.97	
		49	9	Tennessee Gas Transmission Corp. (Chatham Field, Jackson Parish, La.) (North Louisiana).	3,972	12-31-64	2-1-65	7-1-65	15.75	16.20407	
		60	10	Cities Service Gas Co. (Hugoton Field, Grant and Haskell County, Kans.).	1,184	12-31-64	2-1-65	7-1-65	11.0	12.0	
		83	11	Northern Natural Gas Co. (Hugoton Field, Texas County, Okla. (Panhandle Area), and Morton County, Kans.).	278	12-31-64	2-1-65	7-1-65	11.0	12.0	
		145	7	Northern Natural Gas Co. (Farnsworth Field, Ochiltree County, Tex.) (R.R. District No. 10).	2,192	12-31-64	2-1-65	7-1-65	15.5	16.5	
		152	4	do.	820	12-31-64	2-1-65	7-1-65	15.5	16.5	
		157	3	Colorado Interstate Gas Co. (Riverside Field, Beaver County, Okla.) (Panhandle Area).	912	12-31-64	2-1-65	7-1-65	16.98	18.11	
		161	3	Northern Natural Gas Co. (Englewood Field, Clark County, Kans.).	542	12-31-64	2-1-65	7-1-65	16.48	17.58	
		163	10	Northern Natural Gas Co. (Buffalo Field, Harper County, Okla.) (Panhandle Area).	17,784	12-31-64	2-1-65	7-1-65	16.44	17.54	
		166	3	Colorado Interstate Gas Co. (Southwest Camp Creek Field, Beaver County, Okla.) (Panhandle Area).	815	12-31-64	2-1-65	7-1-65	16.80	17.92	
		167	3	Northern Natural Gas Co. (Southwest Camp Creek Field, Beaver County, Okla.) (Panhandle Area).	6,877	12-31-64	2-1-65	7-1-65	16.46	17.55	
		170	1	Northern Natural Gas Co. (West Waka Field, Ochiltree County, Tex.) (R.R. District No. 10).	1,323	12-31-64	2-1-65	7-1-65	15.5	16.5	
		26	12	United Fuel Gas Co. (Orange Grove Field, Terrebonne Parish, South Louisiana).	13,180	12-31-64	2-1-65	7-1-65	17.5	21.1	
		128	5	Tennessee Gas Transmission Co. (Lake Arthur Field, Jefferson Davis Parish, South Louisiana).	56,940	12-31-64	2-1-65	7-1-65	15.75	23.55	

See footnotes at end of table.

Docket No.	Respondent	Rate schedule No.	Supplement No.	Purchaser and producing area	Amount of annual increase	Date filing tendered	Effective date unless suspended	Date suspended until—	Cents per Mcf		Rate in effect subject to refund in Docket No.
									Rate in effect	Proposed increased rate	
RI65-475...	Shell Oil Co.—Cont.	126	6	Gas Gathering Corp. (Happytown Field, St. Martin Parish, La.) (South Louisiana).	\$98,586	12-31-64	12-1-65	7-1-65	\$15.75	\$14.23.05	RI64-242
		177	6	United Fuel Gas Co. (East Cameron Block 17, Cameron Offshore Parish, South Louisiana).	49,932	12-31-64	12-1-65	7-1-65	\$19.1	\$14.21.5	
		183	5	Natural Gas Pipe Line Co. (Javelina-N. Rincon Field, Starr County, Tex.) (R.R. District No. 4).	109,500	12-31-64	12-1-65	7-1-65	\$16.0	\$14.18.0	
		186	4	Tennessee Gas Transmission Corp. (Atchafalaya Bay, Offshore Louisiana).	12,507	12-31-64	12-1-65	7-1-65	\$18.5	\$14.22.78333	
		189	1	Transcontinental Gas Pipe Line Corp. (Big Foot Field, Frio County, Tex.) (R.R. District No. 1).	12,831	12-31-64	12-1-65	7-1-65	\$13.68225	\$14.49575	
		190	7	Florida Gas Transmission Co. (Mystic Bayou Field, St. Martin Parish, La.).	40,223	12-31-64	12-1-65	7-1-65	\$19.75	\$14.23.55	
		192	6	Florida Gas Transmission Co. (Lochridge Field, Brazoria County, Tex.) (R.R. District No. 3).	18,250	12-31-64	12-1-65	7-1-65	\$17.5	\$14.18.5	
		193	6	Florida Gas Transmission Co. (Oblate Field, Hidalgo County, Tex.) (R.R. District No. 4).	4,560	12-31-64	12-1-65	7-1-65	\$16.0	\$14.17.0	
		194	6	Florida Gas Transmission Co. (Monte Christo Field, Hidalgo County, Tex.) (R.R. District No. 4).	19,170	12-31-64	12-1-65	7-1-65	\$16.0	\$14.17.0	
		195	6	Florida Gas Transmission Co. (Kain Field, Matagorda County, Tex.) (R.R. District No. 3).	25,550	12-31-64	12-1-65	7-1-65	\$17.5	\$14.18.5	
		200	4	Transcontinental Gas Pipe Line Corp. (Humphreys Field, Terrebonne Parish, La.).	51,830	12-31-64	12-1-65	7-1-65	\$20.0	\$14.23.55	
		208	3	Transcontinental Gas Pipe Line Corp. (Mosquito Bay Field, Terrebonne Parish, La.).	12,958	12-31-64	12-1-65	7-1-65	\$20.0	\$14.23.55	
		216	2	Tennessee Gas Transmission Corp. (Lake Washington Field, Plaquemine Parish, La.).	71,266	12-31-64	12-1-65	7-1-65	\$20.0	\$14.23.55	
		179	3	Southern Natural Gas Co. (Lolisel Field, St. Mary and Iberia Parishes, South Louisiana).	60,043	12-31-64	12-1-65	7-1-65	\$20.25	\$14.23.55	
		180	2	Tennessee Gas Transmission Co. (West Cameron Block 192 Offshore, South Louisiana).	594,037	12-31-64	12-1-65	7-1-65	\$18.75	\$14.28.4	
		225	3	Tennessee Gas Transmission Co. (Clovelly Field, Lafourche Parish, South Louisiana).	97,181	12-31-64	12-1-65	7-1-65	\$20.0	\$14.23.55	
		226	2	Tennessee Gas Transmission Co. (Rich Ranch Field, Liberty County, Tex.) (R. R. District No. 3).	6,500	12-31-64	12-1-65	7-1-65	\$16.16947	\$14.17.16947	
		227	4	United Fuel Gas Co. (East Cameron Block 17 Field (South), Cameron Parish (Offshore) Louisiana).	41,610	12-31-64	12-1-65	7-1-65	\$19.5	\$14.21.5	
		229	3	Florida Gas Transmission Co. (White Castle Field, Iberville Parish, South Louisiana).	10,950	12-31-64	12-1-65	7-1-65	\$19.75	\$14.20.75	
		232	3	Florida Gas Transmission Co. (Napolconville Field, Assumption Parish, South Louisiana).	730	12-31-64	12-1-65	8-1-65	\$19.75	\$14.20.75	
		237	6	Tennessee Gas Transmission Co. (West Delta Block 30, Offshore South Louisiana).	207,320	12-31-64	12-1-65	7-1-65	\$20.0	\$14.23.55	
		244	3	Transcontinental Gas Pipe Line Corp. (Eugene Island Block 128, Offshore Louisiana).	25,659	12-31-64	12-1-65	7-1-65	\$19.5	\$14.21.4	
		130	12	Tennessee Gas Transmission Co. (Louisiana Delta Field, Terrebonne and Plaquemine Parishes, South Louisiana).	2,285,415	12-31-64	12-1-65	7-1-65	\$19.0	\$14.22.78333	
		169	6	Southern Natural Gas Co. (Lake Campo Field, Plaquemine Parish, South Louisiana).	13,249	12-31-64	12-1-65	7-1-65	\$20.25	\$14.23.55	
		171	4	Tennessee Gas Transmission Co. (Eugene Island, Block 18, Offshore Louisiana).	336,134	12-31-64	12-1-65	7-1-65	\$18.5	\$14.22.78333	
		217	8	Trunkline Gas Co. (Alta Loma Field, Galveston County, Tex.) (R.R. district No. 3).	1,000	12-31-64	12-1-65	7-1-65	\$17.0	\$14.19.0	
		246	2	Texas Eastern Transmission Corp. (Siloam Field, Clay County, Miss.).	11,295	12-31-64	12-1-65	7-1-65	\$19.5871	\$14.20.6186	
		248	4	Tennessee Gas Transmission Co.	388,268	12-31-64	12-1-65	7-1-65	\$21.25	\$14.23.55	

See footnotes at end of table.

