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Atomic Energy Commission
Civil Aeronautics Board
Commerce Department
Commodity Credit Corporation
Consumer and Marketing Service
Defense Department
Emergency Planning Office
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Federal Communications Commission
Federal Deposit Insurance Corporation
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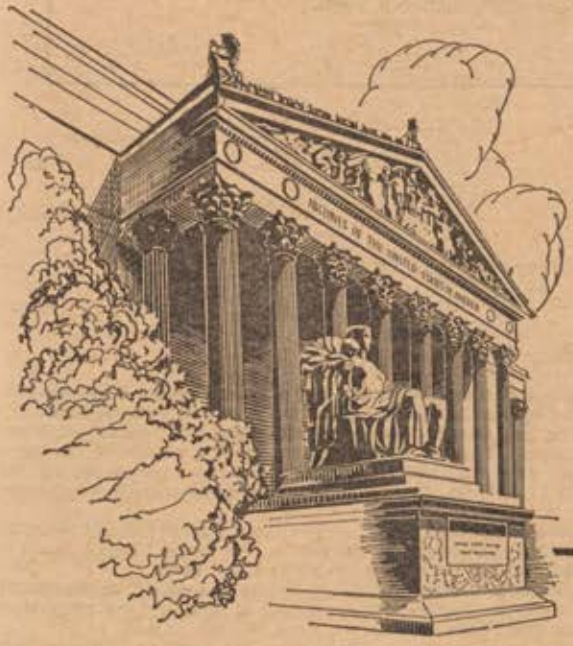

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LIST OF CFR SECTIONS AFFECTED

January–August 1965

(Codification Guide)

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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 1.201–3, 1.201–14, and 1.201–24 are revised, and new §§ 1.201–25, 1.201–26, and 1.201–27 are added, as follows:

§ 1.201–3 Contracting officer.

"Contracting officer" means any person who, in accordance with Departmental procedures, is currently designated a contracting officer with the authority to enter into and administer contracts and make determinations and findings with respect thereto, or with any part of such authority. The term also includes the authorized representative of the contracting officer acting within the limits of his authority. (NOTE: Recent assignments of contract administration responsibilities have necessitated a separation of duties related to procurement, with some duties normally performed at a purchasing office and some normally performed at a contract administration office. For convenience of expression, when requiring performance of specific duties by a contracting officer, this subchapter may refer to a contracting officer at the purchasing office as the procuring contracting officer (PCO), and to a contracting officer at a contract administration office as an administrative contracting officer (ACO). Additionally, a contracting officer, responsible for the settlement of terminated contracts, may be referred to as the termination contracting officer (TCO). It is recognized that a single contracting officer may be responsible for duties in any or all of these areas, and reference in this subchapter to PCO, ACO, or TCO does not of itself require that duty be performed at a particular office or activity or restrict in any way a contracting officer in the performance of any duty properly assigned. For example, a duty specified by this subchapter to be performed by the ACO will be performed by a contracting officer at the purchasing office when contract administration or responsibility for that duty has been retained in the purchasing office.)

§ 1.201–14 Procuring activity.

Procuring activity includes for the Army: U.S. Army Materiel Command and its subordinate commands; U.S. Continental Army Command and the Zone of Interior Armies; U.S. Army, Alaska; U.S. Forces Southern Command; U.S. Army Communications Zone, Europe; U.S. Army, Hawaii; U.S. Army, Japan; Military District of Washington, U.S. Army; National Guard Bureau; Office of the Chief of Engineers; Strategic Communications Command; Office of the Chief of Support Services; Office of The Surgeon General; U.S. Army Security Agency; and Military Traffic Management and Terminal Service; for the Navy: each Bureau, the Office of Naval Research, the Navy Aviation Supply Office, the Military Sea Transportation Service, and the United States Marine Corps; for the Air Force: the Air Force Logistics Command and the Air Force Systems Command; for the Defense Supply Agency: the Office of the Deputy Director for Contract Administration Services; the Office of the Executive Director, Procurement and Production; the Defense Supply Centers; and the Defense Personnel Support Center; for the Defense Communications Agency: The Headquarters, Defense Communications Agency, and the Defense Commercial Communications Office; for the Defense Atomic Support Agency: Headquarters, Defense Atomic Support Agency. It also includes any other procuring activity hereafter established. The number and designation of particular procuring activities of any Military Department may be changed by directive of the Secretary.

§ 1.201–24 Purchasing office.

"Purchasing office" means the office which awards or executes a contract for supplies or services and performs post-award functions not assigned to a contract administration office.

§ 1.201–25 Contract administration office.

"Contract administration office" means the office which performs assigned functions related to the administration of contracts, and assigned pre-award functions.

§ 1.201–26 Assignment of contract administration.

"Assignment of contract administration" means that process whereby identified functions, duties, or responsibilities related to the administration of contract are assigned either by this subchapter or by individual assignment to a contract administration office.

§ 1.201–27 Transfer of a contract.

"Transfer of a contract" means that process whereby all future responsibility for a contract held by an individual or office is transferred, in writing by proper authority, to another office to take action necessary to carry out the responsibility transferred.

2. In § 1.319, paragraph (f) is revised; in § 1.324–6(a), clause paragraphs (a) (1) and (i) are revised; § 1.601–3 is revised; and in § 1.707–3(b), the clause heading and clause paragraph (a) (8) are revised, as follows:

§ 1.319 Renegotiation performance reports.

* * * * *

(f) *Advanced development, engineering development, and operational systems development contracts.* The Director of Contractor Performance Evaluation, Office of the Assistant Secretary of Defense (Installations and Logistics) (see § 4.215 of this chapter) shall furnish Contractor Performance Evaluation Reports on advanced development, engineering development, and operational systems development contracts upon the request of the Renegotiation Board.

§ 1.324–6 Warranty clauses.

(a) The following clause is an example of a warranty clause which is authorized for insertion in fixed-price supply contracts.

SUPPLY WARRANTY

(a) * * *

(i) All supplies furnished under this contract will be free from defects in material or workmanship and will conform with the specifications and all other requirements of this contract; and

* * * * *

(h) The word "supplies" as used herein includes related services.

(i) The rights and remedies of the Government provided in this clause are in addition to and do not limit any rights afforded to the Government by any other clause of the contract.

* * * * *

§ 1.601–3 Joint Consolidated List.

The Department of the Army is responsible for the issuance of a Joint Consolidated List (DA Circular 715–1; NAVEXOS P–1205; AF Letter No. 70–23; DSA Regulation 4105.3; DCAI 5104.5) of firms and individuals debarred, declared ineligible, or suspended under § 1.603. The authorized representative for the Army (see § 1.600(b) shall be furnished by the authorized representative of each of the other Departments, not later than the third day of each month, the information set forth in § 1.601–2, including additions, deletions, or modifications information previously furnished, necessary for issuance of the Joint Consolidated List. Each Department shall be responsible for determining the number of copies of the Joint Consolidated List required and for distributing the list within the Department. The Department of the Army will furnish copies to the Assistant Secretary of Defense (Installations and Logistics).

§ 1.707–3 Required clauses.

* * * * *

(b) * * *

SMALL BUSINESS SUBCONTRACTING PROGRAM (JUNE 1965)

(a) The contractor agrees to establish and conduct a small business subcontracting

program which will enable small business concerns to be considered fairly as subcontractors and suppliers under this contract. In this connection, the Contrator shall—

* * * * *

(8) Submit DD Form 1140–1 each quarter in accordance with instructions provided on the form, except that where the Contractor elects to report on a corporate rather than a plant basis, he may submit his reports to the Military Department having the responsibility for the Small Business Subcontracting Program at the corporate headquarters. The reporting requirements of this subparagraph (8) do not apply to Small Business Contractors, Small Business Subcontractors, or educational and nonprofit institutions.

* * * * *

3. Subpart I is revised to read as follows:

Subpart I—Responsible Prospective Contractors

Sec.
1.900 Scope of subpart.
1.901 Applicability.
1.902 General policy.
1.903 Minimum standards for responsible prospective contractors.
1.903–1 General standards.
1.903–2 Additional standards.
1.903–3 Special standards.
1.903–4 Ability to meet certain minimum standards.
1.904 Determinations of responsibility and nonresponsibility.
1.904–1 Requirement.
1.904–2 Exceptions.
1.904–3 Affiliated concerns.
1.905 Procedures for determining responsibility of prospective contractors.
1.905–1 General.
1.905–2 When information will be obtained.
1.905–3 Sources of information.
1.905–4 Pre-award surveys.
1.906 Subcontractor responsibility.
1.907 Disclosure of pre-award data.

AUTHORITY: The provisions of this subpart I 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.

§ 1.900 Scope of subpart.

This subpart sets forth (a) general policy with respect to responsibility of prospective contractors, (b) minimum standards for responsible prospective contractors, (c) requirements and procedures for determination of responsibility, and (d) policy with regard to determination of subcontractor responsibility.

§ 1.901 Applicability.

This subpart applies to procurement, advertised or negotiated, from contractors located in the United States, its possessions, or Puerto Rico and shall be applied in other places except where inconsistent with the laws and customs of the place where the prospective contractor is located. It is not applicable to procurement from (a) other governments, including State and local governments; (b) Canadian Commercial Corporation; (c) other United States Government departments and agencies, or their instrumentalities (such as Federal Prison Industries, Inc.); or (d) National Industries for the Blind.

§ 1.902 General policy.

Purchases shall be made from, and contracts shall be awarded to, responsible prospective contractors only. A responsible prospective contractor is one which meets the standards set forth in §§ 1.903–1 and 1.903–2, and such special standards as may be prescribed in accordance with § 1.903–3 and by overseas commanders. The award of a contract to a supplier based on lowest evaluated price alone can be false economy if there is subsequent default, late deliveries, or other unsatisfactory performance resulting in additional procurement or administrative costs. While it is important that Government purchases be made at the lowest price, this does not require an award to a marginal supplier solely because he submits the lowest bid or offer. A prospective contractor must demonstrate affirmatively his responsibility, including, when necessary, that of his proposed subcontractors. The contracting officer shall make a determination of nonresponsibility if, after compliance with §§ 1.905 and 1.906, the information thus obtained does not indicate clearly that the prospective contractor is responsible. Recent unsatisfactory performance, in either quality or timeliness of delivery, whether or not default proceedings were instituted, is an example of a problem which the contracting officer must consider and resolve as to its impact on the current procurement prior to making an affirmative determination of responsibility. Doubt as to productive capacity or financial strength which cannot be resolved affirmatively shall require a determination of nonresponsibility.

§ 1.903 Minimum standards for responsible prospective contractors.

§ 1.903–1 General standards.

Except as otherwise provided in §§ 1.903–1.903–4, a prospective contractor must:

(a) Have adequate financial resources, or the ability to obtain such resources as required during performance of the contract (see Defense Contract Financing Regulations, Subpart B, Part 163 of this chapter, and any amendments thereto; see also §§ 1.904–3 and 1.905–2; for SBA certificates of competency, see § 1.705–4);

(b) Be able to comply with the required or proposed delivery or performance schedule, taking into consideration all existing business commitments, commercial as well as governmental (for SBA certificates of competency, see § 1.705–4);

(c) Have a satisfactory record of performance (contractors who are seriously deficient in current contract performance, when the number of contracts and the extent of deficiency of each are considered, shall, in the absence of evidence to the contrary or circumstances properly beyond the control of the contractor, be presumed to be unable to meet this requirement). Past unsatisfactory performance, due to failure to apply necessary tenacity or perseverance to do an acceptable job, shall be sufficient to justify a finding of nonresponsibility and in the case of small business concerns, shall not require submission of the case to the Small Business Administration; see §§ 1.705–4(a)(4) and 1.905–2;

(d) Have a satisfactory record of integrity; and

(e) Be otherwise qualified and eligible to receive an award under applicable laws and regulations; *e.g.*, Subpart F, Part 12 of this chapter.

§ 1.903–2 Additional standards.

(a) *Standards for production, maintenance, construction, and research and development contracts.* In addition to the standards in § 1.903–1, in procurement involving production, maintenance, construction (see § 18.106 of this chapter), or research and development work (and in other procurement as appropriate), a prospective contractor must:

(1) Have the necessary organization, experience, operational controls and technical skills, or the ability to obtain them (this standard includes, where appropriate, such elements as adequacy of production control procedures; quality assurance measures, including those applicable to materials produced or services performed by subcontractors) (see § 1.903–4); and

(2) Have the necessary production, construction, and technical equipment and facilities, or the ability to obtain them. Where a prospective contractor proposes to use the facilities or equipment of another concern, not a subcontractor, or of his affiliate (see § 2.201(a)(23)), all existing business arrangements, firm or contingent, for the use of such facilities or equipment shall be considered in determining the ability of the prospective contractor to perform the contract; see also § 1.904–3.

(b) *Standards for food.* Procurement of food shall be made only from those sources which, in addition to meeting the standards in § 1.903–1, are approved with respect to sanitation in accordance with standards and procedures prescribed in AR 40–657, NAVSANDA PUB 395, AFR 160–48, and NAVMC 2573.

§ 1.903–3 Special standards.

When the situation warrants, contracting officers shall develop with the assistance of technical personnel or other specialists, special standards of responsibility to be applicable to a particular procurement or class of procurements. Such special standards may be particularly desirable where a history of unsatisfactory performance has demonstrated the need for insuring the existence of unusual expertise or specialized facilities necessary for adequate contract performance. The resulting standards shall form a part of the solicitation and shall be applicable to all bidders or offerors.

§ 1.903–4 Ability to meet certain minimum standards.

Except to the extent that a prospective contractor proposes to perform the contract by subcontracting (see § 1.906), acceptable evidence of his "ability to obtain" such things as resources, equipment, facilities, and personnel (see §§ 1.903–1(a) and 1.903–2), shall normally be a commitment or explicit arrangement, which will be in existence at the time the contract is to be awarded, for the rental, purchase or other acquisition of such resources, equipment, facilities, or personnel.

§ 1.904 Determinations of responsibility and nonresponsibility.

§ 1.904–1 Requirement.

Except as otherwise provided in § 1.904–2, no purchase shall be made from, and no contract shall be awarded to, any person or firm unless the contracting officer first makes, signs, and places in the contract file, an affirmative determination that the prospective contractor is responsible within the meaning of § 1.902. The determination of responsibility shall contain a statement justifying the determination. Where a certificate of competency has been issued, the affirmative determination need not be made as to the factors covered by the certificate of competency. Where a bid or offer on which an award would otherwise be made is rejected because the prospective contractor is found to be nonresponsible, a determination of nonresponsibility shall be made, signed, and placed in the file. The determination of nonresponsibility shall set forth the basis of the determination. Supporting documents or reports, including any pre-award survey reports (see § 1.905–4) and SBA certificate of competency (see § 1.705–4) shall be attached to the determination.

§ 1.904–2 Exceptions.

Written determinations of responsibility need not be made in the case of:

(a) Purchases estimated to be $10,000 or less;

(b) Orders under existing Government contracts (except orders of more than $10,000 under basic ordering agreements); or

(c) Contracts for perishable subsistence available for immediate shipment.

However, contracting officers shall not knowingly make any purchases from, or award contracts to, persons or firms other than responsible prospective contractors, notwithstanding the exceptions in this section.

§ 1.904–3 Affiliated concerns.

(a) Affiliated concerns (see § 2.201(a)(23)) shall be considered as separate entities in determining whether the one of them which is to perform the contract meets the applicable standards for a responsible prospective contractor (but see § 1.701–1 with respect to status as a small business concern).

(b) Notwithstanding the above, the record of performance and integrity of affiliated concerns which may adversely affect the responsibility of the prospective contractor shall be considered by the contracting officer when making a determination of responsibility.

§ 1.905 Procedures for determining responsibility of prospective contractors.

§ 1.905–1 General.

(a) Before making a determination of responsibility (see § 1.904), the contracting officer shall have in his possession or obtain information sufficient to satisfy himself that a prospective contractor currently meets the minimum standards set forth in § 1.903, to the extent that such standards are applicable to a specific procurement.

(b) Maximum practicable use shall be made of currently valid information on file or within the knowledge of personnel in the Department of Defense. Each Department shall, at such level and manner as it deems appropriate, maintain useful records and experience data for the guidance of contracting officers in the placement of new procurement, and shall inform its contracting officers and the other Departments of the means of access thereto. Notwithstanding this direction contract administration offices shall maintain files of information reflecting upon the ability of contractors to perform Government contracts successfully.

(c) Any purchasing office becoming aware of circumstances which, for any reason, casts doubt upon the ability of a contractor to perform contracts successfully, shall immediately advise the cognizant contract administration office. A contract administration office, upon being notified by a purchasing office of unfavorable information affecting a contractor under its cognizance, or upon developing unfavorable information during the course of contract administration activities, shall advise the cognizant contract administration offices of the other Departments. When a contract administration office is requested to perform a pre-award survey and it has been notified of the existence of unfavorable information relative to the contractor, it shall obtain the details including full supporting information. Careful and full consideration shall be given such information. If a contract administration office becomes aware of a prospective contract award to a contractor about whom unfavorable information exists and no pre-award survey has been requested, it shall (1) immediately notify the purchasing office concerned, and (2) secure the details of such unfavorable information as if it were performing a pre-award survey and advise the purchasing office concerned. The purchasing office shall give full consideration to such advice in determining whether an award should be made.

(d) Generally, information necessary to make determinations of responsibility shall be obtained only concerning prospective contractors within range for an award.

§ 1.905–2 When information will be obtained.

Generally, information regarding the responsibility of a prospective contractor (including pre-award surveys (see § 1.905–4) when deemed necessary) shall be obtained promptly after bid opening or receipt of proposals. However, in negotiated procurements, especially those involving research and development, such information may be obtained before the issuance of requests for proposals. Notwithstanding the foregoing, information regarding financial resources (see § 1.903–1(a)) and performance capability (see § 1.903–1(b)) shall be obtained on as current a basis as feasible with relation to the date of contract award.