Docket No.	Respondent	Rate schedule No.	Supplement No.	Purchaser and producing area	Amount of annual increase	Date filing tendered	Effective date unless suspended	Date suspended until—	Cents per Mcf		Rate in effect subject to refund in Docket No.
									Rate in effect	Proposed increased rate	
R165-475...	Shell Oil Co.—Con.	176	4	Southern Natural Gas Co. (West Black Bay Field, Plaquemine Parish, South Louisiana).	\$26,499	12-31-64	2-1-65	7-1-65	\$ 20.25	\$ 23.55	R164-242.
		153	6	Texas Gas Transmission Corp. (Chalkley Field, Cameron Parish, La.).	363,832	12-31-64	2-1-65	7-1-65	\$ 15.75	\$ 22.87	
R165-476...	Shell Oil Co. (Operator), et al.	181	13	Michigan Wisconsin Pipe Line Co. (Lawrence Field, Beaver County, Okla.) (Panhandle Area).	75,196	12-31-64	2-1-65	7-1-65	\$ 18.01	\$ 20.51	
		57	15	Humble Gas Transmission Co. (Vixen Field, Caldwell Parish, North Louisiana).	245,919	12-31-64	2-1-65	7-1-65	\$ 13.75	\$ 18.5	
		164	7	Northern Natural Gas Co. (Rosston Field, Beaver County, Okla.) (Panhandle Area).	4,447	12-31-64	2-1-65	7-1-65	\$ 16.09	\$ 17.80	
		191	7	Florida Gas Transmission Co. (E. White Point Field, San Patricio County, Tex.) (R.R. District No. 4).	9,125	12-31-64	2-1-65	7-1-65	\$ 16.5	\$ 17.5	
		198	8	Transcontinental Gas Pipe Line Corp. (Bear Field, Beauregard Parish, South Louisiana).	33,123	12-31-64	2-1-65	7-1-65	\$ 17.5	\$ 23.55	
R165-479...	Shell Oil Co. (Operator).	13	11	Iroquois Gas Corp. (Sheridan Field, Colorado County, Tex.) (R.R. District No. 3).	274,196	12-31-64	2-1-65	7-1-65	\$ 16.6584	\$ 18.6776	
R165-481...	Shell Oil Co.	178	10	El Paso Natural Gas Co. (Aneth Field, San Juan County, Utah) (Aneth Area).	10,087	12-31-64	2-1-65	7-1-65	\$ 17.8549	\$ 18.8636	
R165-482...	do.	242	5	Transwestern Pipe Line Co. (Catesby Field, Beaver, Ellis and Cimarron Counties, Okla.) (Panhandle Area).	20,075	12-31-64	2-1-65	7-1-65	\$ 17.0	\$ 21.315	

<sup>1</sup> The stated effective date is the first day after expiration of the statutory notice from Jan. 1, 1965, which is the end of the moratorium period provided by Commission order issued Aug. 1, 1962, in Docket No. G-9446 et al. Shell Oil Co., et al.

<sup>2</sup> Periodic rate increase.

<sup>3</sup> Pressure base is 15.025 p.s.i.a.

<sup>4</sup> Includes partial reimbursement for full 2.55 percent New Mexico Emergency School Tax.

<sup>5</sup> Pressure base is 14.65 p.s.i.a.

<sup>6</sup> Subject to upward and downward B.t.u. adjustment.

<sup>7</sup> Includes base rate of 16.0 cents per Mcf plus upward B.t.u. adjustment.

<sup>8</sup> Includes base rate of 13.0 cents per Mcf plus upward B.t.u. adjustment.

<sup>9</sup> Subject to a downward B.t.u. adjustment.

<sup>10</sup> All wells other than Gunnel Well.

<sup>11</sup> Gunnel Well.

<sup>12</sup> Formations below Chase and above the top of the Morrowan.

<sup>13</sup> Formations below the top of the Morrowan Series.

<sup>14</sup> Includes base rate of 17.0 cents per Mcf plus upward B.t.u. adjustment.

<sup>15</sup> Includes base rate of 16.0 cents per Mcf plus upward B.t.u. adjustment.

<sup>16</sup> Fractured rate increase.

<sup>17</sup> Fractured rate. Seller is contractually due 23.0 cents per Mcf, which is initial contract rate.

<sup>18</sup> Initial certificated rate.

<sup>19</sup> Includes base rate of 15.0 cents per Mcf plus upward B.t.u. adjustment.

<sup>20</sup> Includes tax reimbursement.

<sup>21</sup> Redetermined rate increase.

<sup>22</sup> Hoover zone.

<sup>23</sup> Tonkwa zone.

<sup>24</sup> Includes allowance for tax reimbursement.

<sup>25</sup> Renegotiated rate increase.

<sup>26</sup> Settlement rate approved by Commission order issued Aug. 1, 1962, in Docket No. G-9446 et al.

Shell Oil Co. and Shell Oil Co. (Operator), et al. (both referred to herein as Shell), request waiver of the statutory notice period in order to permit their proposed rate increases to become effective as of January 1, 1965, and, if the Commission should deem it necessary to suspend such increases, that the suspension period not exceed 1 day. Good cause has not been shown for waiving the 30-day notice requirement provided in section 4(d) of the Natural Gas Act to permit an earlier effective date for Shell's rate filing or for limiting to 1 day the suspension period with respect to such rate filings and Shell's request is denied.

Although Shell's filings were submitted on December 31, 1964, the rate increases were not permitted to be filed until January 1, 1965, the end of the moratorium period provided by Shell's offer of settlement approved by Commission order issued August 1, 1962,

in Docket No. G-9446 et al. Therefore, the effective date would be February 1, 1965, upon expiration of statutory notice from January 1, 1965.

Supplement No. 11 to Shell's FPC Gas Rate Schedule No. 184 includes partial reimbursement for the full 2.55 percent New Mexico Emergency School Tax which was increased from 2.0 percent to 2.55 percent on April 1, 1963. The buyer, El Paso Natural Gas Co. (El Paso), in accordance with its policy of protesting all tax filings proposing reimbursement for the New Mexico Emergency School Tax in excess of 0.55 percent, is expected to file a protest with respect to the tax reimbursement portion of this rate increase. El Paso questions the right of Shell under the tax reimbursement clause to file a rate increase reflecting tax reimbursement computed on the basis of an increase in tax rate by the New Mexico Legislature in ex-

<sup>27</sup> Instant filing reflects only a portion of the contractually provided for rate of 23.8333 cents per Mcf and is considered a "fractured" rate increase.

<sup>28</sup> Producer contractually entitled to 25.55 cents per Mcf. Instant filing reflects only a portion of such increase and is considered a "fractured" rate increase.

<sup>29</sup> Producer contractually entitled to 26.1 cents per Mcf. Instant filing reflects only a portion of such increase and is considered a "fractured" rate increase.

<sup>30</sup> Shell contractually entitled to an increase of 5.30 cents, to 25.55 cents per Mcf. Instant filing reflects only a portion of such increase and is considered a "fractured" rate increase.

<sup>31</sup> Instant filing reflects only a portion of the contractually provided for rate of 26.1 cents per Mcf and is considered a "fractured" rate increase.

<sup>32</sup> Instant filing reflects only a portion of the contractually provided for rate of 26.1 cents per Mcf and is considered a "fractured" rate increase.

<sup>33</sup> Instant filing reflects only a portion of the redetermined rate of 23.675 cents per Mcf and is considered a "fractured" rate increase.

<sup>34</sup> Producer is contractually entitled to 20.0 cents per Mcf. Instant filing reflects only a portion thereof and is considered a "fractured" rate.

<sup>35</sup> Excludes 1.0 cents per Mcf deduction by buyer for amortization of gathering facilities.

<sup>36</sup> Instant filing reflects only a portion of the redetermined rate of 23.675 cents per Mcf and is considered a "fractured" rate increase.

<sup>37</sup> Includes base rate of 17.0 cents per Mcf before increase and 19.5 cents per Mcf after increase plus upward B.t.u. adjustment (one-hundredth cent for each additional B.t.u. in excess of 1,000 per cu. ft.).

<sup>38</sup> Shell contractually entitled to an increase of 8.05 cents to 25.55 cents per Mcf. Instant filing reflects only a portion of such increase and is considered a "fractured" rate increase.

<sup>39</sup> Includes 0.1636 cent per Mcf tax reimbursement.

<sup>40</sup> Includes 0.1549 cent per Mcf tax reimbursement.

<sup>41</sup> Fractured rate. Seller is contractually due 23.0 cents per Mcf, which is initial contract rate.

cess of 0.55 percent. While El Paso concedes that the New Mexico tax legislation effected a higher rate of at least 0.55 percent, it claims there is controversy as to whether or not the new legislation effected an increased tax rate in excess of 0.55 percent. Under the circumstances, we shall provide that the hearing provided for herein for the above supplement shall concern itself with the contractual basis for Shell's rate filing which El Paso has protested, or will protest, as well as the statutory lawfulness of the increased rate contained in the proposed supplement.

All of the proposed increased rates and charges exceed the applicable area price levels for increased rates as set forth in the Commission's Statement of General Policy No. 61-1, as amended (18 CFR, Ch. I, Pt. 2, Sec. 2.56).

[P.R. Doc. 65-1249; Filed, Feb. 8, 1965; 8:45 a.m.]

[Docket No. RI65-483 etc.]

## SHELL OIL CO. ET AL.

Order Providing for Hearings on and Suspension of Proposed Changes in Rates<sup>1</sup>

JANUARY 29, 1965.

The Respondents named herein have filed proposed increased rates and charges of currently effective rate schedules for sales of natural gas under Commission jurisdiction, as set forth in Appendix A below.

The proposed changed rates and charges may be unjust, unreasonable, unduly discriminatory, or preferential, or otherwise unlawful.

The Commission finds: It is in the public interest and consistent with the Natural Gas Act that the Commission enter upon hearings regarding the lawfulness of the proposed changes, and that the supplements herein be suspended and their use be deferred as ordered below.

The Commission orders:

(A) Under the Natural Gas Act, particularly sections 4 and 15, the regulations pertaining thereto (18 CFR Ch. I), and the Commission's rules of practice and procedure, public hearings shall be held concerning the lawfulness of the proposed changes.

(B) Pending hearings and decisions thereon, the rate supplements herein are suspended and their use deferred until date shown in the "Date Suspended Un-

til" column, and thereafter until made effective as prescribed by the Natural Gas Act.

(C) Until otherwise ordered by the Commission, neither the suspended supplements, nor the rate schedules sought to be altered, shall be changed until disposition of these proceedings or expiration of the suspension period.

(D) Notices of intervention 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 and 1.37(f)) on or before March 17, 1965.

By the Commission.

[SEAL] JOSEPH H. GUTHRIE,  
Secretary.

Docket No.	Respondent	Rate schedule No.	Supplement No.	Purchaser and producing area	Amount of annual increase	Date filing tendered	Effective date unless suspended	Date suspended until—	Cents per Mcf		Rate in effect subject to refund in Docket No.
									Rate in effect	Proposed increased rate	
RI65-483..	Shell Oil Co., 50 West 80th St., New York 20, N.Y. Shell Oil Co. ....	231	1	Panhandle Eastern Pipe Line Co. (North Borchers Field, Meade County, Kans.)	\$126	1-10-65	2-1-65	8-1-65	16.0	17.0	
		99	4	Lone Star Gas Co. (Sholem Alechem, Carter County, Okla.) (Oklahoma "Other" Area)	6,750	12-31-64	2-1-65	7-1-65	11.0	16.8	
RI65-484..	W. G. Haun and Lee Drilling Co., 200 North Main St., Wichita, Kans.	1	1	Zenith Gas System, Inc. (Aetna Field, Barber County, Kans.)	1,637	1-4-65	2-4-65	7-4-65	12.0	13.0	RI60-388
RI65-485..	Shell Oil Co. (Operator).	60	4	Lone Star Gas Co. (Hewitt Field, Carter County, Okla.) (Oklahoma "Other" Area)	3,633	12-31-64	2-1-65	7-1-65	11.0	16.8	
RI65-486..	H. F. Sears 624 Petroleum Bldg., Amarillo, Tex., 79101.	11	1	El Paso Natural Gas Co. (Bisti Field, San Juan County, N. Mex.) (San Juan Basin Area)	1,199	1-7-65	2-7-65	7-7-65	13.0	14.0	
RI65-487..	H. H. Howell (Operator), et al., 604 Milan Bldg. San Antonio, Tex., 78205.	3	4	United Gas Pipe Line Co. (Stewart Field Area, Jackson County, Tex.) (R.R. District No. 2)	2,532	1-7-65	2-9-65	7-9-65	15.1020	16.2048	

<sup>1</sup> The stated effective date is the effective date requested by Respondent.

<sup>2</sup> Periodic rate increase.

<sup>3</sup> Pressure base is 14.65 p.s.i.a.

<sup>4</sup> Subject to a downward B.T.U. adjustment.

<sup>5</sup> The stated effective date is the first day after expiration of the required statutory notice from Jan. 1, 1965, the end of moratorium period pursuant to Commission settlement order issued Aug. 1, 1962, in Docket No. G-9446 et al.

<sup>6</sup> Favored-nation rate increase.

<sup>7</sup> Amendment dated Apr. 2, 1964, provides for increased rate.

<sup>8</sup> The stated effective date is the first day after expiration of the required statutory notice.

<sup>9</sup> Renegotiated rate increase.

<sup>10</sup> Pressure base is 15.025 p.s.i.a.

W. G. Haun and Lee Drilling Co. request a retroactive effective date of February 1, 1964, for their proposed rate increase. H. F. Sears requests that his proposed rate increase be permitted to become effective on January 1, 1964, the contractually provided effective date. Shell Oil Co. (Operator) and Shell Oil Co. (both referred to herein as Shell) request waiver of notice to make Supplement No. 4 to Shell's FPC Gas Rate Schedules Nos. 60 and 99, respectively, effective as of January 1, 1965. Good cause has not been shown for waiving the 30-day notice requirement provided in section 4(d) of the Natural Gas Act to permit earlier effective dates for the aforementioned producers' rate filings and such requests are denied. Shell requests that should the Commission suspend their above-described supplements that the suspension period with respect thereto be shortened to 1 day. Good cause has not been shown for limiting to 1 day the suspension period with respect to Supplement No. 4 to Shell's FPC Gas Rate Schedules Nos. 60 and 99, respectively.

All of the proposed increased rates and charges exceed the applicable area price levels for increased rates as set forth in the Commission's Statement of General Policy No. 61-1, as amended (18 CFR, Ch. I, Pt. 2, § 2.56).

[F.R. Doc. 65-1298; Filed, Feb. 8, 1965; 8:45 a.m.]

<sup>1</sup> Does not consolidate for hearing or dispose of the several matters herein.

[Docket No. G-9314 etc.]

AMERADA PETROLEUM CORP. ET AL.  
Findings and Order After Statutory Hearing; Correction

JANUARY 22, 1965.

Amerada Petroleum Corp. et al., Docket No. G-9314 etc. and Socony Mobil Oil Co., Inc., Docket No. CI65-85.

In the Findings and Order After Statutory Hearing Issuing Certificates of Public Convenience and Necessity, Amending Certificates, Permitting and Approving Abandonment of Service, Terminating Certificates, Cancelling Docket Number, Substituting Respondent, Redesignating Proceedings, Accepting Agreements and Undertakings for Filing and Accepting Related Rate Schedules and Supplements for Filing, issued January 5, 1965 and published in the FEDERAL REGISTER January 15, 1965 (F.R. Doc. 65-343; 30 F.R. 547); delete "and such authorization does not relieve Applicant of any refund obligation in the related rate suspension proceeding in Docket No. RI60-127." and change

"Docket No. RI60-127" to read "Docket No. RI62-37" in footnote 12.

JOSEPH H. GUTHRIE,  
Secretary.

[F.R. Doc. 65-1332; Filed, Feb. 8, 1965; 8:46 a.m.]

[Docket No. G-20063<sup>1</sup>]

## RAY BARTH

## Order Substituting Respondent, Accepting Agreement and Undertaking for Filing, and Redesignating Proceeding

FEBRUARY 1, 1965.

Ray Barth (Barth) filed a motion requesting that Barth be substituted for Jack Properties, Inc. (Jack) in the above-designated proceeding.

In support of the motion, Barth states that he has acquired all the interest of Jack in the subject properties on October 8, 1962. By order issued November 12, 1963, Barth's notice of succession was accepted for filing and Jack's FPC Gas Rate Schedule No. 1 as supplement-

<sup>1</sup> Consolidated with the Area Rate Proceeding in Docket No. AR64-2 et al., by order issued November 27, 1963, 30 FPC 1354.

ed, was redesignated as Barth's FPC Gas Rate Schedule No. 1, as supplemented.

Concurrently with the filing of the motion, Barth filed his agreement and undertaking to make refund of any charges, determined by the Commission to be excessive including those applicable to the period prior to his acquisition. The increased rate involved here was made effective, subject to refund, as of April 15, 1960.

The Commission finds: It is necessary and proper in carrying out the provisions of the Natural Gas Act and the regulations thereunder, that Barth be substituted as respondent in lieu of Jack in the rate suspension proceeding in Docket No. G-20063, and that Barth's agreement and undertaking be accepted for filing.

The Commission orders:

(A) Ray Barth is hereby substituted as respondent in lieu of Jack Properties, Inc., in the proceeding in Docket No. G-20063, and the proceeding is redesignated accordingly.