§ 1.905–3 Sources of information.

Information regarding the responsibility of prospective contractors shall be sought among the following sources:

(a) The Joint Consolidated List of Debarred, Ineligible, and Suspended Contractors (see § 1.601).

(b) From the prospective contractor—including representations and other information contained in or attached to bids and proposals; replies to questionnaires; financial data, such as balance sheets, profit and loss statements, cash forecasts, financial history of the contractor and affiliated concerns; current and past production records; personnel records; and lists of tools, equipment, and facilities; written statements or commitments concerning financial assistance and subcontracting arrangements; and analyses of operational control procedures. Where it is considered necessary by the contracting officer to prevent practices prejudicial to fair and open competition or for other reasons, prospective contractors may be required to submit affidavits concerning their ability to meet any of the minimum standards set forth in § 1.903, and company ownership and control (see § 2.201(a)(23)).

(c) Existing information within the Department of Defense—including records (e.g., § 4.215) on file and knowledge of personnel within the purchasing office making the procurement, other purchasing offices, related activities, contract administration offices, audit activities, and offices concerned with contract financing.

(d) Publications—including credit ratings, trade and financial journals; business directories and registers.

(e) Other sources—including suppliers, subcontractors, and customers of the prospective contractor; banks and financial companies; commercial credit agencies; Government departments and agencies; purchasing and trade associations; better business bureaus and chambers of commerce.

§ 1.905–4 Pre-award surveys.

(a) *General.* A pre-award survey is an evaluation by a contract administration office of a prospective contractor's capability to perform under the terms of a proposed contract. Such evaluation shall be used by the contracting officer in determining the prospective contractor's responsibility. The evaluation may be accomplished by use of (1) data on hand, (2) data from another Government agency or commercial source, (3) an on-site inspection of plant and facilities to be used for performance on the proposed contract, or (4) any combination of the above. Pre-award surveys shall be conducted in accordance with Appendix K, Pre-Award Survey Procedures (§ 30.7 of this chapter).

(b) *Circumstances under which performed.* A pre-award survey shall be required when the information available to the purchasing office is not sufficient to enable the contracting officer to make a determination regarding the responsibility of a prospective contractor (but see paragraph (c) of this section). The con-

tracting officer shall request a pre-award survey on Pre-Award Survey of Prospective Contractor (DD Form 1524) (see F–200.1524) in the detail commensurate with the dollar value and complexity of the procurement. In requesting a pre-award survey, the contracting officer shall call to the attention of the contract administration office any factors which should receive special emphasis. The factors selected by the contracting officer shall be applicable to all firms responding to the solicitation and shall be considered in all pre-award surveys performed for the same solicitation. In the absence of specific instructions from the purchasing office, the scope of the pre-award survey shall be determined by the contract administration office conducting the survey.

(c) *Workload and financial capacity.* Regardless of the apparent sufficiency of information available to the purchasing office indicating responsibility with respect to the standards set forth in § 1.903–1 (a) and (b), in procurements which are significant either in dollar value or in the critical nature of the requirement, consideration shall be given to requesting the contract administration office to verify information regarding current workload and financial capacity.

§ 1.906 Subcontractor responsibility.

(a) To the extent that a prospective contractor proposes to perform the contract by subcontracting, determinations of prospective subcontractors' responsibility may be necessary in order to determine the responsibility of the prospective prime contractor. Determinations concerning prospective subcontractors' responsibility shall generally be a function performed by the prospective prime contractor. (But see § 1.603(c) relating to subcontractors listed on the Joint Consolidated List of Debarred, Ineligible, and Suspended Contractors.) A prospective prime contractor may be required to (1) indicate, in writing, the responsibility of proposed subcontractors, or (2) show evidence of an acceptable and effective purchasing and subcontracting system which encompasses a method for determining subcontractor capability.

(b) Notwithstanding the general responsibility of a prospective contractor to demonstrate the responsibility of his prospective subcontractors, it may be in the Government's best interest to make a direct determination of the responsibility of one or more prospective subcontractors prior to award of the prime contract. Examples of when this may be particularly suitable are the procurements of (1) medical items, (2) supplies or services which are so urgently needed that it is necessary for the Government to go beyond the normal process in determining contractor responsibility, and (3) supplies or services, a substantial portion of which will be subcontracted. The determination of responsibility of a proposed subcontractor by the Government shall be based on the same factors as are applicable in a determination of responsibility of a prospective prime contractor.

§ 1.907 Disclosure of pre-award data.

Data, including information obtained from a pre-award survey, accumulated for the purposes of determining the responsibility of a prospective contractor shall not be released outside the Government and shall not be made available for inspection by individuals, firms, or trade organizations. Such data may be disclosed to, or summarized for, other elements within the Government on their request, and shall be made available to Department of Defense procurement personnel upon request in accordance with § 1.905–1. Prior to making a determination of responsibility, such data may be discussed with the prospective contractor as determined necessary by the purchasing office. After an award, the findings of the pre-award survey may be discussed by the contracting officer with the company surveyed as provided in §§ 2.408 and 3.507, or if appropriate, by the head of the contract administration office or his designee.

4. Section 1.1004(b) is revised and new §§ 1.1007, 1.1007–1, 1.1007–2, 1.1007–3, and 1.1007–4 are added, as follows:

§ 1.1004 Disclosure of information prior to award.

* * * * * *

(b) Maximum information may be made available to the public except (1) advance information on proposed plans regarding procurements, which information would provide undue or discriminatory advantage to private or personal interests, (2) information which is received in confidence, (3) information which requires protection in the public interest or (4) information as to referrels (for technical review, contracting authority, or other reasons) or recommendations made with respect thereto in connection with any given procurement. This policy applies to all Government personnel who participate directly or indirectly in any stage of the procurement cycle. (See §§ 1.1006, 2.210, 3.506, 3.507, and 3.804.) Information submitted by the bidder or offeror in confidence, and information which might jeopardize, the position of the Government or any prospective contractor shall not be released, except as provided in §§ 1.1006 and 3.507. (See § 1.705–3 as to information to be released to the SBA, and § 1.1007 for procedures for publicizing long-range procurement estimates.)

§ 1.1007 Public release of long-range procurement estimates.

§ 1.1007–1 General.

To assist industry in planning its production, it may be desirable to announce to the public unclassified long-range procurement estimates on certain items, groups or types of items, or materials procured by the Department of Defense. Procurement estimates with respect to proposed purchases may be provided to industry as far in advance as possible under the conditions contained in §§ 1.1007–3 and 1.1007–4.

§ 1.1007–2 Application.

Public release of long-range procurement estimates may be made by a Head of a Procuring Activity or his designee if he determines that the:

(a) Information to be released will assist industry in its planning and facilitate meeting the procurement requirements;

(b) Announcement will not adversely affect procurement by encouraging undesirable practices, such as attempts to corner the market or hoard industrial materials; and

(c) Information to be released will not indicate the existing or potential mobilization of the industry as a whole.

§ 1.1007–3 Conditions.

The conditions set forth below shall be adhered to in the preparation and issuance of long-range procurement estimates.

(a) The Head of a Procuring Activity or his designee shall be responsible for the determination of the need for, and the preparation of, the proposed announcement.

(b) Only unclassified information shall be released.

(c) The information shall be:

(1) Released as nearly simultaneously as possible, and

(2) Consistent with the needs of the individual case, publicized as widely as practicable by any or all of the following means: dissemination to prospective bidders on the purchasing office's bidders lists, posting in public places, and other appropriate means.

(d) Each release shall state that the estimate is based on the best information available at the time of publication, the information is subject to modification, is in no way binding on the Government, and that more specific information relating to any individual item or class of items will not be furnished until the proposed procurement is synopsized in the Commerce Business Daily (see § 1.1003), or the solicitation issued.

(e) Each release shall contain the name and address of the purchasing office which will process the procurement.

(f) Modifications to the original release shall be publicized as expeditiously as possible, in the same manner as the original.

(g) Each proposed release shall be coordinated with small business, public information, and public relations personnel, as appropriate.

(h) Each release shall contain, if applicable, a statement to the effect that small business or labor surplus area setasides may be involved in some of the procurements, and that the determination of the applicability of these factors can be made only at the time that procurement action is initiated.

(i) Each release shall contain the name or description of the item, and the estimated quantity to be purchased by calendar quarter, fiscal year, or other period. It may also contain such additional information as the number of units last purchased, the unit price, and the name of the last supplier.

§ 1.1007–4 Commerce Business Daily announcements.

(a) *General.* In addition to the publication of estimates as provided in § 1.1007–3, further publication, where consistent with the needs of the individual case, shall be accomplished by announcements in the Commerce Business Daily reflecting the fact that long-range procurement estimates have been published and are obtainable, on request, from the issuing organization.

(b) *Preparation and transmittal.* Activities publishing long-range procurement estimates shall, in accordance with paragraph (a) of this section, publicize them in the Commerce Business Daily by forwarding to the address listed in § 1.1003–9(a) (1) or (2) an announcement reflecting the fact that a long-range procurement estimate has been published and citing the address of the office from which a copy of the estimate can be obtained. Each announcement should be prepared substantially as the following example.

The Defense Personnel Support Center has published an estimate of equipment and footwear procurement requirements for ------ and ------ Quarters FY ------. These estimates, which are subject to revision and are in no way binding on the Government, may be obtained, by request, from the Defense Personnel Support Center (Attention: Procurement and Production Directorate), 2800 South 20th Street, Philadelphia, Pa., 19101.

PART 2—PROCUREMENT BY FORMAL ADVERTISING

5. Paragraph (a) (17) of § 2.201 and paragraph (a) of § 2.210 are revised, as follows:

§ 2.201 Preparation of invitation for bids.

* * * * *

(a) * * *

(17) Any authorized special provisions, necessary for the particular procurement, relating to such matters as progress payments (see Defense Contract Financing Regulations, § 163.71–1 of this chapter), patent licenses, liquidated damages, profit limitations, escalation (see § 2.104–3), Buy American Act (see § 6.104–3), domestic wool preference (see § 6.304–2), procurement by barter (see § 4.503–5), etc.

* * * * *

§ 2.210 Release of procurement information.

(a) *Prior to synopsis or solicitation.* Information concerning proposed procurements shall not be released outside the Government prior to solicitation except when pre-invitation notices have been used in accordance with §§ 2.205–6 or 18.205(c), or long-range procurement estimates have been issued in accordance with § 1.1007. Within the Government, such information shall be restricted to those having a legitimate interest therein. Such information shall be released to all potential contractors at the same time, as nearly as possible, so that one potential contractor shall not be given unfair advantage over another.

* * * * *

PART 3—PROCUREMENT BY NEGOTIATION

6. Sections 3.402(b) (1), 3.501(b) (15), and 3.807–2(c) (1) are revised to read as follows:

§ 3.402 Basic principles for use of contract types.

* * * * *

(b) *Preferred contract types.* (1) The firm fixed-price contract is the most preferred type because the contractor accepts full cost responsibility, and the relationship between cost control and profit dollars is established at the outset of the contract. Accordingly, whenever a reasonable basis for firm pricing exists (see § 3.404–2), the firm fixed-price contract shall be used, because its use under these circumstances will provide the contractor with a maximum profit incentive to control the costs of performance. However, the contracting officer must be alert to the fact that in certain situations the use of special contract incentive provisions may be more appropriate. While maximum incentive to a contractor exists in a firm fixed-price contract, the basis for the application of firm fixed-price is the knowledge that the price has been arrived at either through competition or through sound pricing techniques which keep pricing uncertainties to a minimum. In those situations in which price competition is not present, and (i) where the cost or pricing data available does not permit sufficiently realistic estimates of the probable cost of performance, or (ii) where uncertainties surrounding the contract performance cannot be sufficiently identified to evaluate their impact on price, the use of a type of contract other than firm fixed-price should be considered. For example, a profit incentive to control costs can be achieved through use of the fixed-price incentive contract, and to a lesser degree, the cost-plus-incentive-fee contract, where appropriate target costs and incentive arrangements can be negotiated.

* * * * *

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

* * * * *

(b) * * *

(15) Special provisions necessary for the particular procurement, relating to such matters as progress payments (see Defense Contract Financing Regulations, § 163.71–1 of this chapter), patent licenses, liquidated damages, Buy American Act (see §§ 6.104–3 and 6.204–4), or procurement by barter (see § 4.503–5);

* * * * *

§ 3.807–2 Requirement for price or cost analysis.

* * * * *

(c) *Cost analysis.* (1) Cost analysis is the review and evaluation of a contractor's cost or pricing data (see § 3.807–3) and of the judgmental factors applied in projecting from the data to the estimated costs, in order to form an opinion on the degree to which the contractor's proposed costs represent what performance of the contract should cost, assuming reasonable economy and efficiency. It includes the appropriate verification of cost data, the evalution of specific elements of costs (see § 16.206), and the projection of these data to determine the effect on prices of such factors as:

(i) The necessity for certain costs;

(ii) The reasonableness of amounts estimated for the necessary costs;

(iii) Allowances for contingencies;

(iv) The basis used for allocation of overhead costs; and

(v) The appropriateness of allocations of particular overhead costs to the proposed contract.

* * * * *

PART 4—SPECIAL TYPES AND METHODS OF PROCUREMENT

7. Sections 4.205–4(d) and 4.215 are revised to read as follows:

§ 4.205–4 Evaluation for award.

* * * * *

(d) In evaluating proposals for advanced development, engineering development, and operational systems development contracts in excess of $1,000,000, the source selection board or the contracting officer should obtain from the Director of Contractor Performance Evaluation, Office of the Assistant Secretary of Defense (Installations and Logistics) (see § 4.215), a transcript of the performance evaluations of all contractors submitting acceptable proposals, or a statement that there is no record on file. This transcript or statement may be obtained for a procurement below $1,000,000. This information shall be furnished by the Director within seven working days from receipt of the request.

§ 4.215 Contracting Performance Evaluation Program.

The Contractor Performance Evaluation Program is a procedure for determining and recording the effectiveness of advanced development (with measurable contractural commitments), engineering development, and operational systems development contractors in meeting the performance, schedule, and cost provisions of their contracts. The program requires project managers within the Military Departments to submit periodic Contractor Performance Evaluation Reports (see DD Form 1446 series) for such contracts whose projected cost for a single year will exceed $5,000,000 or whose projected over-all cost will exceed $20,000,000. After review or certification by the appropriate Departmental Contractor Performance Evaluation Group (see DD Form 1447 series), the report is submitted to the contractor and then transmitted, with the contractor's comments, to the Director of Contractor Performance Evaluation, Office of the Assistant Secretary of Defense (Installations and Logistics), for storage in a central data bank and use by source selection boards and contracting officers. Detailed procedures for this program are set forth in the Department of Defense Guide to the Evaluation of the Performance of Major Development Contractors.

8. Subpart E is revised to read as follows:

Subpart E—Procurement by Barter—Commodity Credit Corporation

Sec.
4.501 General.
4.502 Applicability.
4.503 Procedure.
4.503–1 General.
4.503–2 Step one—Susceptibility to barter.
4.503–3 Step two—Information to Commodity Credit Corporation.
4.503–4 Step three—Preliminary determination by CCC.
4.503–5 Step four—Invitations for bids and request for proposals.
4.503–6 Step five—Review of bids or proposals—Negotiations.
4.503–7 Step six—Further information to the CCC.
4.503–8 Step seven—The CCC action.
4.503–9 Step eight—Award on barter basis.
4.503–10 Award conditions.
4.504 Barter clauses.
4.504–1 General.
4.504–2 Assignment of payments.
4.504–3 Partial assignment payments.
4.505 Post-award action.
4.506 Conversion to barter.
4.507 Special barter payment arrangements.
4.507–1 General.
4.507–2 Description.
4.507–3 Procedures.
4.507–4 Agreement with CCC.
4.507–5 Special clearance.
4.507–6 Fees and charges.

AUTHORITY: The provisions of the Subpart E 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.

§ 4.501 General.

The purpose of this subpart is to establish procedures by which the Department of Defense will continue to cooperate with the Commodity Credit Corporation, Department of Agriculture, to find and properly utilize opportunities for barter of United States surplus agricultural commodities. This subpart has been developed in conjunction with the Commodity Credit Corporation (CCC).

§ 4.502 Applicability.

Except as provided in § 4.506, this subpart applies to procurement of supplies, services, and construction, for use outside the United States (see § 6.101(c)). It applies to all purchasing offices, whether located inside or outside the United States. Except as stated in § 4.503, it affects only those procurements that are not required by applicable balance of payments directives to be restricted to United States end products, United States services, or United States concerns. In those instances where the determination has been made to procure a foreign end product offshore, each Military Department shall place such procurement by barter to the maximum extent practicable in accordance with the procedures set forth below.

§ 4.503 Procedure.

§ 4.503–1 General.

Procedures for procurement by barter are set forth below. These procedures are also authorized for use when a purchasing office elects to utilize barter in connection with procurement of a foreign end product (see § 6.101 (a), (d), and (f)) from sources (contractors) within the United States for use outside the United States in anticipation of or in connection with authorization for foreign end product purchase under applicable balance of payment directives. In such instances, these procedures shall be used as a guide, and adapted to the extent appropriate for the particular procurement.

§ 4.503–2 Step one—susceptibility to barter.

Unless barter effort is elective, procurement covered by this subpart shall be made on a barter basis. Procurement by barter shall be sought to the maximum practicable extent when the estimated amount of the procurement is $100,000 or more (but see § 4.507). Procurement of supplies or services for the Ryukyu Islands shall not be made by barter.

§ 4.503–3 Step two—information to Commodity Credit Corporation.