(B) The agreement and undertaking of Ray Barth in Docket No. G-20063, is hereby accepted for filing, and such agreement and undertaking shall assure refund of any excess charges which might be determined by a final order in such proceeding.

(C) Ray Barth shall comply with the refunding and reporting procedures required by the Natural Gas Act and § 154.102 of the regulations thereunder. The agreement and undertaking filed by Ray Barth shall remain in full force and effect until discharged by the Commission.

By the Commission.

(SEAL) JOSEPH H. GUTRIDE,  
Secretary.

[P.R. Doc. 65-1340; Filed, Feb. 8, 1965;  
8:46 a.m.]

[Docket No. CP65-226]

## NATURAL GAS PIPELINE COMPANY OF AMERICA

### Notice of Application

FEBRUARY 2, 1965.

Take notice that on January 26, 1965, Natural Gas Pipeline Co. of America (Applicant), Chicago, Ill., filed in Docket No. CP65-226 a "budget-type" application pursuant to section 7(c) of the Natural Gas Act as implemented by § 157.7 of the regulations under the act, for a certificate of public convenience and necessity authorizing the construction and operation of facilities for the testing and development during calendar years 1965 through 1967 of underground reservoirs for the possible storage of natural gas, all as more fully set forth in the application on file with the Commission and open to public inspection.

Specifically, Applicant proposes to undertake the testing and development of a number of underground reservoirs in the general area of the markets served by it, with a view toward the development of underground gas storage reservoirs. Applicant proposes to follow conventional procedures, including drilling of wells, injection and withdrawal of gas, and

construction and operation of pipeline and compressor facilities. The application states that injection of gas into individual reservoirs will be limited to 2 million Mcf, and injection into all reservoirs tested will be limited to 10 million Mcf.

The estimated cost of Applicant's proposed testing and development is not to exceed \$3 million with expenditures in any one year not to exceed \$1 million.

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) and the regulations under the Natural Gas Act (157.10) on or before March 1, 1965.

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 this application if no protest or petition to intervene is filed within the time required herein, if the Commission on its own review of the matter finds that a grant of the certificate is required by the public convenience and necessity. If a protest or petition for leave to intervene is timely filed, or if 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.

JOSEPH H. GUTRIDE,  
Secretary.

[P.R. Doc. 65-1341; Filed, Feb. 8, 1965;  
8:46 a.m.]

[Project 2320]

## NIAGARA MOHAWK POWER CORP.

### Notice of Application for Amendment of License

FEBRUARY 3, 1965.

Public notice is hereby given that application has been filed under the Federal Power Act (16 U.S.C. 791a to 825r) by Niagara Mohawk Power Corp. (correspondence to: M. H. Pratt, Vice President and Chief Engineer, Niagara Mohawk Power Corp., 300 Erie Boulevard West, Syracuse, N.Y.) for amendment of its license for constructed Project No. 2320 known as the Raquette River Project, located on the Raquette River in St. Lawrence County, N.Y.

The application, which was filed pursuant to Article 30 of the license, seeks to include in the license as part of the project works certain transmission facilities described as follows: (1) At the Higley plant, the generator leads, the 4.8/115 kv transformer, and the 4.8/13.2 kv transformer; (2) at the Colton plant, the 115 kv leads to the Colton 115 kv substation; (3) at the Hannawa plant, the 23 kv bus tie line about 1,000 feet long to the Sandstone substation; and (4) appurtenant facilities. The aforementioned facilities enable the transmission of the electric energy generated at the

project hydroelectric plants to the licensee's existing distribution system for public utility purposes.

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 of the Commission (18 CFR 1.8 or 1.10). The last day upon which protests or petitions may be filed is March 20, 1965. The application is on file with the Commission for public inspection.

JOSEPH H. GUTRIDE,  
Secretary.

[P.R. Doc. 65-1342; Filed, Feb. 8, 1965;  
8:46 a.m.]

[Dockets Nos. E-7179, E-7196]

## PUBLIC SERVICE COMPANY OF OKLAHOMA

### Order Accepting Rate Schedule for Filing, Effecting Rate Reduction, Initiating Rate Investigation, Pro- viding for Hearing and Consolidat- ing Proceedings

DECEMBER 3, 1964.

By this order, the Commission accepts for filing a proposed rate schedule submittal of Public Service Co. of Oklahoma (Public Service) effecting a rate reduction of approximately \$2,350 annually to the City of Duncan, Okla.; initiates a rate investigation as to the lawfulness of Public Service's contractual arrangements for terminating wholesale electric service to Duncan, as well as to Altus, Okla., another wholesale electric customer of the Company; and consolidates, for hearing purposes, that proceeding with a rate suspension proceeding involving a similar contractual provision of the Company relative to the City of New Cordell, Okla., Public Service Co. of Oklahoma, Order issued August 26, 1964, Providing for Hearing and Suspension of Proposed Rate Schedule Change, Docket No. E-7179.

The reduced rates and charges embodied in the proffered rate schedule for service to Duncan reflect a revision of Public Service's fuel adjustment clause. That clause will be changed to reflect the current overall system heat rate of 12,000 BTU/kwh (formerly 20,000 BTU/kwh), adjusted for losses and the base price of current fuel costs. The need for such revision was previously called to the Company's attention by this Commission.

Public Service submitted its rate schedule reducing its rates to Duncan on November 5, 1964, with the request that the proffered schedule be permitted to take effect as a filed rate schedule of the Company pursuant to section 205 of the Federal Power Act on October 26, 1964, or if that be denied, 30 days after filing, December 6, 1964. The proposed schedule is identified in the files of the Commission as Supplement No. 3 to Public Service's Rate Schedule FPC No. 126.

In granting the requested effective date of October 26, 1964, and in ordering the rate investigation and hearing herein-after provided, the Commission will give full effect to the Company's intent to pass along the benefits of the reduced rates and charges to Duncan, commencing

with the billing period October 26, 1964, and still permit full and effective Commission consideration of the lawfulness of contractual provisions set forth in Supplement No. 3 to Public Service's Rate Schedule No. 126, providing for termination of Public Service's contractual undertaking to serve Duncan in the event of Commission ordered rate decreases to the City.

The questioned contractual provisions included within the terms of Supplement No. 3 are as follows:

In the event any regulatory body having jurisdiction thereof should lawfully establish an increase in the rate set forth in Exhibit "A", attached hereto, to the damage of City, the City shall have the option at any time thereafter to terminate and cancel this supplemental contract, the original contract of October 1, 1951, and the supplemental contract of March 25, 1958, by giving 30 days notice in writing to Company at Tulsa, Okla., of its intention so to terminate same. Likewise, in the event any regulatory body having jurisdiction thereof should lawfully decrease the rate chargeable to the City, as set out in Exhibit "A", to the damage of Company, Company shall have the option at any time thereafter to terminate and cancel this supplemental contract, the original contract of October 1, 1951, and the supplemental contract of March 25, 1958, upon 30 days notice in writing to City of its intention so to terminate same.

A similar contractual provision appears as a part of the Company's currently filed rate schedule for service to the City of Altus, Okla., Public Service's Rate Schedule FPC No. 23, Supplement No. 5 thereto. And as noted above, by order issued August 26, 1964, the Commission suspended and set for hearing a contractual provision of this type included within Public Service's Rate Schedule FPC No. 159, Supplement No. 2, for service to the City of New Cordell, Okla.<sup>1</sup> To date, no hearing has been held in Docket No. E-7179.

The Commission further finds:

(1) It is necessary and appropriate for the purposes of the Federal Power Act (particularly sections 205, 206, 308, and 309 thereof) and the Commission's regulations thereunder that:

(a) Supplement No. 3 to Public Service's Rate Schedule FPC No. 126 be accepted for filing and allowed to take effect as that Company's rate schedule effective October 26, 1964, good cause having been shown that the 30-day notice period provided in section 205(d) of the Federal Power Act be waived with respect thereto;

(b) The Commission enter upon a hearing concerning the lawfulness of Public Service's Rate Schedule FPC No. 23, Supplement No. 5 thereto, and FPC No. 126, Supplement No. 3 thereto, inasmuch as the aforementioned contractual provisions set forth therein may

have the effect of unduly restricting this Commission in carrying out its regulatory duties under the provisions of the Federal Power Act and may be unjust, unreasonable or discriminatory and, therefore, unlawful; and

(c) The investigation and hearing ordered with respect to the lawfulness of Public Service's Rate Schedule FPC No. 23, Supplement No. 5 thereto, and FPC No. 126, Supplement No. 3 thereto (Docket No. E-7196), be consolidated for hearing purposes with the hearing as to the lawfulness of Public Service's Rate Schedule FPC No. 159, Supplement No. 2 thereto (Docket No. E-7179).

The Commission orders:

(A) The 30-day notice period provided in section 205(d) of the Federal Power Act is hereby waived with respect to Public Service's Rate Schedule FPC No. 126, Supplement No. 3 thereto, and that supplemental rate schedule is hereby allowed to take effect as of October 26, 1964: *Provided, however:* Nothing contained herein shall be construed as a waiver in any other respect of the requirements of section 205(d) of the Federal Power Act and this acceptance for filing does not constitute approval of any service, rate, charge, classification, or any rule, regulation, contract or practice affecting such rate or service provided for in that rate schedule, nor shall acceptance be deemed as recognition of any claimed contractual right or obligation affecting or relating to such rate or service, and such acceptance is without prejudice to any findings herein or which the Commission may make hereafter in Dockets Nos. E-7179 and E-7196 or any other proceeding now pending or hereafter instituted by or against Public Service.

(B) The issuance of this order shall constitute full notice of the filing and publication of the aforementioned supplemental rate schedule insofar as its effective date is concerned.

(C) A public hearing shall be held concerning the lawfulness of Public Service's Rate Schedule FPC No. 23, Supplement No. 5 thereto, and FPC No. 126, Supplement No. 3 thereto, at a time and place to be fixed by further order of the Commission, Docket No. E-7196.

(D) For purposes of the hearing ordered in Docket No. E-7196 and the hearing previously directed by order of the Commission issued August 26, 1964, in Docket No. E-7179, those dockets are hereby consolidated, the time and place of the consolidated hearing to be fixed by further order of the Commission.

(E) Notices of intervention or petitions to intervene in Docket No. E-7196, may be filed with the Federal Power Commission, Washington, D.C., 20426 in accordance with the Commission's rules of practice and procedure (18 CFR 1.8 and 1.37) on or before December 31, 1964.

By the Commission.

[SEAL]

JOSEPH H. GUTRIE,  
Secretary.

[F.R. Doc. 65-1343; Filed, Feb. 8, 1965;  
8:46 a.m.]

[Docket No. E-7204]

## SIERRA PACIFIC POWER CO. AND SIERRA NEVADA POWER CO.

### Notice of Application

FEBRUARY 3, 1965.

Take notice that on January 25, 1965, a joint application was filed with the Federal Power Commission pursuant to section 203 of the Federal Power Act by Sierra Pacific Power Co. (Sierra-Maine) and Sierra Nevada Power Co. (Sierra-Nevada), requesting an order authorizing Sierra-Maine to merge into Sierra-Nevada and, to the extent required by the Federal Power Act, an order authorizing Sierra-Nevada to acquire the securities and assume the liabilities of Sierra-Maine and to issue its own common and preferred stock in connection with the merger.

Sierra-Maine is a corporation organized under the laws of the State of Maine with its principal business office at Reno, Nevada. Sierra-Nevada is a corporation organized under the laws of the State of Nevada with its principal business office at Reno, Nev. Both Applicants are domesticated in the States of Nevada and California and are qualified to transact business in the States of Nevada and California.

According to the application, on the effective date of the merger, Sierra-Maine will cease to exist as a corporate entity and Sierra-Nevada will succeed to all Sierra-Maine's licenses, franchises, permits, corporate assets, and tangible and intangible property. By the terms of the joint merger agreement, each share of Preferred Stock of Sierra-Maine outstanding on the effective date of the merger will be converted into one share of Preferred Stock of Sierra-Nevada on that date and each share of Common Stock of Sierra-Maine outstanding on the effective date of merger will be converted into two shares of Common Stock of Sierra-Nevada on that date, except those shares dissenting, who will be entitled to be paid for their shares in cash. Sierra-Nevada will assume and become liable for all of the debts and obligations of Sierra-Maine. The proposed plan for merger includes all of the operating facilities of Sierra-Maine. Sierra-Nevada at present has no operating facilities, but will under the proposed plan, acquire and operate all of those of Sierra-Maine.

Applicants state that the purpose and effect of the merger are to change the corporate domicile of Sierra-Maine from Maine to Nevada with such changes in organization as are necessitated by differences in the corporate laws of Nevada and Maine.

According to the application, the change of the corporate domicile of Sierra-Maine from Maine to Nevada will be compatible with the public interest and in the best interest of Sierra-Maine as the reasons for the incorporation of Sierra-Maine in the State of Maine in 1912 no longer prevail. The Applicants represent that such a change of corporate domicile from Maine to Nevada will permit Sierra-Maine to

<sup>1</sup> That order provides in part as follows: The clause set out above may have the effect of unduly restricting this Commission in carrying out its regulatory duties under the provisions of the Federal Power Act. Such clause constitutes a contract affecting rates, charges or classifications within the meaning of section 205 of the Federal Power Act and may be unjust, unreasonable, or discriminatory and, therefore, unlawful.

operate under the modern and flexible corporation laws of the State of Nevada where its principal office and business and operations are, for the most part, maintained and carried on, will result in tax, legal and regulatory expense savings of an appreciable amount and will improve business relations in its service area.

Any person desiring to be heard or to make any protest with reference to said application should on or before February 23, 1965, 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 CFR 1.8 or 1.10). The application is on file and available for public inspection.

JOSEPH H. GUTRIDE,  
Secretary.

[P.R. Doc. 65-1344; Filed, Feb. 8, 1965;  
8:46 a.m.]

[Docket No. CP65-51]

### SOUTHERN NATURAL GAS CO. Notice of Application

FEBRUARY 2, 1965.

Take notice that on August 20, 1964, Southern Natural Gas Co. (Applicant), Birmingham, Ala., filed in Docket No. CP65-51 an application, as supplemented on October 7, 1964, and amended on December 21, 1964, pursuant to section 7(c) of the Natural Gas Act for authorization to sell natural gas in interstate commerce, all as more fully set forth in the application on file with the Commission and open to public inspection.

Specifically, Applicant proposes to sell to United Gas Pipe Line Co. natural gas produced from leases assigned to Applicant in the Maxie-Pistol Ridge Field, Forrest County, Miss. by Sun Oil Co. and Marathon Oil Co. Sales will be made under Applicant's rate schedule F-1, at 20 cents per Mcf at 15.025 p.s.i.a.

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) and the regulations under the Natural Gas Act (157.10) on or before March 1, 1965.

JOSEPH H. GUTRIDE,  
Secretary.

[P.R. Doc. 65-1345; Filed, Feb. 8, 1965;  
8:46 a.m.]

[Docket No. G-8288 etc.]

### SUN OIL CO.

#### Order Conditionally Approving Rate Settlement Proposal, Severing and Terminating Proceedings and Prescribing Refunds; Correction

JANUARY 22, 1965.

Sun Oil Co., Dockets Nos. G-8288 etc. and G-18353.

In the Order Conditionally Approving Rate Settlement Proposal, Severing and Terminating Proceedings and Prescribing Refunds, issued October 1, 1964 and published in the FEDERAL REGISTER October 13, 1964 (F.R. Doc. 64-10281; 29 F.R. 14086); change "Appendix A and B" to read "Appendix A and C" in ordering paragraph (M) also correct paragraph (N) to read " \* \* \* AR64-1, AR64-2 and G-17613, et al. \* \* \*".

JOSEPH H. GUTRIDE,  
Secretary.

[P.R. Doc. 65-1346; Filed, Feb. 8, 1965;  
8:46 a.m.]

[Docket No. CP65-70]

### TRANSCONTINENTAL GAS PIPE LINE CORP.

#### Notice of Application To Amend

FEBRUARY 2, 1965.

Take notice that on January 22, 1965, Transcontinental Gas Pipe Line Corp. (Applicant), Houston, Tex., filed in Docket No. CP65-70 an application to amend the order of the Commission issued in said docket December 14, 1964, which order authorized Applicant to sell to Carolina Pipeline Co. (Carolina) an annual volume of 2,000,000 Mcf of natural gas under Applicant's Rate Schedule ACQ-2.

In the instant application, Applicant seeks amendment of the order issued December 14, 1964, in Docket No. CP65-70 by requesting authorization to increase the annual volume of natural gas sold to Carolina under Rate Schedule ACQ-2 from the presently authorized 2,000,000 Mcf to 4,000,000 Mcf.

The application states that the proposed additional sales will be made through existing delivery points to Carolina, and that no new facilities are required.

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) and the regulations under the Natural Gas Act (157.10) on or before March 1, 1965.

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 this application if no protest or petition to intervene is filed within the time required herein, if the Commission on its own review of the matter finds that the amendment is required by the public convenience and necessity. If a protest or petition for leave to intervene is timely filed, or if 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.

JOSEPH H. GUTRIDE,  
Secretary.

[P.R. Doc. 65-1347; Filed, Feb. 8, 1965;  
8:47 a.m.]