(a) *General.* If the proposed procurement initially appears to be susceptible to barter, the information contained in the sample message in (b) below shall be cabled to the Commodity Credit Corporation prior to issuance of solicitations. Such cable and other communications to the Commodity Credit Corporation concerning barter, shall be addressed to:

Barter and Stockpiling Manager,
Foreign Agricultural Service,
U.S. Department of Agriculture,
Washington, D.C. 20250.
Telex number for the above is: 089–661.
Answer back code is: AGREFAS.

(b) *Sample cable.*

Have requirements appearing susceptible to barter. 1. Description ---------- 2. Proposals will be requested in the following countries ---------- 3. Estimated total dollar value ---------- 4. Performance period: (date) to (date). 5. No requirement exists for restriction to United States end products, services or sources. Advise ASAP whether susceptible to barter.

§ 4.503–4 Step three—preliminary determination by CCC.

The CCC will determine whether the procurement is susceptible to barter and will reply promptly, normally within five working days after receipt of the inquiry. If timely reply is not received from the CCC, the purchasing office may make further inquiry of the CCC, or proceed with cash (non-barter) procurement. When the CCC finds that a procurement is susceptible to barter, it will distribute to United States firms who are barter contractors (i.e. firms which have had barter contract with the CCC for the export of surplus agricultural commodities) a notice entitled "Proposed Offshore Military Procurements Approved by the CCC as Susceptible to Barter." This notice will contain (a) the information furnished the CCC in Step Two, (b) the name and address of the cognizant purchasing office, and (c) an invitation to contact potential military suppliers through the purchasing office, so as to negotiate the necessary private arrangements between barter contractors and potential military suppliers. Notwithstanding the provisions of § 2.205–5, upon request of a barter contractor, the interested purchasing activity will furnish to him a list of the names and addresses of those potential suppliers to whom an invitation for bids or request for proposal has been sent.

§ 4.503–5 Step four—invitations for bids and request for proposals.

Upon receipt of approval from the CCC, the purchasing office shall issue an invitation for bids or a request for proposals, furnishing telegraphic notice thereof of the CCC. The solicitation shall contain appropriate spaces for prospective contractors to indicate alternate prices, one designated for barter and one designated for non-barter prices. The solicitation should include the following:

BARTER (JUNE 1965)

(1) Attention is directed to the Commodity Credit Corporation Charter Act of 1948, as amended (7 U.S.C. 1427), and Section 303 of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1692), which authorize the disposal by barter or exchange of surplus agricultural commodities for use outside the United States, its possessions and Puerto Rico.

(2) If you submit a bid or proposal on a barter basis which is accepted, the mechanism of barter herein contemplated does not require an exchange of your product or service for surplus agricultural commodities of the United States to be delivered to you. Payments by the United States on contracts awarded pursuant to this solicitation will be assigned by you to the Commodity Credit Corporation, and paid over to the Commodity Credit Corporation as earned under your contract. Provision for payments to you will be made by separate agreement between you and a barter contractor who will have informed the Commodity Credit Corporation of its willingness to enter into a barter contract with the Commodity Credit Corporation for the export of surplus United States agricultural commodities.

(3) Enclosed for your information is a listing from the Commodity Credit Corporation, entitled "U.S. Firms Which Have Been Barter Contractors," attached to which is a list entitled "U.S. Firms Which Have Been Agricultural Commodity Agents of Barter Contractors." *

(4) To make a bid or proposal involving barter, you will need to have an agreement with a United States firm (barter contractor) acceptable to the Commodity Credit Corporation, specifying the terms, conditions and amounts of payments to you, and identifying the barter contractor's disposal fee, stated as a percentage of the total price of your barter proposal responding to this solicitation. You will need to obtain competitive proposals from at least two barter contractors, since the Commodity Credit Corporation requires assurance that a barter contractor's disposal fee has been arrived at on a competitive basis. The Commodity Credit Corporation will not recognize any fee or other charge to be paid to intermediaries between you and a barter contractor, such as brokers or agents. It is obviously in your interest to negotiate a low disposal fee.

(5) A barter bid or proposal offers possible advantages to you as a United States Government Contractor. The possible advantages to be derived from your agreement

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*Alternatively, if the above lists have been furnished by a purchasing office to potential suppliers, reference may be made to the previous transmittal, without redistribution. Purchasing offices which have not received these listings, may obtain them on request to the Commodity Credit Corporation.

with a barter contractor include lower cost of financing your performance, more rapid payment, and payment in a currency of your choice. You may also receive the benefit of a preference for barter under the circumstances described in (6) below.

(6) It is requested that your bid or proposal be submitted in the alternative, with one price on a barter basis and an alternative price on a non-barter basis. However, alternate bids or proposals are not required, and consideration will be given to bids or proposals limited to either cash or barter.

(7) All bids or proposals shall be submitted directly to the purchasing office which has issued the invitation for bids or request for proposals. All proposed prices shall be stated in dollars and not in terms of quantities of surplus agricultural commodities.

(8) The lowest bid or proposal on a barter basis acceptable to the Commodity Credit Corporation will be considered and evaluated by the purchasing office in connection with the evaluation of non-barter bids or proposals received hereunder. For the purpose of evaluating prices, the total price on a barter basis, excluding any amount in excess of the non-barter price which is attributable to the barter arrangement and is to be absorbed by the Commodity Credit Corporation, shall be compared with the lowest total price on a non-barter basis. Where the net barter price is equal to or less than the non-barter price, and all other terms are deemed equally advantageous to the United States, preference shall be given to the barter bid or proposal; except that when the non-barter price offered by a supplier located in the United States is equal to or less than the unadjusted barter price, preference shall be given to the non-barter bid or proposal (such preference to United States suppliers extends only to United States supplies and services).

(9) As a condition of award to you on a barter basis, you will be required to assign irrevocably to the Commodity Credit Corporation the right to receive all moneys due and to become due under the contract, and to furnish a copy of such assignment to the Contracting Officer. This assignment is to be made pursuant to the clause of the contract entitled Assignment of Claims and notwithstanding any language to the contrary contained therein. The contract awarded on a barter basis will contain a provision reciting the irrevocable assignment to the Commodity Credit Corporation of the Contractor's claims for payment. Pursuant to that assignment, amounts earned and billed by you under the contract will be paid to the Commodity Credit Corporation. Assignments must be duly authorized and executed, in form and substance acceptable to the Commodity Credit Corporation. The assignment is to be in connection with arrangements between the Commodity Credit Corporation and a responsible barter contractor, for delivery and disposal of United States surplus agricultural commodities, and in consideration of the private arrangement between that barter contractor and your firm regarding payments to you. However, if this solicitation specifies that only a portion of the items or services will be on a barter basis, the assignment of amounts earned under the contract will be limited to that part of the contract which is on a barter basis.

§ 4.503–6 Step five—review of bids or proposals-negotiations.

After receipt and review of bids or proposals and completion of any negotiations that may be appropriate, further action will be taken in conformity with the solicitation statements of step four.

§ 4.503–7 Step six—further information to the CCC.

The purchasing office shall furnish the following by telegraphic communication to the CCC prior to contract award:

(a) Name and address of potential supplier who has submitted lowest acceptable barter bid or proposal;

(b) Amount of that barter bid or proposal;

(c) Source country or countries from which military supplies will be furnished on that barter bid or proposal;

(d) Name and address of the United States barter contractor designated by the potential military supplier, and the United States barter contractor offering next lowest barter cost and amount (percentage) of such cost; and

(e) Name and address of supplier who has submitted lowest acceptable cash (non-barter) bid or proposal, and the amount of that proposal.

§ 4.503–8 Step seven—the CCC action.

Within five working days after receipt of the message in step six, the CCC will reply, indicating approval or rejection of the barter bid or proposal. Approval reply will indicate:

(a) The amount of barter cost, if any, to be absorbed by CCC; and

(b) The designated barter contractor to act as principal in executing the surplus agricultural commodity contract with CCC.

If the CCC does not make timely reply, or if the CCC rejects the barter proposal, or if the CCC reply does not agree that CCC will absorb the price differential by which the low barter bid or proposal exceeds the low non-barter bid or proposal, the contracting officer may award on a cash (non-barter) basis. However, if the contracting officer considers that time permits further effort to procure on a barter basis, he may ask the CCC to seek other competitive disposal fee offers from barter contractors. Upon such request, the CCC will issue solicitations for competitive disposal fee offers, with the understanding that approval by the CCC will be subject to the making of a private arrangement between the supplier named in § 4.503–7 and the United States barter contractor concerning assignment and payment arrangement.

§ 4.503–9 Step eight—award on barter basis.

When approval of a barter proposal is received from the CCC (step seven above), award shall be made in conformity with the solicitation statement of step four (see § 4.503–4). The contract between the purchasing office and the military supplier (DOD contractor) shall be written at the net barter price (barter price less differential absorbed by CCC), which shall be the amount to be paid to the CCC under the assignment (see § 4.503–5).

§ 4.503–10 Award conditions.

Before making the contract award on a barter basis, the contracting officer shall obtain:

(a) A copy of the contractor's assignment of payments to the CCC; confirmation from the CCC that it has the original executed assignment and that the assignment is acceptable to the CCC; and

(b) Suitable evidence from CCC that there is an agreement between the designated barter contractor and the CCC covering the exportation of surplus agricultural commodities and related payment arrangements. (This evidence may consist of advice from CCC that an acceptance has been issued, since the formal barter contract is not available for distribution until two to three weeks following acceptance.)

§ 4.504 Barter clauses.

§ 4.504–1 General.

Except for the Assignment of Claims coverage below, no special clauses or contract provisions are required or proper for procurement on a barter basis.

§ 4.504–2 Assignment of payments.

The clause set forth below shall be inserted in full barter basis contracts.

ASSIGNMENT OF PAYMENTS TO COMMODITY CREDIT CORPORATION (JUNE 1965)

This contract involves procurement by barter, in accordance with Section IV, Part 5, Armed Services Procurement Regulation. Pursuant to the clause of this contract entitled Assignment of Claims, and notwithstanding any language to the contrary contained therein, the Contractor has irrevocably assigned all the monies due or to become due under this contract to the Commodity Credit Corporation. Notwithstanding the clause of this contract entitled Assignment of Claims, the Contractor shall not assign any claims for monies due or to become due under this contract except to the Commodity Credit Corporation.

§ 4.504–3 Partial assignment payments.

When it is known or anticipated at the time of solicitation that barter will be feasible for only a portion of the procurement, that is, for only certain specific items or portions of the work, the solicitation shall identify the portion of the procurement (items or services) for which bids or proposals are requested on a barter basis, and the following partial assignment clause shall be used:

PARTIAL ASSIGNMENT OF PAYMENTS TO COMMODITY CREDIT CORPORATION (JUNE 1965)

Notwithstanding the provisions of the "Assignment of Claims" clause of this contract to the effect that any such assignment or reassignment shall cover all amount payable under this contract, the Contractor hereby irrevocably assigns to the Commodity Credit Corporation, Washington, D.C. United States of America, as to that portion of this contract made on a barter basis, all amounts due or to become due under this contract for deliveries made after _____ 19__ up to the amount of $_____. As to that portion of the contract not on a barter basis, the "Assignment of Claims" clause is in full effect. The Finance and Accounting Officer responsible for making payments under this contract shall notify the Contractor of payment to the Commodity Credit Corporation by furnishing the Contractor a copy (in duplicate) of each voucher making such payment.

§ 4.505 Post-award action.

Immediately after award of a contract on a barter basis, the following information shall be cabled to the CCC:

(a) Number and effective date of contract, and date for final delivery under contract; and

(b) Complete name and address of supplier, his legal identity, *e.g.*, corporation, partnership, individual; and name of country of incorporation or organization, if applicable.

A certified copy of the executed contract will be sent to the CCC at the earliest possible date.

§ 4.506 Conversion to barter.

Situations may occur in which it is advantageous or desirable to convert an existing non-barter contract to a barter arrangement. In these situations, conversion to barter may be accomplished whether or not the supplies, services, or work involved are for use outside the United States, if the balance remaining to be earned and billed under the contract is at least $250,000 and the remaining period for completion of performance is at least six months. Contracting officers shall furnish to the CCC such information as may be requested by it concerning the contract, and, where appropriate, shall supply an interested barter dealer with similar information to the extent authorized by the contractor. If an agreement is reached for such a conversion to a barter basis, the contract may be suitably amended. If an assignment is in effect, and the entire remaining balance of the contract is to be converted to barter, it will be necessary for the assignment to be released, effective at an agreed date or stage of contract performance, with accompanying assignment to the CCC, and contract amendment to include the CCC assignment clause in § 4.504–2, to be made effective at the agreed date or stage of performance. If only a portion of the contract is being converted to barter, and another portion (identified) is to continue on a cash basis, the clause in § 4.504–3 shall be used.

§ 4.507 Special barter payment arrangements.

§ 4.507–1 General.

Whenever a purchasing office has a large number of relatively small procurements or payments for services or supplies, or other procurements which do not lend themselves to the separate barter transactions contemplated by §§ 4.503 through 4.506, but which are not required by applicable balance of payments directives to be restricted to United States end products, services, or concerns (see § 4.502), the procedures set forth below may be followed. These special payment arrangements foster the use of barter (a) by combining a multiplicity of smaller payments to be made over a period of time to one source, several sources, or numerous sources, and (b) in situations where it is not practicable to use the procedures of §§ 4.503 through 4.506. These procedures are not for use in cases where in the judgment of the contracting officer procurement by barter can be accomplished in conformity to §§ 4.503 through 4.506. There shall be no special barter payment arrangements except in conformity with this paragraph.

§ 4.507–2 Description.

The principal distinguishing features of these special barter payment arrangements are:

(a) A written agreement between the purchasing activity and the CCC is necessary;

(b) procurement is effected by offices in the same manner as if there were no special barter payment arrangements;

(c) Defense supplies have no payment arrangements with barter contractors;

(d) Defense suppliers will not assign to the CCC monies due or to become due under contracts;

(e) Barter contractors are selected by the CCC;

(f) Funds for payments to defense suppliers are provided by the interested barter contractor;

(g) Agreement on payment procedures is made by and between the purchasing office and the barter contractor;

(h) The agreement on payment procedures shall provide special arrangements for payments to the defense suppliers in amounts as earned by the defense suppliers on their contracts, from funds made available by the barter contractor in a special account with withdrawals controlled by a designated office of the Military Department concerned; and

(i) As amounts are withdrawn from the barter contractor's account, equivalent amounts will be paid by the military disbursing office to the CCC.

§ 4.507–3 Procedures.

Procedures for special barter payment arrangements are:

(a) The information to CCC called for by § 4.503–3 shall be supplemented by a statement of the estimated dollar amount of disbursements on affected purchases and services, within a stated period of time, by quarterly, monthly, or semimonthly, intervals as selected at the discretion of the purchasing office concerned;

(b) The CCC will make prompt and appropriate reply as to susceptibility to barter by these special barter payment arrangements; and

(c) If the CCC responds affirmatively, a written agreement will be made between the purchasing activity and CCC, citing section 601 of the Economy Act of June 30, 1932 (311 U.S.C. 686), and containing the undertakings of CCC and the purchasing office as set forth in § 4.507–4.

§ 4.507–4 Agreement with CCC.

The written agreement may be an exchange of letters or a memorandum of understanding, and shall set forth:

(a) The effective date and duration of the particular special barter payment arrangement, which shall be not less than six months nor more than a year;

(b) The decision of the CCC that the contemplated supplies or services are susceptible to barter;

(c) The fact that it has been or will be properly determined that all supplies or services to be procured under the agreement are not returnable to the United States for procurement under applicable balance of payments directives;

(d) That the CCC will, by open competition, select a barter contractor who will provide a stated amount of dollars (and no other currency) for payment to suppliers or for services, and receive for export surplus agricultural commodities from the CCC;

(e) That the dollars to be provided by the barter contractor will be made available in stated monthly installments;

(f) That the CCC will require the barter contractor to establish a special account, by deposit of dollars only, in a depository acceptable to the CCC, the military disbursing officer, the purchasing office, and the barter contractor, from which withdrawals may be made only by or on the direction of a designated military disbursing office, without restriction, for deposit to a special account of the military disbursing office and for payment of amounts earned by and payable to suppliers of the interested purchasing activity. The terms and conditions of the special account including provision for release of any unused residual balance by the designated military disbursing office shall be acceptable to the military disbursing office;

(g) That the agreement between the CCC and the barter contractor shall not become effective until the barter contractor and the military disbursing office for the purchasing office have agreed in writing on the payment procedures and the purchasing office has given the CCC written notice that it has so agreed; and

(h) That the designated military disbursing office will pay to the Treasurer of Commodity Credit Corporation by check, at the time funds are received by the military disbursing office from the barter contractor account, in an amount equal to the sum of the funds so received.

§ 4.507–5 Special clearance.

If any special barter payment arrangement other than those herein authorized are considered necessary, the proposed payment arrangements shall be sent by the interested military disbursing office to the Office of the Assistant Secretary of Defense (Comptroller) for approval before the payment arrangements are made.

§ 4.507–6 Fees and charges.

A purchasing office using appropriated funds shall not pay or absorb any fees, service charges or other bank charges in connection with these special barter payment arrangements.

PART 5—INTERDEPARTMENTAL AND COORDINATED PROCUREMENT

9. Section 5.907 is revised to read as follows:

§ 5.907 Contract clause.

Insert the following clause in all cost-reimbursement type contracts under which the contractor may acquire supplies for the account of the Government. The last sentence of the clause shall be deleted in the case of facilities contracts.