## HOUSING AND HOME FINANCE AGENCY

### Office of the Administrator

#### DESIGNATION OF ACTING COMMUNITY FACILITIES COMMISSIONER; AMENDMENT

The last sentence of the designation of Acting Community Facilities Commissioner published January 29, 1965 (29 F.R. 971), is hereby amended by changing "1964" to "1965", and as amended reads as follows:

Effective as of the 29th day of January 1965.

This amendment is effective as of the 29th day of January 1965.

[SEAL] ROBERT C. WEAVER,  
Housing and Home  
Finance Administrator.

[P.R. Doc. 65-1358; Filed, Feb. 8, 1965;  
8:47 a.m.]

## INTERAGENCY TEXTILE ADMINISTRATIVE COMMITTEE

### CERTAIN COTTON TEXTILES AND COTTON TEXTILE PRODUCTS

#### Long Term Arrangement Regarding International Trade; Actions and Restraint Levels

FEBRUARY 3, 1965.

The purpose of this notice is to announce certain actions taken by the U.S. Government in furtherance of the objectives of, and under the terms of, the Long

Term Arrangement Regarding International Trade in Cotton Textiles, done at Geneva on February 9, 1962.

1. *Bilateral agreements.* A bilateral agreement has been concluded with the Government of Korea, effective as of January 1, 1965. The terms of this agreement were reported in Department of State press release No. 14 of January 26, 1965.

Consultations are continuing with the Government of Pakistan.

2. *Renewal of restraints.* In view of the continuing disruption of the domestic cotton textile market, the U.S. Government has renewed restraints for a further 12-month period with respect to imports from Poland in the Categories indicated below:

Category	Restraint level	Effective date of restraint renewal
19.....	625,000 sq. yds.....	Dec. 4, 1964
26.....	100,000 sq. yds.....	Do.
28.....	112,500 pieces.....	Do.
34.....	63,000 pieces.....	Do.

3. *Pending restraints.* Discussions are continuing with the Government of Brazil on the outstanding request by the U.S. Government concerning exports of yarns in Category 1. The Long Term Arrangement provides for consultations on such requests.

4. *Other restraints.* Following consultations with the Governments of Italy and Japan, the U.S. Government has instituted measures to limit imports of cotton velveteen in Category 7 of Italian and Japanese origin to shipments certified by the appropriate Italian or Japanese authorities as having been licensed for export to the United States. Under Article 6(a) of the Long Term Arrangement, the participating countries have agreed to collaborate to prevent circumvention of this Arrangement by transshipment or rerouting and to take action

whenever necessary to avoid such circumvention.

JAMES S. LOVE, Jr.,  
Chairman, Interagency Textile  
Administrative Committee,  
and Deputy to the Secretary  
of Commerce.

[P.R. Doc. 65-1356; Filed, Feb. 8, 1965;  
8:47 a.m.]

## INTERSTATE COMMERCE COMMISSION

### FOURTH SECTION APPLICATION FOR RELIEF

FEBRUARY 4, 1965.

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. 39555—*Joint motor-rail rates—Middlewest Motor Freight.* Filed by Midwest Motor Freight Bureau, agent (No. 353), for interested carriers. Rates on various commodities moving on class and commodity rates over joint routes of applicant rail and motor carriers, between points in Central States territory, on the one hand, and points in middlewest and southwestern territories, also points in Canada, on the other.

Grounds for relief—Motor-truck competition.

Tariff—Supplement 35 to Midwest Motor Freight Bureau, agent, tariff MF-ICC 417.

By the Commission.

[SEAL]

BERTHA F. ARMES,  
Acting Secretary.

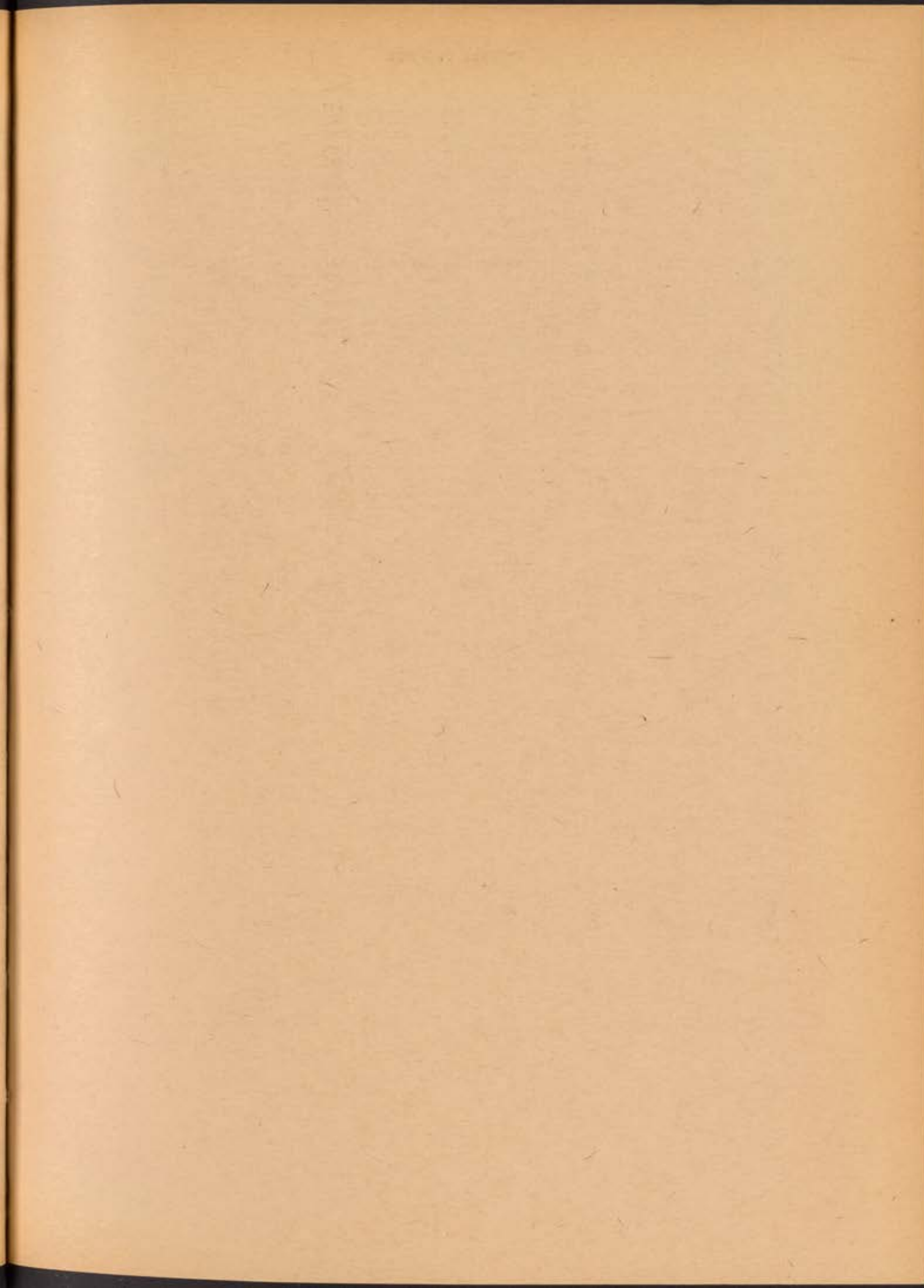
[P.R. Doc. 65-1355; Filed, Feb. 8, 1965;  
8:47 a.m.]

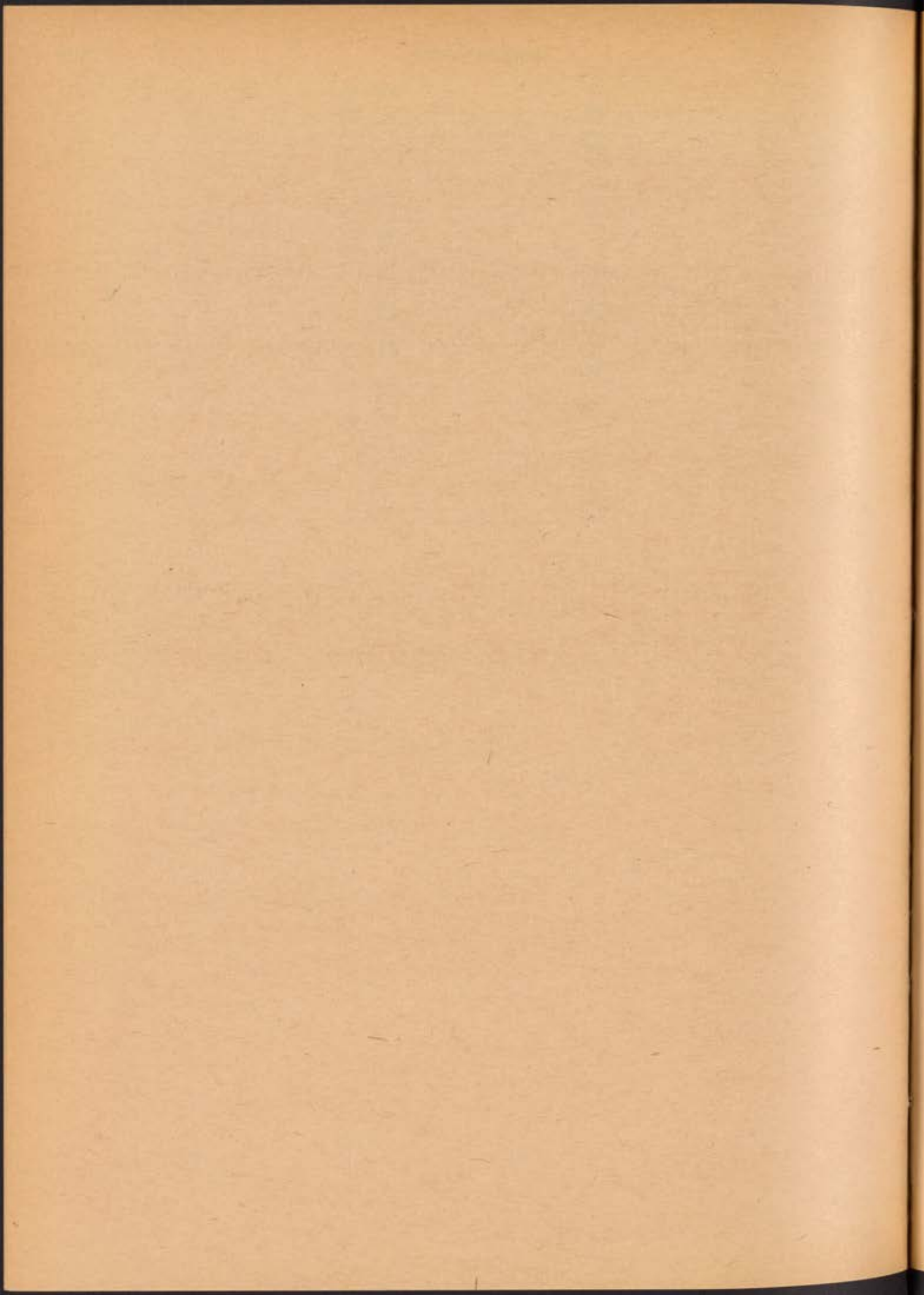
## CUMULATIVE LIST OF CFR PARTS AFFECTED—FEBRUARY

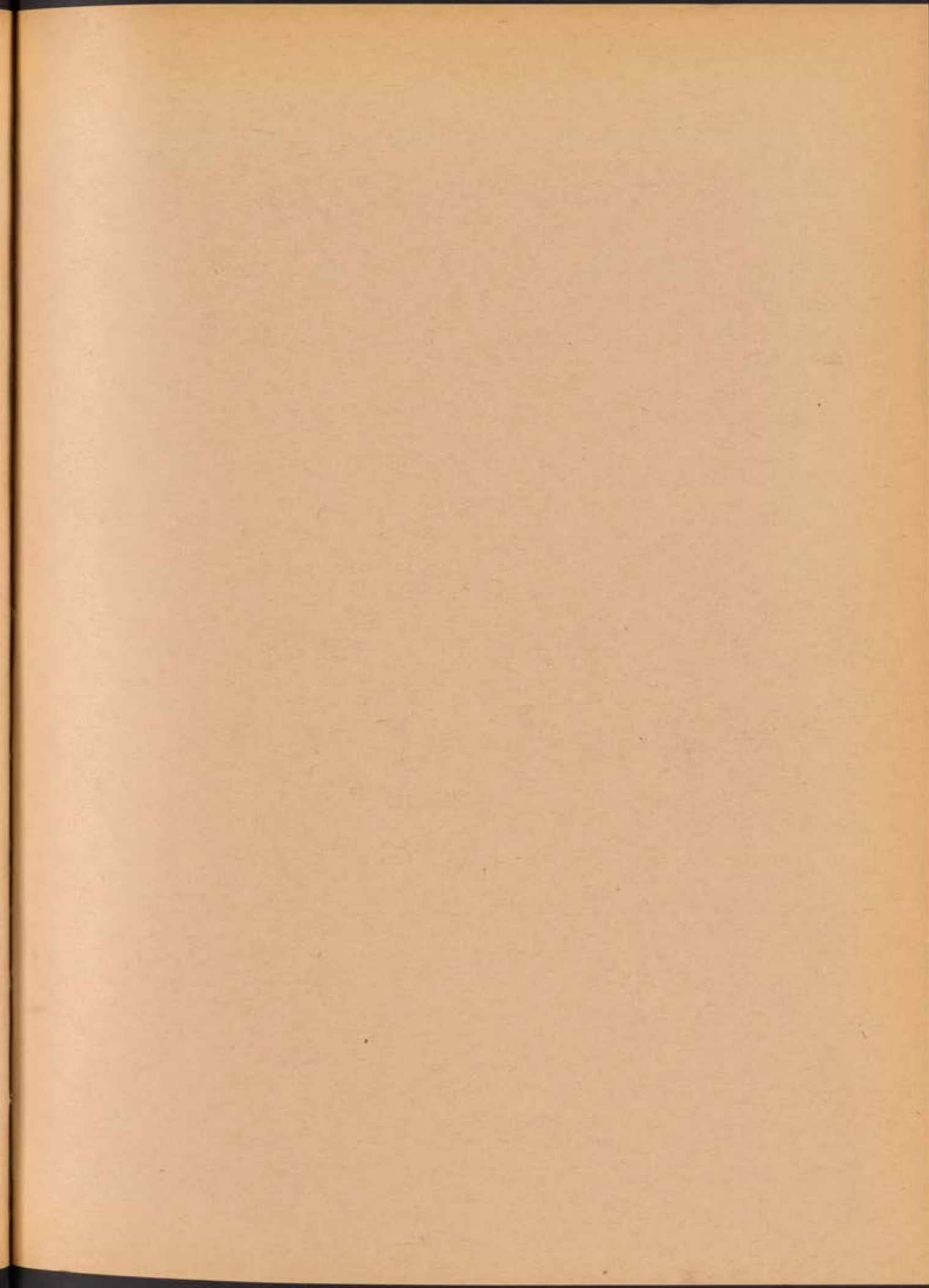
The following numerical guide is a list of the parts of each title of the Code of Federal Regulations affected by documents published to date during February.

	Page		Page		Page
<b>1 CFR</b>		<b>13 CFR</b>		<b>21 CFR—Continued</b>	
Ch. I.....	1727	107.....	1187	148e.....	1782
<b>3 CFR</b>		<b>14 CFR</b>		148h.....	1256, 1782
PROCLAMATIONS:		39.....	1032, 1187, 1239	148i.....	1783
3634.....	1105	47.....	1283	148j.....	1784
3635.....	1107	71.....	1033-	148m.....	1784
3636.....	1109	1036, 1111-1113, 1188-1190, 1239,		148n.....	1784
EXECUTIVE ORDERS:		1283.		148p.....	1785
2216 (revoked in part by PLO		73.....	1035, 1036, 1189, 1239	148s.....	1785
3532).....	1288	75.....	1036, 1113, 1190, 1191	148t.....	1785
10530 (superseded in part by		97.....	1240, 1791	191.....	1787
EO 11196).....	1171	159.....	1037	PROPOSED RULES:	
10573 (superseded by EO		241.....	1191	17.....	1257
11196).....	1171	PROPOSED RULES:		27.....	1296
10852 (superseded by EO		39.....	1297	<b>24 CFR</b>	
11196).....	1171	63.....	1196	207.....	1727
11184 (superseded in part by		71.....	1052-	213.....	1728
EO 11196).....	1171	1057, 1120, 1122-1126, 1200-1202,		608.....	1728
11189 (amended by EO 11195).....	1169	1257, 1258, 1297, 1299-1301, 1816,		<b>26 CFR</b>	
11195.....	1169	1817.		1.....	1037, 1173
11196.....	1171	73.....	1057, 1126	301.....	1116
11197.....	1721	<b>15 CFR</b>		PROPOSED RULES:	
PRESIDENTIAL DOCUMENTS OTHER		6.....	1250	1.....	1048
THAN PROCLAMATIONS AND EX-		368.....	1402	<b>28 CFR</b>	
ECUTIVE ORDERS:		370.....	1405	0.....	1800
Memorandum of February 1,		371.....	1410	<b>29 CFR</b>	
1965.....	1725	372.....	1417	778.....	1076
<b>5 CFR</b>		373.....	1427	<b>30 CFR</b>	
213.....	1029, 1111, 1247	374.....	1451	222.....	1041
338.....	1029	375.....	1455	<b>31 CFR</b>	
351.....	1173	376.....	1456	270.....	1192
771.....	1727	377.....	1457	505.....	1284
<b>7 CFR</b>		379.....	1458	<b>32 CFR</b>	
362.....	1728	380.....	1471	1.....	1729
718.....	1281	381.....	1475	2.....	1732
814.....	1030	382.....	1478	3.....	1733
905.....	1281	383.....	1500	4.....	1733
907.....	1282	384.....	1501	6.....	1735
910.....	1282	385.....	1503	7.....	1735
912.....	1282	398.....	1508	8.....	1742
927.....	1283	399.....	1512	9.....	1743
970.....	1728	<b>16 CFR</b>		10.....	1743
1421.....	1247	13.....	1113-1115,	11.....	1744
1472.....	1250	1250-1252, 1284, 1777-1779		13.....	1744
1486.....	1178	PROPOSED RULES:		16.....	1764
PROPOSED RULES:		303.....	1058	30.....	1764
26.....	1118	<b>17 CFR</b>		125.....	1284
319.....	1119	15.....	1191	834.....	1041
1013.....	1048	19.....	1191	882.....	1041
1104.....	1289	<b>19 CFR</b>		920.....	1041
1127.....	1119	PROPOSED RULES:		1001.....	1775
1135.....	1802	20.....	1196	1002.....	1776
1137.....	1802	<b>21 CFR</b>		1003.....	1776
<b>8 CFR</b>		2.....	1252	1007.....	1777
103.....	1030	19.....	1253	1710.....	1777
212.....	1031	42.....	1779	<b>33 CFR</b>	
214.....	1031	121.....	1254, 1255	1.....	1192
264.....	1031	141.....	1779	62.....	1044
299.....	1032	141a.....	1780, 1785	74.....	1192
<b>9 CFR</b>		141c.....	1780	204.....	1193
PROPOSED RULES:		141e.....	1780	<b>38 CFR</b>	
131.....	1816	146a.....	1780, 1785	17.....	1787
<b>10 CFR</b>		146b.....	1781	<b>39 CFR</b>	
140.....	1186	146c.....	1255	23.....	1193
<b>12 CFR</b>		148b.....	1781		
561.....	1032	148c.....	1781		