GENERAL SERVICES ADMINISTRATION SUPPLY SOURCES (JAN. 1965)

The Contracting Officer may issue the Contractor an authorization to utilize General Services Administration supply sources for property to be used in the performance of this contract. Title to all property acquired under such an authorization shall be in the Government. All property acquired under such an authorization shall be subject to the provisions of the clause of this contract entitled "Government Property", except paragraphs (a) and (b) thereof.

PART 6—FOREIGN PURCHASES

10. New § 6.505 is added, to read as follows:

§ 6.505 Contract administration.

When services are requested from the Defense Contract Administration Services on contracts to be performed in Canada, the requests shall be directed to:

Defense Contract Administration Services Region, Detroit, 1580 East Grand Boulevard, Detroit, Mich. 48211.

PART 7—CONTRACT CLAUSES

11. The clause in § 7.304–1 is revised; new § 7.705–14 is added; and in § 7.901–6, the clause heading and clause paragraph (b)(2) are revised, to read as follows:

§ 7.304–1 Changes.

CHANGES (JUNE 1965)

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 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 contract price or time of performance, or both, and (ii) in such other provisions of the contract as may be so effected, 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.

* * * * *

§ 7.705–14 General Services Administration supply sources.

In accordance with the requirements of § 5.907, insert the clause set forth therein.

§ 7.901–6 Payments.

PAYMENTS (JUNE 1965)

* * * * *

(b) *Materials and subcontracts.* * * *

(2) The cost of subcontracts which are authorized pursuant to the "Subcontracts" clause hereof shall be reimbursable costs hereunder: *Provided,* Such costs are consistent with subparagraph (3) below. Reimbursable cost in connection with subcontracts shall be limited to the amounts actually required to be paid by the Contractor to the subcontractor and shall not include any costs arising from the letting, administration or supervision of performance of the subcontract, which costs are included in the hourly rate or rates payable under (a)(1) above.

* * * * *

PART 9—PATENTS, DATA, AND COPYRIGHTS

12. Paragraph (d) in § 9.107–4 and the clause heading in § 9.107–5(a) are revised, as follows:

§ 9.107–4 Procedures.

* * * * *

(d) *Category III.* Where the contracting officer determines that proposed experimental, developmental, or research work falls within Category III (set forth in § 9.107–3(c)) because it is not covered by the instructions in paragraphs (b) and (c) of this section, the Patent Rights (Deferred) clause in § 9.107–5(c) shall be included. However, in the case of prospective contractors organized for profit only considered under paragraph (c) of this section, the contracting officer shall affirmatively determine that the proposed contractor does not have a qualifying commercial position before the Deferred Clause is used, thereby settling as many questions as possible at the time of contracting. Many educational institutions or nonprofit organizations do not wish to acquire patents or do not have an approved patent policy; in such cases, the contract may include either the Patent Rights (Title) clause in § 9.107–5(a) or the Patent Rights (Deferred) clause in § 9.107–5(c), as appropriate. In the event an educational or nonprofit institution files an application for approval of its patent policy (see paragraph (c)(2)(i) of this section) the above procedure shall be followed pending such approval, and in such cases the contract may provide for substitution of the Patent Rights (License) clause in § 9.107–5(b), in lieu of the patents rights clause used at the time of contracting, if such approval is obtained, except in procurements where the contemplated work under contract falls within the provisions of § 9.107–3(a).

* * * * *

§ 9.107–5 Clauses for domestic contracts.

(a) *Patent Rights (Title) Clause.* * * *

PATENT RIGHTS (TITLE) (JUNE 1965)

* * * * *

PART 10—BONDS, INSURANCE, AND INDEMNIFICATION

13. Sections 10.101–6, 10.101–7, 10.101–8, 10.101–9, and 10.101–10 are revised, and new §§ 10.101–11 and 10.101–12 are added, as follows:

§ 10.101–6 Construction contract or subcontract.

"Construction contract or subcontract" means any contract or subcontract for the construction as defined in § 18.101–1.

§ 10.101–7 Fidelity bond.

"Fidelity bond" means a bond which secures an employer up to an amount stated in the bond for losses caused by dishonesty on the part of an employee. A blanket fidelity bond covers all employees, except those except expressly excluded by written endorsement on the bond.

§ 10.101–8 Forgery bond or policy.

"Forgery bond or policy" (depositors form) means a bond or policy which secures the person or persons named therein up to the amount stated for losses caused by the forging or altering of a check, draft, or similar instrument issued by or purporting to have been issued by any of the insureds, and for losses resulting from a check or draft having been obtained from the insureds through impersonation.

§ 10.101–9 Patent infringement bond.

"Patent infringement bond" means a bond which secures the performance and fulfillment of the undertakings contained in a patent clause.

§ 10.101–10 Payment bond.

"Payment bond" means a bond which is executed in connection with a contract and which secures the payment of all persons supplying labor and material in the prosecution of the work provided for in the contract.

§ 10.101–11 Penal sum or amount.

"Penal sum or amount" means the dollar amount shown in a bond and represents the maximum payment for which the surety is obligated.

§ 10.101–12 Performance bond.

"Performance bond" means a bond which is executed in connection with a contract and which secures the performance and fulfillment of all the undertakings, covenants, terms, conditions, and agreements contained in the contract.

14. Sections 10.102–2 and 10.102–4 are revised; in § 10.102–5, the introductory text is revised and new paragraph (e) is added; new paragraph (c) is added to § 10.103–1 and to § 10.103–2, as follows:

§ 10.102–2 Limitations.

Bid guarantees shall not be required unless the solicitation specifies that the contract must be supported by a performance bond or performance and payment bonds. In connection with supply and services contracts, the bidder may furnish either an individual bid bond (Standard Form 24) or an annual bid bond (Standard Form 34). A bid guarantee will not be requested unless the bid exceeds $2,000 (see § 10.102–4(a)(1)). In connection with construction contracts, only the individual bid bond will be accepted.

§ 10.102–4 Solicitation provisions.

(a) Where a bid guarantee is determined to be necessary, the solicitation shall contain (1) a statement requiring that a bid guarantee be submitted with any bid in excess of $2,000 and containing such details as are necessary to enable bidders to determine the proper amount of bid guarantee to be submitted; and (2) the following provision:

BID GUARANTEE (JUNE 1964)

Where a bid guarantee is required by the invitation for bids, failure to furnish a bid guarantee in the proper form and amount, by the time set for opening of bids, may be cause for rejection of the bid.

A bid guarantee shall be in the form of a firm commitment, such as a bid bond, postal money order, certified check, cashier's check, irrevocable letter of credit or, in accordance with Treasury Department regulations, certain bonds or notes of the United States. Bid guarantees, other than bid bonds, will be returned (a) to unsuccessful bidders as soon as practicable after the opening of bids, and (b) to the successful bidder upon execution of such further contractual documents and bonds as may be required by the bid as accepted.

If the successful bidder, upon acceptance of his bid by the Government within the period specified therein for acceptance (sixty days if no period is specified) fails to execute such further contractual documents, if any, and gives such bond(s) as may be required by the terms of the bid as accepted within the time specified (ten days if no period is specified) after receipt of the forms by him, his contract may be terminated for default. In such event he shall be liable for any cost of procuring the work which exceeds the amount of his bid, and the bid guarantee shall be available toward offsetting such difference.

(b) The requirement for the provision in paragraph (a)(2) of this section is met where Standard Form 22 (Instructions to Bidders (Construction Contracts)) is used in accordance with §§ 16.401–1(e) and 16.401–2(a).

(c) The provision required by paragraph (a)(2) of this section may be appropriately modified in negotiated contracts.

§ 10.102–5 Modification of bids.

Where a solicitation requires that bids be supported by a bid guarantee, noncompliance with such requirement will require rejection of the bid (see § 2.404–2) except that rejection of the bid is not required in these situations;

* * * * *

(e) Where a telegraphic modification of the bid is received without a corresponding modification of the bid guarantee, *provided* the bid modification expressly refers to the bid previously submitted in response to the invitation for bids and the bid guarantee satisfies the above criteria.

§ 10.103–1 Performance bonds.

* * * * *

(c) In making allowance for bond premium in equitable adjustments or other price modifications affecting contracts, the allowance shall not be more than that calculated at the rate paid for the bonds furnished under the original contract.

§ 10.103–2 Payment bonds.

* * * * *

(c) In making allowance for bond premium in equitable adjustments or other price modifications affecting any contract, the allowance shall not be more than that calculated at the rate paid for the bonds furnished under the original contract.

15. Sections 10.103–4, 10.104–1, 10.104–3, 10.105–1 and 10.105–3 are revised, and new § 10.105–4 is added, as follows:

§ 10.103–4 Furnishing information to subcontractors and suppliers.

(a) It is Department of Defense policy to furnish subcontractors or suppliers only general information with respect to the status of work and of payments made to prime contractors. Accordingly, subcontractors and suppliers may be furnished general information on such matters as the progress of the work, the accomplishment of payments as of certain dates, and the estimated percentage of completion.

(b) Where a payment bond has been required, a subcontractor or supplier, after satisfying the contracting officer that he is a bona fide subcontractor or supplier and stating that he has not been paid for work performed or supplies delivered, may be furnished the name and address of the surety furnishing the required bonds on the contract in question. The Government will not withhold contract payments due to the contractor or his assignee for the reason that subcontractors or suppliers have not been paid for work performed or supplies delivered.

§ 10.104–1 General.

(a) Generally, performance and payment bonds shall not be required in connection with contracts other than construction contracts, other than as provided in §§ 10.104–2 and 10.104–3, except that for any fixed-price construction subcontract exceeding $2,000, a prime contractor who has not been required to furnish a payment bond shall be required to obtain a payment bond from his subcontractor, in favor of the prime contractor, in an amount sufficient to assure payment of suppliers of labor and materials. In such a case, a performance bond in an equal amount should also be obtained if available at no additional cost. Subcontract bonds shall not be executed on Standard Forms 25 and 25–A. The forms set forth in § 16.805 (h) and (i) are authorized and may be adapted to fit specific cases.

(b) Performance and payment bonds shall not be required unless the solicitation requires such bonds, or the requirement of such bonds is in the interest of the Government, and not prejudicial to other bidders or offerors. Where the solicitation requires such bonds, they shall not be waived except in the case of an otherwise acceptable bidder or offeror where such waiver will be favorable to the Government and the contract price will be reduced.

(c) When the requirement for performance and payment bonds is made by the terms of a contract, but the bonds are not furnished by the contractor within the time specified, the contracting officer shall notify the contractor that the contract will be terminated for default if the bonds are not furnished within the time specified in the contract clause providing for such termination (e.g., § 8.707, clause paragraph (a)(ii)).

(d) Where a bid guarantee is not required and a performance or payment bond is required as a condition precedent to the formation of the contract, but is not furnished within the time specified, the contracting officer shall if the making of the award can be delayed without prejudice to other bidders notify the bidder that if the bond is not furnished within 10 days (or such other period as the contracting officer may specify) after receipt of the notice, his bid will not be considered for award.

(e) When a contractor supports a contract with an annual performance bond, the contracting officer shall notify the office to which the contractor has furnished such bond so that the amount of coverage required may be recorded against the penal sum of the bond.

(f) Requirements for additional bond or consent of surety in connection with contract modifications are prescribed in § 10.111.

§ 10.104–3 Payment bonds.

Generally, payment bonds for contracts other than construction may be required only if a performance bond is also required. If a performance bond is required, a payment bond should also be required if it can be obtained at no additional cost.

§ 10.105–1 Advance payment bonds.

See § 163.63 of this chapter.

§ 10.105–3 Fidelity and forgery bonds.

(a) Fidelity and forgery bonds are not generally required in any procurement. However, in connection with cost-reimbursement contracts for supplies, construction, or for operation of Government-owned plants, such bonds may be required when necessary for the protection of the Government or the contractor, or when it is considered desirable to obtain the investigative and claims services of a surety company. Approval for requiring these bonds shall be obtained, (1) for the Army, by the Head of a Procuring Activity; (2) for the Navy, by the Office of Naval Material (MAT 213); (3) for the Air Force, by the Air Force Logistics Command (MCPC); and (4) for the Defense Supply Agency, by the Head of a Procuring Activity.

(b) When a fidelity bond is required, a Primary Commercial Blanket Bond or a Blanket Position Bond in the penal sum of $10,000 will ordinarily be considered adequate. The Surety Association of America's standard bond form, or its equivalent, shall be used. When blanket fidelity insurance is purchased, carriers will be cautioned to apply all appropriate discounts.

(c) When a forgery bond or policy is required, a penal sum of $10,000 will ordinarily be considered sufficient. The Surety Association of America's standard depositors form of forgery bond or policy, or its equivalent, shall be used.

(d) Unless included as part of the bond form, the following provisions shall be included as riders or endorsements to fidelity and to forgery bonds or policies:

(1) A pro rata refund of the premium will be made in the event of cancellation by the insureds due to completion of the work under the contract;

(2) The contracting officer will be given notice prior to cancelling or making any material change in the bond;

(3) After a loss has been sustained, the full amount of the bond shall be restored without additional premium charge to protect against undiscovered or future losses;

(4) The surety waives all rights to be subrogated, on payments of losses or otherwise, on any claim against the Government arising out of performance of a cost-reimbursement type contract; and

(5) In fidelity bonds only, the surety shall investigate all Class A employees as reported by the contractor and shall investigate all claims.

§ 10.105–4 Other types of bonds.

Other types of bonds may be required only when the contracting officer considers such bonds necessary in connection with the procurement of particular supplies or services and then only after approval is obtained, (a) for the Army, by the Head of the Procuring Activity, and (b) for the Navy, Air Force, and Defense Supply Agency, by the authority identified in § 10.105–3(a).

16. Sections 10.110, 10.111, 10.111–1, and 10.111–2 are revised; new § 10.111–3 is added; and § 10.112 is revised, as follows:

§ 10.110 Substitution of surety bonds.

A new surety bond may be substituted for a bond previously approved covering part or all of the same obligation when approved, (a) for the Army, by The Judge Advocate General; (b) for the Navy, by the Office of Naval Material (MAT–213); (c) for the Air Force, by the Air Force Logistics Command (MCJC); and (d) for the Defense Supply Agency, by the Head of a Procuring Activity. When so approved and authorized by the Army, Navy, or Defense Supply Agency the principal and surety of the original bond will be notified that the original bond will not be considered as security for any default occurring after the date of acceptance of the new bond. When approved by the Air Force, authority to relieve an original surety of liability for default occurring subsequent to the date of approval of a substitute bond will be obtained from the Commander, Air Force Logistics Command, prior to giving such notification.

§ 10.111 Additional bond and increase of penalty.

§ 10.111–1 Additional bond.

Requirements for additional bond resulting from changes or modifications to construction contracts are prescribed by §§ 10.103–1(b) and 10.103–2(b). If a contract, other than a construction contract, for which a performance or payment bond has been executed is increased in price or modified to cover new or additional work, the contracting officer shall decide whether additional bond should be required in order to protect the interest of the Government adequately (the criteria of §§ 10.104–1 and 10.104–2 may be used as a general guide for this purpose). The following form of Consent of Surety and Increase of Penalty is authorized for contract modifications to all types of contracts that provide for an increase in the penal sums of bonds previously given by the original surety or sureties. If there has been more than one surety on the bond or bonds, use the word or words in brackets and provide for additional signatures as necessary.

CONSENT OF SURETY AND INCREASE OF PENALTY

Date _____

Contract No. _____

Supplemental Agreement No. _____

Change Order No. _____

The surety [cosureties] hereby consents [consent] to the foregoing contract modification and agrees [agree] that its [their] bond or bonds shall apply and extend to the contract as thereby modified or amended. The principal and the surety [cosureties] further agree that on and after the execution of this consent, the penalty of the aforementioned performance bond or bonds is hereby increased _____ dollars ($_____) and the penalty of the aforementioned payment bond or bonds is hereby increased by _____ dollars ($_____). *Provided, however,* That the *increase* of the liability of each surety and cosurety resulting from this consent and increase of penalty shall not exceed the sums set forth below:

_____
(Name of surety)

_____
(Increase in liability limit under performance bond)

_____
(Increase in liability limit under payment bond)

In the presence of— [SEAL]

_____ _____
(Individual principal)*

_____ _____
(Address) (Business address)

Attest:

_____
(Corporate principal)*

_____
(Business address)

_____ By _____
(Affix corporate seal)

_____
(Corporate surety)

_____
(Business address)

By _____
(Affix corporate seal)

_____
(Title)

*This Consent of Surety and Increase of Penalty shall be executed concurrently with the execution of the attached modification by the same person who executes the modification. If the individual who signs this Consent of Surety and Increase of Penalty on behalf of a corporate principal does not execute the modification, a Certificate of Corporate Principal similar to that on the standard bond forms shall be submitted with the consent.

§ 10.111–2 Consent of surety.

The following consent of surety shall be obtained from the surety or sureties on existing bonds in connection with any amendment, modification or supplemental agreement if:

(a) Additional bond is obtained from other than the original surety;

(b) No additional bond is required and (1) the modification is for new or additional work beyond the scope of the contract, or (2) the modification does not enlarge or diminish the scope of the contract, but changes the contract price (upward or downward) by more than $25,000 or 10 percent of the contract price; or

(c) Consent of surety is required in connection with a novation agreement (see § 1.1602(b)(10)).

If there is more than one surety on the bond or bonds, the cosureties may either execute a separate consent in the form here prescribed, or they may join in executing a single such consent using the words in brackets and adding additional executions of sureties similar to that set forth in the form.

CONSENT OF SURETY

Date _____

Contract No. _____

Supplemental Agreement No. _____

Change Order No. _____

The surety [cosureties] hereby consents [consent] to the foregoing contract modification and the surety [sureties] agrees [agree] that its [their] bond or bonds shall apply and extend to the contract as modified or amended thereby.

Attest:

_____ _____
(Corporate surety)

_____
(Business address)

By _____
(Affix corporate seal)

§ 10.111–3 Additional bond—new surety.

If additional bond coverage is required and will be furnished in whole or in part by a new surety, such surety must furnish its first bond coverage on a standard bond form (Standard Form 25 or 25A, as appropriate).

§ 10.112 Execution and administration of bonds and consents of surety.

(a) *Execution.* Several prescribed forms for bonds and related documents are listed in § 16.805 and reproduced in Appendix F. Bonds and related documents executed on such forms shall comply with the instructions accompanying each form. All bonds except fidelity and forgery bonds shall be executed in duplicate. When required by Instruction Number 2 of the standard bond forms, the evidence of authority of a principal's representatives shall be a duly executed power of attorney reciting that the individual executing the bond or consent of surety is authorized to do so. A corporation, in lieu of such power of attorney, may submit a "Certificate as to Corporate Principal" in the format prescribed in paragraph (c) of this section.

(b) *Administration.* All bonds will be reviewed by the contracting officer to ascertain that the bond is in the penal sum required and, when appropriate, properly describes the contract. Additional review, approval, and distribution of bonds and consents of surety will be accomplished by each military department. When a contractor is performing his contract in such a manner as to lead to default, timely notification to the surety may result in action by the surety that will avoid a default. Therefore, on all such contracts, the surety shall be

promptly notified of any failure by the contractor to perform (see § 8.602–4(a)).

(c) *Certificate as to corporate principal.* When a Certificate As To Corporate Principal is to be furnished, the following format shall be used.

CERTIFICATE AS TO CORPORATE PRINCIPAL

I, _____
(Name printed)

certify that I am the _____
(Office held)

of the corporation named as principal in the (performance) (and) (payment) bond(s); that _____ who signed the said bond(s) on behalf of the principal was then_____

_____
(Capacity in which bond was executed)

of said corporation; that I know his signature and that his signature thereto is genuine; and that said bond(s) was (were) duly signed, sealed, and attested for and in behalf of said corporation by authority of its governing body.

_____
(Affix corporate seal)

(d) *Name of principal.* When a partnership is a principal on a bond, the names of all the members of the firm shall be listed in the bond following the name of the firm and the phrase "a partnership composed of". If a principal is a corporation, the state of incorporation must appear.

(e) *Date of bond.* A performance or payment bond other than an annual bond shall not antedate the contract to which it pertains.

(f) *Continuation sheet.* The Standard Form 25–B (Continuation Sheet) is prescribed for use when there are more than seven sureties on a bid, performance, or payment bond. It shall also be used when there are cosureties on an annual bid or performance bond.

17. New § 10.200 is added and §§ 10.201, 10.201–1, 10.201–4, and 10.202–2 are revised, as follows:

§ 10.200 General.

Every bond required or used in connection with a contract for supplies, services, or construction shall be supported by good and sufficient surety (corporate or individual) except as provided in §10.202.

§ 10.201 Requirements of sureties.

§ 10.201–1 Corporate sureties and cosureties.

(a) *Corporate sureties.* In connection with contracts for supplies, services, or construction to be delivered or performed in the United States, its possessions (other than the Canal Zone), or Puerto Rico:

(1) Solicitations shall not require that only corporate sureties may be furnished or that a particular corporate surety be furnished, except as may be otherwise specifically provided (*e.g.*, position schedule bonds may be obtained only from corporate sureties); and

(2) Any corporate surety offered for a bond furnished the Government, or furnished pursuant to a Government contractual requirement, where the contracting officer has authority to approve the sufficiency of the surety, must appear on the Treasury Department List (TD Circular 570) and the amount of the bond must not be in excess of the underwriting limits stated in that list.

In connection with contracts to be performed in the Canal Zone, corporate Panamanian surety companies which are acceptable on bonds required by the Panama Canal Company may be accepted in addition to the corporate sureties appearing on the Treasury List. The acceptability of Panamanian sureties shall be subject to the conditions and restrictions (including any requirement for security deposits) similar to those imposed by the Panama Canal Company, and to a determination by the contracting officer that the amount of the bond is commensurate with the underwriting capacity of the surety. For contracts to be performed in a foreign country, sureties not appearing on Treasury Department Circular 570 are acceptable if it is determined by the contracting officer that it is impracticable for the contractor to use Treasury listed sureties.

(b) *Corporate cosureties.* More than one corporate surety may be accepted as cosurety upon any recognizance, stipulation, bond, or undertaking in connection with contracts for supplies, services, or construction. In no case, however, shall the liability of any such cosurety exceed the maximum penal sum which it is qualified to underwrite on any one obligation. It is not necessary that each corporate surety obligate itself for the full amount of the bond. Each corporate surety may limit its liability in the bond to a specified sum. The sureties must bind themselves jointly and separately for the purpose of allowing a joint action or actions against any or all of them. Where the bond is to be executed by two or more corporate sureties, Standard Form 25 shall be used in the case of a performance bond and Standard Form 25–A in the case of a payment bond. On bonds covering supply or service contracts where the amount of the bond exceeds the underwriting limitation of the corporate surety, the latter may reinsure with a corporation on the acceptable list of corporate sureties having the required reinsurance underwriting capacity. Reinsurance agreements are not acceptable in connection with construction contracts.

(c) *Termination of authority to qualify as surety.* The Treasury Department issues supplements to the Treasury Department Circular 570, notifying all Federal agencies of the termination of the authority of a specified corporate surety company to qualify as a surety on Federal bonds. Procuring activities will be notified of these supplements through the medium of the Defense Procurement Circular. The Bonds Branch, Office of The Judge Advocate General of the Army shall be responsible for submitting these changes to the Armed Services Procurement Regulation Committee for publication in the Defense Procurement Circular. Upon receipt of notification of termination of a company's authority to qualify as surety on Federal bonds, each contracting officer concerned shall secure new bonds with acceptable sureties in lieu of any outstanding bonds with the named company.

§ 10.201–4 Substitution or replacement of surety.

In case of financial embarrassment, failure, or other disqualifying cause on the part of a surety, substitution of a new surety is required. In other cases, substitute sureties may be accepted, when consistent with the Government's interest (see § 10.110).

§ 10.202–2 Certified or cashier's checks, bank drafts, money orders, or currency.

Any person required to furnish a bond has the option, in lieu of furnishing surety or sureties thereon, of furnishing a certified or cashier's check, a bank draft, a Post Office money order, or currency, in an amount equal to the penal sum of the bond, which the contracting officer will immediately deposit with the appropriate activity named in § 10.202. Certified or cashier's checks, bank drafts, or Post Office money orders shall be drawn to the order of the Treasurer of the United States.

PART 12—LABOR

18. Section 12.806–3 is revised to read as follows:

§ 12.806–3 Posting of notices.

In the case of each contract containing the clause, the contracting officer shall furnish to contractors an appropriate number of copies of the notice entitled "Equal Employment Opportunity" (listed in the GSA Stores Stock Catalog as Item No. 7530–338–5437 for the 12½- x 18¼-inch size, and as Item No. 7530–338–5448 for the 8½- x 12-inch size) and Standard Form 38 entitled "Notice of Nondiscrimination in Employment" for notification to labor unions or other organizations of workers. Contracting officers shall obtain these documents in accordance with Departmental procedures; contractors shall obtain from the contracting officers, copies for first-and-other-tier subcontractors as necessary.

PART 13—GOVERNMENT PROPERTY

19. Section 13.102–2 is revised; new § 13.105 is added; §§ 13.202 and 13.203 are revised; and new § 13.204 is added, as follows:

§ 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), the prime contractor may, with the prior approval of the contracting officer, include in such subcontract a provision similar to that contained in § 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 paragraph (g) of the clause in § 13.703; 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) a provision similar to that contained in § 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.

§ 13.105 Use for or by contractors of test facilities owned and operated by the Government.

The on-site use for or by contractors of existing Government-owned test facilities located at installations owned and operated by the Government may be authorized in connection with the performance of Government contracts only when:

(a) There is no commercial test capability adequate for the testing needs, or

(b) Substantial cost savings will result from use of the Government-owned test facilities.

Whenever any such use is authorized, adequate consideration comparable to commercial charges, if any, shall be obtained under any affected contract.

§ 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.

(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 Changing the amount of material to be furnished by the Government.

(a) 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

(b) When it is anticipated that substantial quantities of Government material will become available for the contract by transfer from another contract or otherwise, the contract may provide that a unilateral increase in the amount of material to be furnished by the Government may be ordered by the contracting officer, and that the contract shall be equitably adjusted therefor.

(c) 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.

§ 13.204 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.

20. Sections 13.301(f), 13.306–4, 13.311, and 13.402(b)(2) are revised to read as follows:

§ 13.301 Providing facilities.

* * * * *

(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 items shall be made until a certificate of nonavailability is received from the Defense Industrial Plant Equipment Center. When warranted by the urgency of the situation, requests for screening may be submitted to DIPEC by whatever means determined expedient. 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:

(1) Case number;

(2) PEC/SCC/FSN;

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

(4) Date item required;

(5) Name and address of requiring agency;

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

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

(8) Assigned urgency rating.

Upon notification of availability by DIPEC, a DD Form 1419 will be submitted to DIPEC for each item accepted by the requestor. However, if DIPEC does not have the item available, or cannot furnish the item within the time specified by the requestor, DIPEC will furnish a statement of nonavailability including a certificate number. This statement will be the official Certificate of Non-Availability and will confirm that the plant equipment item has been screened against the idle inventory.

§ 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 or component is $1,000 or more, screen existing Government production and research property to ascertain whether any Government-owned property can be furnished in accordance with the policy set forth in § 13.306–1. To accomplish such screening for any property listed in § 13.312, Department of Defense Production Equipment Requisition/Non-Availability Certificate (DD Form 1419) shall be submitted to the Defense Industrial Plant Equipment Center, Memphis, Tenn., 38102. 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. 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.

Upon notification of availability by DIPEC, a DD Form 1419 will be submitted to DIPEC for each item accepted by the requestor. However, if DIPEC does not have the item available, or cannot furnish the item within the time specified by the requestor, DIPEC will furnish a statement of nonavailability including a certificate number. This statement will be the official Certificate of Non-Availability and will confirm that the plant equipment item has been screened against the idle inventory.

§ 13.311 Notices to Defense Industrial Plant Equipment Center.

(a) When acquiring an item of facilities with an acquisiton 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, Attention: DIPEC–PP, Memphis, Tenn., 38102:

(1) 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

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

(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.

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

* * * * *

(b) * * *

(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 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.

* * * * *

21. Sections 13.501, 13.502–2 (b) and (c), and 13.502–3(b) are revised to read as follows:

§ 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. The only exception to this general policy is stated in § 13.505, which provides that certain costs to the Government related to providing such property to contractors shall be considered in such evaluation, regardless of any competitive advantage that may result from this exception.

§ 13.502–2 Procedures for use of evaluation factors.

* * * * *

(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;

(c) The months during which such property will be available for use, which shall include the first, last, and all intervening months, 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);

* * * * *

§ 13.502–3 Limitations.

* * * * *

(b) If Government production and research property will be used on other work under one or more existing contracts 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, 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.

22. In § 13.702(a), the clause heading and clause paragraph (a) are revised; in § 13.703, the clause heading and clause paragraph (a) are revised; and the clause heading of the clause in § 13.704 is revised, as follows:

§ 13.702 Government property clause for fixed-price contracts.

(a) * * *

GOVERNMENT PROPERTY (FIXED PRICE) (JUNE 1965)

(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 as Government-furnished property 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 Contractor to meet such delivery or performthe 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.

* * * * *

§ 13.703 Government property clause for cost-reimbursement contracts.

* * * * *

GOVERNMENT PROPERTY (COST-REIMBURSEMENT) (JUNE 1965)

(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 as Government-furnished property 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 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 (i) return such property at the Government's expense or otherwise dispose of the property or (ii) effect repairs or modifications. Upon completion of (i) or (ii) 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.

* * * * *

§ 13.704 Special tooling clause for fixed-price contracts.

* * * * *

SPECIAL TOOLING (JUNE 1965)

* * * * *

23. In § 13.705, the clause heading is revised and a new clause paragraph (e) is added; in § 13.706(a), the clause heading and clause paragraph (a) are revised, and in § 13.707(a), the clause heading and clause paragraph (a) are revised, as follows:

§ 13.705 Special test equipment clause for negotiated contracts.

* * * * *

SPECIAL TEST EQUIPMENT (JUNE 1965)

* * * * *

(e) *Subcontracts.* If special test equipment or components thereof having an item acquisition cost of $1,000 or more are to be acquired for the Government by a subcontractor under this contract, the Government's rights to receive thirty (30) days' advance notice thereof from the prime contractor, and to furnish such items to the prime contractor and obtain an equitable adjustment of the prime contract therefor, in accordance with paragraphs (b), (c), and (d) above, shall be preserved.

§ 13.706 Government property clause for fixed-price type contracts with nonprofit institutions.

(a) * * *

GOVERNMENT PROPERTY (FIXED PRICE, NONPROFIT) (JUNE 1965)

(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 as Government-furnished property 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.

* * * * *

§ 13.707 Government property clause for cost-reimbursement type research and development contracts with nonprofit institutions.

(a) * * *

GOVERNMENT PROPERTY (COST-REIMBURSEMENT, NONPROFIT) (JUNE 1965)

(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 as Government-furnished property 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.

* * * * *

PART 15—CONTRACT COST PRINCIPLES AND PROCEDURES

24. Subpart C is revised to read as follows:

Subpart C—Principles for Determining Costs Applicable to Research and Development Under Grants and Contracts With Educational Institutions

Sec.

15.301 Purpose and scope.
15.301-1 Objectives.
15.301-2 Policy guides.
15.301-3 Application.
15.302 Definition of terms.
15.302-1 Organized research.
15.302-2 Departmental research.
15.302-3 Research agreement.
15.302-4 Other institutional activities.
15.302-5 Apportionment.
15.302-6 Allocation.
15.303 Basic considerations.
15.303-1 Composition of total costs.
15.303-2 Factors affecting allowability of costs.
15.303-3 Reasonable costs.
15.303-4 Allocable costs.
15.303-5 Applicable credits.
15.304 Direct costs.
15.304-1 General.
15.304-2 Application to research Agreements.
15.305 Indirect costs.
15.305-1 General.
15.305-2 Criteria for distribution.
15.305-3 Administration of limitations on allowances for indirect costs.
15.306 Identification and assignment of indirect costs.
15.306-1 General administration and general expenses.
15.306-2 Research administration expenses.
15.306-3 Operation and maintenance expenses.
15.306-4 Library expenses.
15.306-5 Departmental administration expenses.
15.306-6 Set-off for indirect expenses otherwise provided for by the Government.
15.307 Determination and application of indirect cost rate or rates.
15.307-1 Indirect cost pools.
15.307-2 The distribution base.
15.307-3 Negotiated lump sum for overhead.
15.307-4 Predetermined fixed rates for indirect costs.
15.308 Simplified method for small institutions.
15.308-1 General.
15.308-2 Abbreviated procedure.
15.309 General standards for selected items of cost.
15.309-1 Advertising costs.
15.309-2 Bad debts.
15.309-3 Capital expenditures.
15.309-4 Civil defense costs.
15.309-5 Commencement and convocation costs.
15.309-6 Communication costs.
15.309-7 Compensation for personal services.
15.309-8 Contingency provisions.
15.309-9 Deans of faculty and graduate schools.
15.309-10 Depreciation and use allowances.
15.309-11 Employee morale, health, and welfare costs and credits.
15.309-12 Entertainment costs.
15.309-13 Equipment and other facilities.
15.309-14 Fines and penalties.
15.309-15 Insurance and indemnification.

Sec.
15.309–16 Interest, fund raising, and investment management costs.
15.309–17 Labor relations costs.
15.309–18 Losses on other research agreements or contracts.
15.309–19 Maintenance and repair costs.
15.309–20 Material costs.
15.309–21 Memberships, subscriptions and professional activity costs.
15.309–22 Patent costs.
15.309–23 Pension plan costs.
15.309–24 Plant security costs.
15.309–25 Preresearch agreement costs.
15.309–26 Professional services costs.
15.309–27 Profits and losses on disposition of plant, equipment, or other capital assets.
15.309–28 Proposal costs.
15.309–29 Public information services costs.
15.309–30 Rearrangement and alteration costs.
15.309–31 Reconversion costs.
15.309–32 Recruiting costs.
15.309–33 Royalties and other costs for use of patents.
15.309–34 Sabbatical leave costs.
15.309–35 Scholarships and student aid costs.
15.309–36 Severance pay.
15.309–37 Specialized service facilities operated by institution.
15.309–38 Special services costs.
15.309–39 Staff benefits.
15.309–40 Student activity costs.
15.309–41 Student services costs.
15.309–42 Taxes.
15.309–43 Transportation costs.
15.309–44 Travel costs.
15.309–45 Termination costs applicable to contracts.
15.309–46 Use allowances.

AUTHORITY: The provisions of this Subpart C 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.

§ 15.301 Purpose and scope.

§ 15.301–1 Objectives.

This subpart provides principles for determining the costs applicable to research and development work performed by educational institutions under grants from and contracts with the Federal Government. These principles are confined to the subject of cost determination and make no attempt to identify the circumstances or dictate the extent of agency and institutional participation in the financing of a particular research or development project. The principles are designed to provide recognition of the full allocated costs of such research work under generally accepted accounting principles. No provision for profit or other increment above cost is intended.

§ 15.301–2 Policy guides.

The successful application of these principles requires development of mutual understanding between representatives of universities and of the Department of Defense as to their scope, applicability, and interpretation. It is recognized that—

(a) The arrangements for agency and institutional participation in the financing of a research and development project are properly subject to negotiation between the agency and the institution concerned in accordance with such criteria as may be applicable.