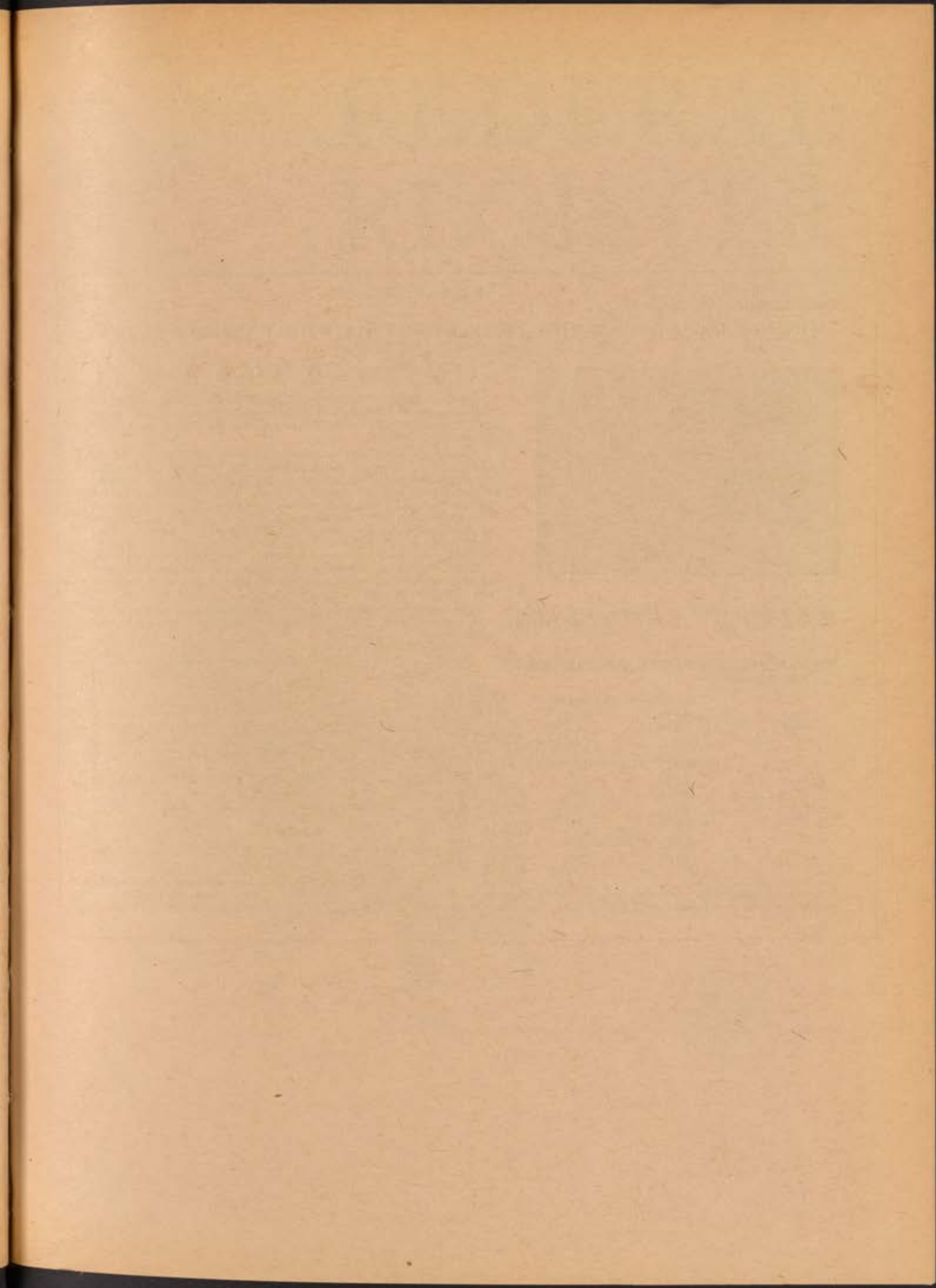
41 CFR	Page
5-3.....	1045
5-7.....	1045
5-12.....	1045
5-16.....	1047
5-53.....	1047
9-2.....	1288
101-6.....	1256
101-15.....	1256
101-20.....	1790
<b>43 CFR</b>	
PUBLIC LAND ORDERS:	
3510 (amended by PLO 3533) ..	1194
3530.....	1193
3531.....	1194
3532.....	1288
3533.....	1194
3534.....	1194
<b>47 CFR</b>	
73.....	1047
PROPOSED RULES:	
73.....	1057
<b>49 CFR</b>	
PROPOSED RULES:	
72.....	1301
73.....	1302
74.....	1306
77.....	1306
78.....	1307
170.....	1127











Latest Edition in the series of . . .

**PUBLIC PAPERS OF THE PRESIDENTS OF THE UNITED STATES**

*John F. Kennedy, 1963*



*1007 Pages Price: \$9.00*

Contains verbatim transcripts of the President's news conferences and speeches and full texts of messages to Congress and other materials released by the White House during the period January 1–November 22, 1963.

Among the 478 items in the book are: special messages to the Congress on education, youth conservation, needs of the Nation's senior citizens, and on improving the Nation's health; radio and television addresses to the American people on civil rights and on the nuclear test ban treaty and the tax reduction bill; joint statements with leaders of foreign governments; and the President's final remarks at the breakfast of the Fort Worth Chamber of Commerce. Also included is the text of two addresses which the President had planned to deliver on the day of his assassination; President Johnson's proclamation designating November 25 a national day of mourning; and remarks at the White House ceremony in which President Kennedy was posthumously awarded the Presidential Medal of Freedom.

A valuable reference source for scholars, reporters of current affairs and the events of history, historians, librarians, and Government officials.

**VOLUMES of PUBLIC PAPERS of the PRESIDENTS**  
*currently available:*

HARRY S. TRUMAN			
1945	\$5.50	1947	\$5.25
1946	\$6.00	1948	\$9.75
1949	\$6.75		
DWIGHT D. EISENHOWER:			
1953	\$6.75	1957	\$6.75
1954	\$7.25	1958	\$8.25
1955	\$6.75	1959	\$7.00
1956	\$7.25	1960–61	\$7.75
JOHN F. KENNEDY:			
1961	\$9.00	1962	\$9.00
1963	\$9.00		

Volumes are published annually, soon after the close of each year. Earlier volumes are being issued periodically, beginning with 1945.

*Contents:*

- Messages to the Congress
- Public speeches
- The President's news conferences
- Radio and television reports to the American people
- Remarks to informal groups
- Public letters

Order from the: Superintendent of Documents  
Government Printing Office  
Washington, D.C. 20402