(b) Each college and university, possessing its own unique combination of staff, facilities and experience, should be encouraged to conduct research in a manner consonant with its own academic philosophies and institutional objectives.

(c) Each institution, in the fulfillment of its contractual obligations, should be expected to employ sound management practices.

(d) The application of the principles established herein should require no significant changes in the generally accepted accounting practices of colleges and universities.

§ 15.301–3 Application.

All agencies of the Department of Defense that sponsor research and development work at educational institutions should apply these principles and related policy guides in determining the costs incurred for such work under grants and cost-reimbursement type contracts and subcontracts. These principles should be used also as a guide in the pricing of fixed price contracts and subcontracts.

§ 15.302 Definition of terms.

§ 15.302–1 Organized research.

"Organized research" means all research activities of an institution that are separately budgeted and accounted for.

§ 15.302–2 Departmental research.

"Departmental research" means research activities that are not separately budgeted and accounted for. Such research work, which includes all research activities not encompassed under the term "organized research," is regarded for purposes of this document as a part of the institutional activities of the institution.

§ 15.302–3 Research agreement.

"Research agreement" means any valid arrangement to perform federally-sponsored research, including grants, cost-reimbursement type contracts, cost-reimbursement type subcontracts, and fixed-price contracts and subcontracts for research.

§ 15.302–4 Other institutional activities.

"Other institutional activities" means all organized activities of an institution not directly related to the instruction and research functions, such as residence halls, dining halls, student hospitals, student unions, intercollegiate athletics, bookstores, faculty housing, student apartments, guest houses, chapels, theaters, public museums, and other similar activities or auxiliary enterprises. Also included under this definition is any category of cost treated as "unallowable", provided, such category of cost identifies a function or activity to which portion of the institution's indirect costs (as defined in § 15.305–1) are properly allocable.

§ 15.302–5 Apportionment.

"Apportionment" means the process by which the indirect costs of the institution are assigned as between (a) instruction and research, and (b) other institutional activities.

§ 15.302–6 Allocation.

"Allocation" means the process by which the indirect costs apportioned to instruction and research are assigned as between (a) organized research, and (b) instruction, including Departmental research.

§ 15.303 Basic considerations.

§ 15.303–1 Composition of total costs.

The cost of a research agreement is comprised of the allowable direct costs incident to its performance, plus the allocable portion of the allowable indirect costs of the institution, less applicable credits.

§ 15.303–2 Factors affecting allowability of costs.

The tests of allowability of costs under these principles are: (a) they must be reasonable; (b) they must be allocable to research agreements under the standards and methods provided herein; (c) they must be accorded consistent treatment through application of those generally accepted accounting principles appropriate to the circumstances; and (d) they must conform to any limitations or exclusions set forth in these principles or in the research agreement as to types or amounts of cost items.

§ 15.303–3 Reasonable costs.

A cost may be considered reasonable if the nature of the goods or services acquired or applied, and the amount involved therefor, reflect the action that a prudent person would have taken under the circumstances prevailing at the time the decision to incur the cost was made. Major considerations involved in the determination of the reasonableness of a cost are: (a) whether or not the cost is of a type generally recognized as necessary for the operation of the institution or the performance of the research agreement; (b) the restraints or requirements imposed by such factors as arm's length bargaining, Federal and state laws and regulations, and research agreement terms and conditions; (c) whether or not the individuals concerned with due prudence in the circumstances, considering their responsibilities to the institution, its employees, its students, the Government, and the public at large; and (d) the extent to which the actions taken with respect to the incurrence of the cost consistent with established institutional policies and practices applicable to the work of the institution generally, including government research.

§ 15.303–4 Allocable costs.

(a) A cost is allocable to a particular cost objective (*i.e.*, a specific function, project, research agreement, department, or the like) if the goods or services involved are chargeable or assignable to such cost objective in accordance with relative benefits received or other equitable relationship. Subject to the foregoing, a cost is allocable to a research agreement if it is incurred solely to advance the work under the research agreement; or it benefits both the research agreement and other work of the institu-

tion in proportions that can be approximated through use of reasonable methods; or it is necessary to the overall operation of the institution and, in the light of the standards provided in this subpart, is deemed to be assignable in part to organized research. Where the purchase of equipment or other capital items are specifically authorized under a research agreement, the amounts thus authorized for such purchases are allocable to the research agreement regardless of the use that may subsequently be made of the equipment or other capital items involved.

(b) Any costs allocable to a particular research agreement under the standards provided in this subpart may not be shifted to other research agreements in order to meet deficiencies caused by overruns or other fund considerations, to avoid restrictions imposed by law or by terms of the research agreement, or for other reasons of convenience.

§ 15.303–5 Applicable credits.

(a) The term "applicable credits" refers to those receipt or negative expenditure types of transactions which operate to offset or reduce expense items that are allocable to research agreements as direct or indirect costs. Typical examples of such transactions are: purchase discounts, rebates, or allowances; recoveries or indemnities on losses; sales of scrap or incidental services; and adjustments of overpayments or erroneous charges.

(b) In some instances, the amounts received from the Federal Government to finance institutional activities or service operations should be treated as applicable credits. Specifically, the concept of netting such credit items against related expenditures should be applied by the institution in determining the rates or amounts to be charged to government research for services rendered whenever the facilities or other resources used in providing such services have been financed directly, in whole or in part, by Federal funds. (See §§ 15.306–6, 15.309–10(b), and 15.309–37 for areas of potential application in the matter of direct Federal financing.)

§ 15.304 Direct costs.

§ 15.304–1 General.

Direct costs are those that can be identified specifically with a particular cost objective. For this purpose, the term cost objective refers not only to the ultimate objectives against which costs are finally lodged such as research agreements, but also to other established cost objectives such as the individual accounts for recording particular objects or items of expense, and the separate account groupings designed to record the expenses incurred by individual organizational units, functions, projects and the like. In general, the administrative functions and service activities described in § 15.306 are identifiable as separate cost objectives, and the expenses associated with such objectives become eligible in due course for distribution as indirect costs of research agreements and other ultimate cost objectives.

§ 15.304–2 Application to research agreements.

Identifiable benefit to the research work rather than the nature of the goods and services involved is the determining factor in distinguishing direct from indirect costs of research agreements. Typical transactions chargeable to a research agreement as direct costs are the compensation of employees for the time or effort devoted to the performance of work under the research agreement, including related staff benefit and pension plan costs to the extent that such items are consistently treated by the educational institution as direct rather than indirect costs; the costs of materials consumed or expended in the performance of such work; and other items of expense incurred for the research agreement, including extraordinary utility consumption. The cost or materials supplied from stock or services rendered by specialized facilities or other institutional service operations may be included as direct costs of research agreements provided such items are consistently treated by the institution as direct rather than indirect costs and are charged under a recognized method of costing or pricing designed to recover only actual costs and conforming to generally accepted cost accounting practices consistently followed by the institution.

§ 15.305 Indirect costs.

§ 15.305–1 General.

Indirect costs are those that have been incurred for common or joint objectives, and thus are not readily subject to treatment as direct costs of research agreements or other ultimate cost objectives. At educational institutions such costs normally are classified under the following functional categories: general administration and general expenses; research administration expenses; operation and maintenance expenses; library expenses; and Departmental administration expenses.

§ 15.305–2 Criteria for distribution.

(a) *Base period.* A base period for distribution of indirect costs is the period during which such costs are incurred and accumulated for distribution to work performed within that period. The base period normally should coincide with the fiscal year established by the institution, but in any event the base period should be so selected as to avoid inequities in the distribution of costs.

(b) *Need for cost groupings.* The overall objective of the allocation and apportionment process is to distribute the indirect costs described in § 15.306 to organized research, instruction, and other activities in reasonable proportions consistent with the nature and extent of the use of the institution's resources by research personnel, academic staff, students, and other personnel or organizations. In order to achieve this objective with reasonable precision, it may be necessary to provide for selective distribution by establishing separate groupings of cost within one or more of the functional categories of indirect costs referred to in § 15.305–1. In general, the cost groupings established within a functional category should constitute, in each case, a pool of those items of expense that are considered to be of like character in terms of their relative contribution to (or degree of remoteness from) the particular cost objectives to which distribution is appropriate. Each such pool or cost grouping should then be distributed individually to the appertaining cost objectives, using the distribution base or method most appropriate in the light of the guides set out in paragraph (c) of this section.

(c) *Selection of distribution method.* Actual conditions must be taken into account in selecting the method or base to be used in distributing to applicable cost objectives the expenses assembled under each of the individual cost groupings established as indicated under paragraph (b) of this section. Where a distribution can be made by assignment of a cost grouping directly to the area benefited, the distribution should be made in that manner. Where the expenses under a cost grouping are more general in nature, the distribution to appertaining cost objectives should be made through use of a selected base which will produce results which are equitable to both the Government and the institution. In general, any cost element or cost-related factor associated with the institution's work is potentially adaptable for use as a distribution base: *Provided,* (1) It can readily be expressed in terms of dollars or other quantitative measure (total direct expenditures, direct salaries, manhours applied, square feet utilized, hours of usage, number of documents processed, population served, and the like); and (2) it is common to the appertaining cost objectives during the base period. The essential consideration in selection of the distribution base in each instance is that it be the one best suited for assigning the pool of costs to appertaining cost objectives in accord with the relative benefits derived; the traceable cause and effect relationship; or logic and reason, where neither benefit nor cause and effect relationship is determinable.

(d) *General considerations on cost groupings.* The extent to which separate cost groupings and selective distribution would be appropriate at an institution is a matter of judgment to be determined on a case by case basis. Typical situations which may warrant the establishment of two or more separate cost groups (based on account classification or analysis) within a functional category include but are not limited to the following:

(1) Where certain items or categories of expense relate solely to one of the three major divisions of the institution (instruction, organized research or other institutional activities) or to any two but not the third, such expenses should be set aside as a separate cost grouping for direct assignment or selective distribution in accordance with the guides provided in paragraphs (b) and (c) of this section.

(2) Where any types of expense ordinarily treated as general administration and general expenses or Departmental administration expenses are charged to research agreements as direct costs, the similar type expenses applicable to other activities of the institution must, through separate cost groupings, be excluded from the indirect costs allocable to research agreements.

(3) Where it is determined that certain expenses are for the support of a service unit or facility whose output is susceptible of measurement on a workload or other quantitative basis, such expenses should be set aside as a separate cost grouping for distribution on such basis to organized research and other activities at the institution or within the department.

(4) Where organized activities (including identifiable segments of organized research as well as the activities cited in § 15.302–4) provide their own purchasing, personnel administration, building maintenance or similar service, the distribution of general administration and general expenses or operation and maintenance expenses to such activities should be accomplished through cost groupings which include only that portion of central indirect costs (such as for overall management) which are properly allocable to such activities; and

(5) Where the institution elects to treat as indirect charges the cost of the pension plan and other staff benefits, such costs should be set aside as a separate cost grouping for selective distribution to appertaining cost objectives, including organized research.

(e) *Materiality.* Where it is determined that the use of separate cost groupings and selective distribution are necessary to produce equitable results, the number of such separate cost groupings within a functional category should be held within practical limits, after taking into consideration the materiality of the amounts involved and the degree of precision attainable through less selective methods of distribution.

§ 15.305–3 Administration of limitations on allowances for indirect costs.

(a) Research grants may be subject to laws that limit the allowance for indirect costs under each such grant to a stated percentage of the direct costs allowed. Agencies that sponsor such grants will establish procedures which will assure that (1) the terms and amounts authorized in each case conform with the provisions of §§ 15.303, 15.304 and 15.309 as they apply to matters involving the consistent treatment and allowability of individual items of cost; and (2) the amount actually allowed for indirect costs under each such research grant does not exceed the maximum allowable under the limitation or the amount otherwise allowable under this subpart whichever is the smaller.

(b) Where the actual allowance for indirect costs on any research grant must be restricted to the smaller of the two alternative amounts referred to in paragraph (a) of this section, such alternative amounts should be determined in accordance with the following guides: (1) the maximum allowable under the limitation should be established by applying the stated percentage to a direct cost base which shall include all items of expenditure authorized by the sponsoring agency for inclusion as part of the total cost for the direct benefit of the work under the grant; and (2) the amount otherwise allowable under this subpart should be established by applying the current institutional indirect cost rate to the appropriate elements of direct cost under the grant, i.e., to total salaries and wages in the case of rates developed under § 15.307, or to total expenditures exclusive of capital expenditures in the case of rates developed under § 15.308.

(c) When the maximum amount allowable under a statutory limitation or the terms of a research agreement is less than the amount otherwise allocable as indirect costs under this subpart, the amount not recoverable as indirect costs under the research agreement involved may not be shifted to other research agreements.

§ 15.306 Identification and assignment of indirect costs.

§ 15.306–1 General administration and general expenses.

(a) The expenses under this heading are those that have been incurred for the general executive and administrative offices of educational institutions and other expenses of a general character which do not relate solely to any major division of the institution, i.e., solely to (1) instruction; (2) organized research; or (3) other institutional activities. The general administration and general expense category should also include the staff benefit and pension plan costs applicable to the salaries and wages included therein, an appropriate share of the costs of the operation and maintenance of the physical plant, and charges representing use allowances and/or depreciation applicable to the buildings and equipment utilized in performing the functions represented thereunder.

(b) The expenses included in this category may be apportioned and allocated on the basis of total expenditures exclusive of capital expenditures in situations where the results of the distribution made on this basis are deemed to be equitable both to the Government and the institution; otherwise the distribution of general administration and general expenses should be made through use of selected bases applied to separate cost groupings established within this category of expenses in accordance with the guides set out in § 15.305–2.

§ 15.306–2 Research administration expenses.

(a) The expenses under this heading are those that have been incurred by a separate organization or identifiable administrative unit established solely to administer the research activity, including such functions as contract administration, security, purchasing, personnel administration, and editing and publishing of research reports. They include the salaries and expenses of the head of such research organization, his assistants, and their immediate secretarial staff together with the salaries and expenses of personnel engaged in supporting activities maintained by the research organization, such as stock rooms, stenographic pools, and the like. The salaries of members of the professorial staff whose academic appointments or formal assignments require the performance of such administrative work may also be included to the extent that the portion so charged to research administration is supported as required by § 15.309–7(b). The research administration expense category should also include the staff benefit and pension plan costs applicable to the salaries and wages included therein, an appropriate share of the costs of the operation and maintenance of the physical plant, and charges representing use allowance and/or depreciation applicable to the buildings and equipment utilized in performing the functions represented thereunder.

(b) The expenses included in this category should be allocated to organized research and, where necessary, to Departmental research on any basis reflecting the proportion fairly applicable to each. (See § 15.305–2.)

§ 15.306–3 Operation and maintenance expenses.

(a) The expenses under this heading are those that have been incurred by a central service organization or at the Departmental level for the administration, supervision, operation, maintenance, preservation and protection of the institution's physical plant. They include expenses normally incurred for such items as janitorial and utility services; repairs and ordinary or normal alterations of buildings, furniture and equipment; and care of grounds and maintenance and operation of buildings and other plant facilities. The operation and maintenance expense category should also include the staff benefit and pension plan costs applicable to the salaries and wages included therein, and charges representing use allowance and/or depreciation applicable to the buildings and equipment utilized in performing the functions represented thereunder.

(b) The expenses included in this category should be apportioned and allocated to applicable cost objectives in a manner consistent with the guides provided in § 15.305–2 on a basis that gives primary emphasis to space utilization. The allocations and apportionments should be developed as follows: (1) where actual space and related cost records are available or can readily be developed and maintained without significant change in the accounting practices, the amount distributed should be based on such records; (2) where the space and related cost records maintained are not sufficient for purposes of the foregoing, a reasonable estimate of the proportion of total space assigned to the various cost objectives normally will suffice as a means for effecting distribution of the amounts of operation and maintenance expenses involved; or (3) where it can be demonstrated that an area or volume of space basis of allocation is impractical or inequitable, other bases may be used provided consideration

is given to the use of facilities by research personnel and others, including students.

§ 15.306–4 Library expenses.

(a) The expenses under this heading are those that have been incurred for the operation of the library, including the costs of books and library materials purchased for the library, less any items of library income that qualify as applicable credits under § 15.303–5. The library expense category should also include the staff benefit and pension plan costs applicable to the salaries and wages included therein, an appropriate share of the costs of the operation and maintenance of the physical plant, and charges representing use allowances and/or depreciation applicable to the buildings and equipment utilized in the performance of the functions represented thereunder.

(b) The expenses included in this category should be allocated on the basis of population including students and other users. Where the results of the distribution made on this basis are deemed to be inequitable to the Government or the institution, the distribution should then be made on a selective basis in accordance with the guides set out in § 15.305–2. Such selective distribution should be made through use of reasonable methods which give adequate recognition to the utilization of the library attributable to faculty, research personnel, students, and others. The method used will be based on data developed periodically on the respective institution's experience for representative periods.

§ 15.306–5 Departmental administration expenses.

(a) The expenses under this heading are those that have been incurred in the department for the administrative and supporting service operations that jointly benefit the instructional activities and organized research of the department. They include the salaries and expenses of deans or heads, or associate deans or heads, of colleges, schools, departments or divisions, and their immediate secretarial staff together with the salaries and expenses of personnel engaged in supporting activities maintained by the department, such as stockrooms, stenographic pools, and the like provided such supporting services are consistently treated as indirect costs. The salaries of other members of the professional staff whose academic appointments or formal assignments require the performance of such administrative work may also be included to the extent that the portion so charged to Departmental administration expenses is supported as required by § 15.309–7(b). The Departmental administration expense category should also include the staff benefit and pension plan costs applicable to the salaries and wages included therein, an appropriate share of the costs of the operation and maintenance of the physical plant, and charges representing use allowances and/or depreciation applicable to the buildings and equipment utilized in performing the functions represented thereunder.

(b) No particular distribution base is suggested for general use in allocating the expenses included in this category, since the situations which influence the incurrence of such expenses and the nature of the administrative support provided therefrom may vary considerably as between institutions or departments within the same institution. Accordingly, the distribution of Departmental administration expenses should be made through use of selected bases applied to separate cost groupings established within this category of expenses in accordance with the guides set out in § 15.305–2.

§ 15.306–6 Set-off for indirect expenses otherwise provided for by the Government.

(a) The items to be accumulated under this heading are the reimbursements and other receipts from the Federal Government which are used by the institution to support directly, in whole or in part, any of the administrative or service (indirect) activities described in the foregoing (§§ 15.306–1 through 15.306–5). They include any amounts thus applied to such activities which may have been received pursuant to an institutional base grant or any similar contractual arrangement with the Federal Government other than a research agreement as herein defined (§ 15.302–3).

(b) The sum of the items in this group shall be treated as a credit to the total indirect cost pool before it is apportioned to organized research and to other activities. Such set-off shall be made prior to the determination of the indirect cost rate or rates as provided in § 15.307.

§ 15.307 Determination and application of indirect cost rate or rates.

§ 15.307–1 Indirect cost pools.

(a) Subject to paragraph (b) of this section, indirect costs allocated to organized research should be treated as a common pool, and the costs in such common pool should then be distributed to individual research agreements benefiting therefrom on a single rate basis.

(b) In some instances a single rate basis for use across the board on all government research at an institution may not be appropriate, since it would not take into account those different environmental factors which may affect substantially the indirect costs applicable to a particular segment of government research at the institution. For this purpose, a particular segment of government research may be that performed under a single research agreement or it may consist of research under a group of research agreements performed in a common environment. The environmental factors are not limited to the physical location of the work. Other important factors are the level of the administrative support required, the nature of the facilities or other resources employed, the scientific disciplines or technical skills involved, the organizational arrangements used, or any combination thereof. Where a particular segment of government research is performed within an environment which appears to generate a significantly different level of indirect costs, provision should be made for a separate indirect cost pool applicable to such work. The separate indirect cost pool should be developed during the course of the regular distribution process, and the separate indirect cost rate resulting therefrom should be utilized provided it is determined that (1) such indirect cost rate differs significantly from that which would have obtained under paragraph (a) of this section, and (2) the volume of research work to which such rate would apply is material in relation to other government research at the institution.

§ 15.307–2 The distribution base.

Indirect costs allocated to organized research should be distributed to applicable research agreements on the basis of direct salaries and wages. For this purpose, an indirect cost rate should be determined for each of the separate indirect cost pools developed pursuant to § 15.307–1. The rate in each case should be stated as the percentage which the amount of the particular indirect cost pool is of the total direct salaries and wages of all research agreements identified with such pool.

§ 15.307–3 Negotiated lump sum for overhead.

A negotiated fixed amount in lieu of indirect costs may be appropriate for self-contained or off-campus research activities where the benefits derived from an institution's indirect services cannot be readily determined. Such amount negotiated in lieu of indirect costs will be treated as an offset to total indirect expenses before apportionment to instruction, organized research, and other institutional activities. The base on which such remaining expenses are allocated should be appropriately adjusted.

§ 15.307–4 Predetermined fixed rates for indirect costs.

Public Law 87–638 (76 Stat. 437) authorizes the use of predetermined fixed rates in determining the indirect costs applicable under research agreements with educational institutions. The stated objectives of the law are to simplify the administration of cost-type research and development contacts with educational institutions, to facilitate the preparation of their budgets, and to permit more expeditious closeout of such contracts when the work is completed. In view of the potential advantages offered by this procedure, consideration should be given to the negotiation of predetermined fixed rates for indirect costs in those situations where the cost experience and other pertinent facts available are deemed sufficient to enable the contracting parties to reach an informed judgment as to the probable level of indirect costs during the ensuing accounting period.

§ 15.308 Simplified method for small institutions.

§ 15.308–1 General.

(a) Where the total direct cost of all government-sponsored research and development work at an institution does not exceed $500,000 in a year, the use

of the abbreviated procedure described in § 15.308–2 may be acceptable in the determination of allowable indirect costs. Under this abbreviated procedure, data taken directly from the institution's most recent annual financial report and immediately available supporting information will be utilized as a basis for determining the indirect cost rate applicable to research agreements at the institution.

(b) The rigid formula approach provided under the abbreviated procedure has limitations which may preclude its use at some institutions, either because the minimum data required for this purpose are not readily available, or because the application of the abbreviated procedure to the available data produces results which appear inequitable to the Government or the institution. In any such case, indirect costs should be determined through use of the regular procedure rather than the abbreviated procedure.

§ 15.308–2 Abbreviated procedure.

(a) Total expenditures as taken from the most recent annual financial report will be adjusted by eliminating from further consideration the following items or categories of expenditure: capital items as defined in § 15.309–3; unallowable costs as defined under various headings in § 15.309; and payments for annunities and student aid.

(b) Total expenditures as adjusted under the foregoing will then be distributed as between (1) expenditures applicable to overhead functions, and (2) expenditures for all other purposes. The first group should include amounts associated with general administration, operation and maintenance of the physical plant, and the library, to which may be added an amount not to exceed 20 percent of the salaries and expenses of deans and heads of departments. The second group—expenditures for all other purposes—should include the amounts applicable to all other activities, namely instruction, organized research, and other institutional activities as defined under § 15.302–4.

(c) The indirect cost rate will then be computed as the percentage relationship between the two categories of expenditures developed under paragraph (b) of this section, i.e., the rate should be stated as the percentage which the total of expenditures applicable to overhead functions is of the total for all other purposes.

§ 15.309 General standards for selected items of cost.

Sections 15.309–1 through 15.309–46 provide standards to be applied in establishing the allowability of certain items involved in determining cost. These standards should apply irrespective of whether a particular item of cost is properly treated as direct cost or indirect cost. Failure to mention a particular item of cost in the standards is not intended to imply that it is either allowable or unallowable; rather, determination as to allowability in each case should be based on the treatment or standards provided for similar or related items of cost. In case of discrepancy between the provisions of a specific research agreement and the applicable standards provided, the provisions of the research agreement should govern.

§ 15.309–1 Advertising costs.

The term "advertising costs" means the costs of advertising media and corollary administrative costs. Advertising media include magazines, newspapers, radio and television programs, direct mail, exhibits, and the like. The only advertising costs allowable are those which are solely for (a) the recruitment of personnel required for the performance by the institution of obligations arising under the research agreement, when considered in conjunction with all other recruitment costs, as set forth in § 15.309–32, (b) the procurement of scarce items for the performance of the research agreement; or (c) the disposal of scrap or surplus materials acquired in the performance of the research agreement. Costs of this nature, if incurred for more than one research agreement or for both research agreement work and other work of the institution, are allowable to the extent that the principles in §§ 15.304 and 15.305 are observed.

§ 15.309–2 Bad debts.

Any losses, whether actual or estimated, arising from uncollectible accounts and other claims, related collection costs, and related legal costs, are unallowable.

§ 15.309–3 Capital expenditures.

The costs of equipment, buildings, and repairs which materially increase the value or useful life of buildings or equipment, are unallowable except as provided for in the research agreement.

§ 15.309–4 Civil defense costs.

Civil defense costs are those incurred in planning for, and the protection of life and property against, the possible effects of enemy attack. Reasonable costs of civil defense measures (including costs in excess of normal plant protection costs, first-aid training and supplies, fire-fighting training, posting of additional exit notices and directions, and other approved civil defense measures) undertaken on the institution's premises pursuant to suggestions or requirements of civil defense authorities are allowable when distributed to all activities of the institution. Capital expenditures for civil defense purposes will not be allowed, but a use allowance or depreciation may be permitted in accordance with provisions set forth elsewhere. Costs of local civil defense projects not on the institution's premises are unallowable.

§ 15.309–5 Commencement and convocation costs.

Costs incurred for commencements and convocations apply only to instruction and therefore are not allocable to research agreements, either as direct costs or indirect costs.

§ 15.309–6 Communication costs.

Costs incurred for telephone services, local and long distance telephone calls, telegrams, radiograms, postage and the like, are allowable.

§ 15.309–7 Compensation for personal services.

(a) *General.* Compensation for personal services covers all remuneration paid currently or accrued to employees of the institution for services rendered during the period of performance under government research agreements. Such remuneration includes salaries, wages, staff benefits (see § 15.309–39) and pension plan costs (see § 15.309–23). The costs of such remuneration are allowable to the extent that the total compensation to individual employees is reasonable for the services rendered and conforms to the established policy of the institution consistently applied: *And provided*, That the charges for work performed directly on government research agreements and for other work allocable as indirect costs to organized research are determined and supported as hereinafter provided.

(b) *Payroll distribution.* Amounts charged to organized research for personal services, regardless of whether treated as direct costs or allocated as indirect costs, will be based on institutional payrolls which have been approved and documented in accordance with generally accepted institutional practices. In order to develop necessary direct and indirect allocations of cost, supplementary data on time or effort, as provided in paragraph (c) of this section, normally need be required only for individuals whose compensation is properly chargeable to two or more research agreements or to two or more of the following broad functional categories: (1) instruction; (2) organized research; (3) indirect activities as defined in § 15.305–1; or (4) other institutional activities as defined in § 15.302–4.

(c) *Reporting time or effort.* Charges for salaries and wages of individuals other than members of the professional staff will be supported by time and attendance and payroll distribution records. For members of the professional staff, current and reasonable estimates of the percentage distribution of their total effort may be used as support in the absence of actual time records. The term "professional staff" includes professors, instructors, research associates and assistants, graduate students, and other persons performing professional work. In order to qualify as current and reasonable, estimates must be made no later than one month (though not necessarily a calendar month) after the month in which the services were performed: *Provided however*, That in the case of professorial staff and of any others whose compensation is chargeable in part to instruction and in part to organized research, the estimates of effort expended must be made at appropriate time intervals, but in no case less frequently than once each quarter.

(d) *Preparation of estimates of effort.* Where required under paragraph (c) of this section, estimates of effort spent by a member of the professional staff on each research agreement should be prepared by the individual who performed

the services, or by a responsible individual such as a department head or supervisor having firsthand knowledge of the services performed on each research agreement. Estimates must show the allocation of effort between organized research and all other university activities in terms of the percentage of total effort devoted to each of the broad functional categories referred to in paragraph (b) of this section. The estimate of effort spent on a research agreement may include a reasonable amount of time spent in activities contributing and intimately related to work under the agreement, such as preparing and delivering special lectures about specific aspects of the ongoing research, writing research reports and articles, participating in appropriate research seminars, consulting with colleagues and graduate students with respect to related research, and attending appropriate scientific meetings and conferences. The term "all other university activities" would include departmental research, instruction, student services, administration, committee work, and public services undertaken on behalf of the university. In no case should effort spent in lecturing for or preparing for formal courses listed in the catalog and offered for degree credit, or effort devoted to committee or administrative work related to university business be included in the estimate of effort spent on research agreements.

(e) *Application of budget estimates.* Estimates determined before the performance of services, such as budget estimates on a monthly, quarterly, semester, or yearly basis do not qualify as estimates of effort spent. However, such estimates may be accepted as support for charges made if subsequently found to be valid in the light of effort actually expended as reflected in the individual's report of effort made in accordance with the above. Where the cumulative effort actually expended from month to month varies from cumulative effort budgeted or forecasted, the amount claimed should be based on effort actually expended as supported under the individual's report of effort, or the claim may be deferred.

(f) *Non-university professional activities.* A university must not alter or waive university-wide policies and practices dealing with the permissible extent of professional services over and above those traditionally performed without extra university compensation, unless such arrangements are specifically authorized by the sponsoring agency. Where university-wide policies do not adequately define the permissible extent of consultantships or other non-university activities undertaken for extra pay, the Government may require that the effort of professional staff working under research agreements be allocated as between (1) university activities, and (2) non-university professional activities. If the sponsoring agency should consider the extent of non-university professional effort excessive, appropriate arrangements governing compensation will be negotiated on a case by case basis.

(g) *Salary rates for academic year.* Charges for work performed on government research by faculty members during the academic year will be based on the individual faculty member's regular compensation for the continuous period which, under the practice of the institution concerned, constitutes the basis of his salary. Charges for work performed on research agreements during all or any portion of such period would be allowable at the base salary rate. In no event will the charge to research agreements, irrespective of the basis of computation, exceed the proportionate share of the base salary for that period, and any extra compensation above the base salary for work on government research during such period would be unallowable. This principle applies to all members of the faculty at an institution and, since intrauniversity consulting is assumed to be undertaken as a university obligation requiring no compensation additional to full-time base salary, the principle also applies to those who function as consultants or otherwise contribute to a research agreement conducted by another faculty member of the same institution: *Provided, however,* That in unusual cases where consultation is across departmental lines or involves a separate or remote operation, and the work performed by the consultant is in addition to his regular departmental load, any charges for such work representing extra compensation above the base salary are allowable *provided* such consulting arrangement is specifically provided in the research agreement or approved in writing by the sponsoring agency.

(h) *Salary rates for periods outside the academic year.* Charges for work performed by faculty members on government research during the summer months or other periods not included in the base salary period will be determined for each faculty member at a rate not in excess of that which would be applicable under his base salary and will be limited to that effort actually expended on such research.

(i) *Salary rates for part-time faculty.* Charges for work performed on government research by faculty members having only part-time appointments for teaching will be determined at a rate not in excess of that for which he is regularly paid for his part-time teaching assignments. Example: An institution pays $5,000 to a faculty member for half-time teaching during the academic year. He devoted one-half of his remaining time (25 percent of his total available time) to government research. Thus his additional compensation, chargeable by the institution to government research agreements, would be one-half of $5,000 or $2,500.

§ 15.309–8 Contingency provisions.

Contributions to a contingency reserve or any similar provision made for events the occurrence of which cannot be foretold with certainty as to time, intensity, or with an assurance of their happening, are unallowable.

§ 15.309–9 Deans of faculty and graduate schools.

The salaries and expenses of deans of faculty and graduate schools, or their equivalents, and their staffs are allowable.

§ 15.309–10 Depreciation and use allowances.

(a) Institutions may be compensated for the use of buildings, capital improvements, and usable equipment on hand through use allowances or depreciation. Use allowances are the means of providing such compensation when depreciation or other equivalent costs are not considered. However, a combination of the two methods may not be used in connection with a single class of fixed assets.

(b) Due consideration will be given to government-furnished facilities utilized by the institution when computing use allowances and/or depreciation if the government-furnished facilities are material in amount. Computation of the use allowance and/or depreciation will exclude both the cost or any portion of the cost of buildings and equipment borne by or donated by the Federal Government, irrespective of where title was originally vested or where it presently resides and, secondly, the cost of grounds. Capital expenditures for land improvements (paved areas, fences, streets, sidewalks, utility conduits, and similar improvements not already included in the cost of buildings) are allowable provided the systematic amortization of such capital expenditures has been provided in the institution's books of account, based on reasonable determinations of the probable useful lives of the individual items involved, and the share allocated to organized research is developed from the amount thus amortized for the base period involved.

(c) Where the use allowance method is followed, the use allowance for buildings and improvements will be computed at an annual rate not exceeding two percent of acquisition cost. The use allowance for equipment will be computed at an annual rate not exceeding six and two-thirds percent of acquisition cost of usable equipment in those cases where the institution maintains current records with respect to such equipment on hand. Where the institution's records reflect only the cost (actual or estimated) of the original complement of equipment, the use allowance will be computed at an annual rate not exceeding ten percent of such cost. Original complement for this purpose means the complement of equipment initially placed in buildings to perform the functions currently being performed in such buildings; however, where a permanent change in the function of a building takes place, a redetermination of the original complement of equipment may be made at that time to establish a new original complement. In those cases where no equipment records are maintained, the institution will justify a reasonable estimate of the acquisition cost of usable equipment which may be used to compute the use allowance at an annual rate not exceeding six and two-thirds percent of such estimate.

(d) Where the depreciation method is followed, adequate property records must be maintained. The period of useful service (service life) established in each case for usable capital assets must be

determined on a realistic basis which takes into consideration such factors as type of construction, nature of the equipment used, technological developments in the particular research area, and the renewal and replacement policies followed for the individual items or classes of assets involved. Where the depreciation method is introduced for application to assets acquired in prior years, the annual charges therefrom must not exceed the amounts that would have resulted had the depreciation method been in effect from the date of acquisition of such assets.

(e) Where an institution elects to go on a depreciation basis for a particular class of assets, no depreciation, rental or use charge may be allowed on any such assets that, under paragraph (d) of this section, would be viewed as fully depreciated: *Provided, however,* That reasonable use charges may be negotiated for any such assets if warranted after taking into consideration the cost of the facility or item involved, the estimated useful life remaining at time of negotiation, the actual replacement policy followed in the light of service lives used for calculating depreciation, the effect of any increased maintenance charges or decreased efficiency due to age, and any other factors pertinent to the utilization of the facility or item for the purpose contemplated.

§ 15.309–11 Employee morale, health, and welfare costs and credits.

The costs of house publications, health or first-aid clinics and/or infirmaries, recreational activities, employees' counseling services, and other expenses incurred in accordance with the institution's established practice or custom for the improvement of working conditions, employer-employee relations, employee morale, and employee performance, are allowable. Such costs will be equitably apportioned to all activities of the institution. Income generated from any of these activities will be credited to the cost thereof unless such income has been irrevocably set over to employee welfare organizations.

§ 15.309–12 Entertainment costs.

Costs incurred for amusement, social activities, entertainment, and any items relating thereto, such as meals, lodging, rentals, transportation, and gratuities, are unallowable.

§ 15.309–13 Equipment and other facilities.

The cost of equipment or other facilities are allowable where such purchases are approved by the sponsoring agency concerned or provided for by the terms of the research agreement.

§ 15.309–14 Fines and penalties.

Costs resulting from violations of, or failure of the institution to comply with, Federal, State, and local laws and regulations are unallowable except when incurred as a result of compliance with specific provisions of the research agreement, or instructions in writing from the contracting officer.

§ 15.309–15 Insurance and indemnification.

(a) Costs of insurance required or approved, and maintained, pursuant to the research agreement, are allowable.

(b) Costs of other insurance maintained by the institution in connection with the general conduct of its activities, are allowable subject to the following limitations: (1) Types and extent and cost of coverage must be in accordance with sound institutional practice; (2) costs of insurance or of any contributions to any reserve covering the risk of loss of or damage to government-owned property are unallowable except to the extent that the Government has specifically required or approved such costs; and (3) costs of insurance on the lives of officers or trustees are unallowable except where such insurance is part of an employee plan which is not unduly restricted.

(c) Contributions to a reserve for an approved self-insurance program are allowable to the extent that the types of coverage, extent of coverage, and the rates and premiums would have been allowed had insurance been purchased to cover the risks.

(d) Actual losses which could have been covered by permissible insurance (through an approved self-insurance program or otherwise) are unallowable unless expressly provided for in the research agreement, except that costs incurred because of losses not covered under nominal deductible insurance coverage provided in keeping with sound management practice as well as minor losses not covered by insurance, such as spoilage, breakage and disappearance of small hand tools, which occur in the ordinary course of operations, are allowable.

(e) Indemnification includes securing the institution against liabilities to third persons and other losses not compensated by insurance or otherwise. The Government is obligated to indemnify the institution only to the extent expressly provided for in the research agreement, except as provided in paragraph (d) of this section.

§ 15.309–16 Interest, fund raising, and investment management costs.

(a) Costs incurred for interest on borrowed capital or temporary use of endowment funds, however represented, are unallowable.

(b) Costs of organized fund raising, including financial campaigns, endowment drives, solicitation of gifts and bequests, and similar expenses incurred solely to raise capital or obtain contributions, are not allocable to government research agreements.

(c) Costs of investment counsel and staff and similar expenses incurred solely to enhance income from investments are not allocable to government research agreements.

(d) Costs related to the physical custody and control of monies and securities are allowable.

§ 15.309–17 Labor relations costs.

Costs incurred in maintaining satisfactory relations between the institution and its employees, including costs of labor management committees, employees' publications, and other related activities, are allowable.

§ 15.309–18 Losses on other research agreements or contracts.

Any excess of costs over income under any other research agreement or contract of any nature is unallowable. This includes, but is not limited to, the institution's contributed portion by reason of cost-sharing agreements or any underrecoveries through negotiation of flat amounts for overhead.

§ 15.309–19 Maintenance and repair costs.

Costs incurred for necessary maintenance, repair, or upkeep of property (including government property unless otherwise provided for) which neither add to the permanent value of the property nor appreciably prolong its intended life, but keep it in an efficient operating condition, are allowable.

§ 15.309–20 Material costs.

Costs incurred for purchased materials, supplies, and fabricated parts directly or indirectly related to the research agreement, are allowable. Purchases made specifically for the research agreement should be charged thereto at their actual prices after deducting all cash discounts, trade discounts, rebates, and allowances received by the institution. Withdrawals from general stores or stockrooms should be charged at their cost under any recognized method of pricing stores withdrawals conforming to sound accounting practices consistently followed by the institution. Incoming transportation charges are a proper part of material cost. Direct material cost should include only the materials and supplies actually used for the performance of the research agreement, and due credit should be given for any excess materials retained, or returned to vendors. Due credit should be given for all proceeds or value received for any scrap resulting from work under the research agreement. Where government-donated or furnished material is used in performing the research agreement, such material will be used without charge.

§ 15.309–21 Memberships, subscriptions, and professional activity costs.

(a) Costs of the institution's membership in civic, business, technical, and professional organizations are allowable.

(b) Costs of the institution's subscriptions to civic, business, professional, and technical periodicals are allowable.

(c) Costs of meetings and conferences, when the primary purpose is the dissemination of technical information, are allowable. This includes costs of meals, transportation, rental of facilities, and other items incidental to such meetings or conferences.

§ 15.309–22 Patent costs.

Costs of preparing disclosures, reports, and other documents required by the research agreement and of searching the art to the extent necessary to make such invention disclosures, are allowable. In

accordance with the clauses of the research agreement relating to patents, costs of preparing documents and any other patent costs, in connection with the filing of a patent application where title is conveyed to the Government, are allowable. (See also § 15.309–33 below.)

§ 15.309–23 Pension plan costs.

Costs of the institution's pension plan which are incurred in accordance with the established policies of the institution are allowable, provided such policies meet the test of reasonableness and the methods of cost allocation are not discriminatory, and provided appropriate adjustments are made for credits or gains arising out of normal and abnormal employee turnover or any other contingencies that can result in forfeitures by employees which inure to the benefit of the institution.

§ 15.309–24 Plant security costs.

Necessary expenses incurred to comply with government security requirements, including wages, uniforms and equipment of personnel engaged in plant protection, are allowable.

§ 15.309–25 Preresearch agreement costs.

Costs incurred prior to the effective date of the research agreement, whether or not they would have been allowable thereunder if incurred after such date, are unallowable unless specifically set forth and identified in the research agreement.

§ 15.309–26 Professional services costs.

(a) Costs of professional services rendered by the members of a particular profession who are not employees of the institution are allowable, subject to paragraphs (b) and (c) of this section, when reasonable in relation to the services rendered and when not contingent upon recovery of the costs from the Government. Retainer fees to be allowable must be reasonably supported by evidence of services rendered.

(b) Factors to be considered in determining the allowability of costs in a particular case include (1) the past pattern of such costs particularly in the years prior to the award of government research agreements; (2) the impact of government research agreements on the institution's total activity; (3) the nature and scope of managerial services expected of the institution's own organizations; and (4) whether the proportion of government work to the institution's total activity is such as to influence the institution in favor of incurring the cost, particularly where the services rendered are not of a continuing nature and have little relationship to work under government research agreements.

(c) Costs of legal, accounting, and consulting services, and related costs, incurred in connection with organization and reorganization or the prosecution of claims against the Government, are unallowable. Costs of legal, accounting and consulting services, and related costs, incurred in connection with patent infringement litigation, are unallowable unless otherwise provided for in the research agreement.

§ 15.309–27 Profits and losses on disposition of plant, equipment, or other capital assets.

Profits or losses of any nature arising from the sale or exchange of plant, equipment, or other capital assets, including sale or exchange of either short- or long-term investments, shall be excluded in computing research agreement costs.

§ 15.309–28 Proposal costs.

Proposal costs are the costs of preparing bids or proposals on potential government and non-government research agreements or projects, including the development of engineering data and cost data necessary to support the institution's bids or proposals. Proposal costs of the current accounting period of both successful and unsuccessful bids and proposals normally should be treated as indirect costs and allocated currently to all activities of the institution, and no proposal costs of past accounting periods will be allocable in the current period to the government research agreement. However, the institution's established practices may be to treat proposal costs by some other recognized method. Regardless of the method used, the results obtained may be accepted only if found to be reasonable and equitable.

§ 15.309–29 Public information services costs.

Costs of news releases pertaining to specific research or scientific accomplishment are unallowable unless specifically authorized by the sponsoring agency.

§ 15.309–30 Rearrangement and alteration costs.

Costs incurred for ordinary or normal rearrangement and alteration of facilities are allowable. Special arrangement and alteration costs incurred specifically for the project are allowable when such work has been approved in advance by the sponsoring agency concerned.

§ 15.309–31 Reconversion costs.

Costs incurred in the restoration or rehabilitation of the institution's facilities to approximately the same condition existing immediately prior to commencement of government research agreement work, fair wear and tear excepted, are allowable.

§ 15.309–32 Recruiting costs.

(a) Subject to paragraphs (b), (c), and (d) of this section, and provided that the size of the staff recruited and maintained is in keeping with workload requirements, costs of "help wanted" advertising, operating costs of an employment office necessary to secure and maintain an adequate staff, costs of operating an aptitude and educational testing program, travel costs of employees while engaged in recruiting personnel, travel costs of applicants for interviews for prospective employment, and relocation costs incurred incident to recruitment of new employees, are allowable to the extent that such costs are incurred pursuant to a well managed recruitment program. Where the institution uses employment agencies, costs not in excess of standard commercial rates for such services are allowable.

(b) In publications, costs of help wanted advertising that includes color, includes advertising material for other than recruitment purposes, or is excessive in size (taking into consideration recruitment purposes for which intended and normal institutional practices in this respect), are unallowable.

(c) Costs of help wanted advertising, special emoluments, fringe benefits, and salary allowances incurred to attract professional personnel from other institutions that do not meet the test of reasonableness or do not conform with the established practices of the institution, are unallowable.

(d) Where relocation costs incurred incident to recruitment of a new employee have been allowed either as an allocable direct or indirect cost, and the newly hired employee resigns for reasons within his control within 12 months after hire, the institution will be required to refund or credit such relocation costs to the Government.

§ 15.309–33 Royalties and other costs for use of patents.

Royalties on a patent or amortization of the cost of acquiring a patent or invention or rights thereto, necessary for the proper performance of the research agreement and applicable to tasks or processes thereunder, are allowable unless the Government has a license or the right to free use of the patent, the patent has been adjudicated to be invalid or has been administratively determined to be invalid, the patent is considered to be unenforceable, or the patent has expired.

§ 15.309–34 Sabbatical leave costs.

Costs of leave of absence to employees for performance of graduate work or sabbatical study, travel, or research are allowable provided the institution has a uniform policy on sabbatical leave for persons engaged in instruction and persons engaged in research. Such costs will be allocated on an equitable basis among all appertaining activities of the institution. Where sabbatical leave is included in fringe benefits for which a cost is determined for assessment as a direct charge, the aggregate amount of such assessments applicable to all work of the institution during the base period must be reasonable in relation to the institution's actual experience under its sabbatical leave policy.

§ 15.309–35 Scholarships and student aid costs.

Costs of scholarships, fellowships and other forms of student aid apply only to instruction and therefore are not allocable to research agreements, either as direct costs or indirect costs. However, in the case of students actually engaged in work under research agreement, any tuition remissions to such students for work performed are allocable to such research agreements provided consistent treatment is accorded such costs (see § 15.309–39).

§ 15.309–36 Severance pay.

(a) Severance pay is compensation in addition to regular salaries and wages which is paid by an institution to employees whose services are being terminated. Costs of severance pay are allowable only to the extent that such payments are required by law, by employer-employee agreement, by established policy that constitutes in effect an implied agreement on the institution's part, or by circumstances of the particular employment.

(b) Severance payments that are due to normal, recurring turnover and which otherwise meet the conditions of paragraph (a) of this section may be allowed provided the actual costs of such severance payments are regarded as expenses applicable to the current fiscal year and are equitably distributed among the institution's activities during that period.

(c) Severance payments that are due to abnormal or mass terminations are of such conjectural nature that allowability must be determined on a case-by-case basis. However, the Government recognizes its obligation to participate, to the extent of its fair share, in any specific payment.

§ 15.309–37 Specialized service facilities operated by institution.

(a) The costs of institutional services involving the use of highly complex and specialized facilities such as electronic computers, wind tunnels, and reactors are allowable provided the charges therefor meet the conditions of paragraphs (b) and (c) of this section, and otherwise taken into account any items of income or federal financing that qualify as applicable credits under § 15.303–5.

(b) The costs of such institutional services normally will be charged directly to applicable research agreements based on actual usage or occupancy of the facilities at rates that (1) are designed to recover only actual costs of providing such services, and (2) are applied on a nondiscriminatory basis as between organized research and other work of the institution, including commercial or accommodation sales and usage by the institution for internal purposes.

(c) In the absence of an acceptable arrangement for direct costing as provided in paragraph (b) of this section, the costs incurred for such institutional services may be assigned to research agreements as indirect costs, provided the methods used achieve substantially the same results. Such arrangements should be worked out in coordination with all government users of the facilities in order to assure equitable distribution of the indirect costs.

§ 15.309–38 Special services costs.

Costs incurred for general public relations activities, catalogs, alumni activities, and similar services, are unallowable.

§ 15.309–39 Staff benefits.

(a) Staff benefits in the form of regular compensation paid to employees during periods of authorized absences from the job, such as for annual leave, sick leave, military leave, and the like, are allowable provided such costs are absorbed by all institutional activities, including organized research, in proportion to the relative amount of time or effort actually devoted to each. (See § 15.309–34 for treatment of sabbatical leave.)

(b) Staff benefits in the form of employer contributions or expenses for social security, employee insurance, workmen's compensation insurance, the pension plan (see § 15.309–23), tuition or remission of tuition for individual employees or their families (see § 15.309–35), and the like, are allowable provided such benefits are granted in accordance with established institutional policies, and provided such contributions and other expenses, whether treated as indirect costs or as an increment of direct labor costs, are distributed to particular research agreements and other activities in a maner consistent with the pattern of benefits accruing to the individuals or groups of employees whose salaries and wages are chargeable to such research agreements and other activities.

§ 15.309–40 Student activity costs.

Costs incurred for intramural activities, student publications, student clubs, and other student activities, apply only to instruction and therefore are not allocable to research agreements, either as direct costs or indirect costs.

§ 15.309–41 Student services costs.

Costs of the deans of students, administration of student affairs, registrar, placement offices, student advisers, student health and infirmary services, and such other activities as are identifiable with student services apply only to instruction and therefore are not allocable to research agreements, either as direct costs or indirect costs. However, in the case of students actually engaged in work under research agreements, a proportion of student services costs measured by the relationship between hours of work by students on such research work and total student hours including all research time may be allowed as a part of research administration expenses.

§ 15.309–42 Taxes.

(a) In general, taxes which the institution is required to pay and which are paid or accrued in accordance with generally accepted accounting principles, and payments made to local governments in lieu of taxes which are commensurate with the local government services received are allowable, except for (1) taxes from which exemptions are available to the institution directly or which are available to the institution based on an exemption afforded the Government and in the latter case when the sponsoring agency makes available the necessary exemption certificates; and (2) special assessments on land which represent capital improvements.

(b) Any refund of taxes, interest, or penalties, and any payment to the institution of interest thereon, attributable to taxes, interest, or penalties which were allowed as research agreement costs, will be credited or paid to the Government in the manner directed by the Government provided any interest actually paid or credited to an institution incident to a refund of tax, interest and penalty will be paid or credited to the Government only to the extent that such interest accrued over the period during which the institution had been reimbursed by the Government for the taxes, interest, and penalties.

§ 15.309–43 Transportation costs.

Costs incurred for freight, express, cartage, postage, and other transportation services relating either to goods purchased, in process, or delivered, are allowable. When such costs can readily be identified with the items involved, they may be charged directly as transportation costs or added to the cost of such items. Where identification with the materials received cannot readily be made, inbound transportation costs may be charged to the appropriate indirect cost accounts if the institution follows a consistent, equitable procedure in this respect. Outbound freight, if reimbursable under the terms of the research agreement, should be treated as a direct cost.

§ 15.309–44 Travel costs.

(a) Travel costs are the expenses for transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official business of the institution. Such costs may be charged on an actual basis, on a per diem or mileage basis in lieu of actual costs incurred, or on a combination of the two, provided the method used is applied to an entire trip and not to selected days of the trip, and results in charges consistent with those normally allowed by the institution in its regular operations.

(b) Travel costs are allowable subject to paragraph (c) and (d) of this section, when they are directly attributable to specific work under a research agreement or are incurred in the normal course of administration of the institution or a department or research program thereof.

(c) The difference in cost between first-class air accommodations and less than first-class air accommodations is unallowable except when less than first-class air accommodations are not reasonably available to meet necessary mission requirements, such as where less than first-class accommodations would (1) require circuitous routing, (2) require travel during unreasonable hours, (3) greatly increase the duration of the flight, (4) result in additional costs which would offset the transportation savings, or (5) offer accommodations which are not reasonably adequate for the medical needs of the traveler.

(d) Costs of personnel movements of a special or mass nature are allowable only when authorized or approved in writing by the sponsoring agency or its authorized representative.

§ 15.309–45 Termination costs applicable to contracts.

(a) Contract termination generally gives rise to the incurrence of costs or to the need for special treatment of costs, which would not have arisen had the contract not been terminated. Items

peculiar to termination are set forth below. They are to be used in conjunction with all other provisions of this subpart in the case of contract termination.

(b) The cost of common items of material reasonably usable on the institution's other work will not be allowable unless the institution submits evidence that it could not retain such items at cost without sustaining a loss. In deciding whether such items are reasonably usable on other work of the institution, consideration should be given to the institution's plans and orders for current and scheduled work. Contemporaneous purchases of common items by the institution will be regarded as evidence that such items are reasonably usable on the institution's other work. Any acceptance of common items as allowable to the terminated portion of the contract should be limited to the extent that the quantities of such items on hand, in transit, and on order are in excess of the reasonable quantitative requirements of other work.

(c) If in a particular case, despite all reasonable efforts by the institution, certain costs cannot be discontinued immediately after the effective date of termination, such costs are generally allowable within the limitations set forth in this subpart, except that any such costs continuing after termination due to the negligent or willful failure of the institution to discontinue such costs will be considered unacceptable.

(d) Loss of useful value of special tooling, and special machinery and equipment is generally allowable, provided (1) such special tooling, machinery, or equipment is not reasonably capable of use in the other work of the institution; (2) the interest of the Government is protected by transfer of title or by other means deemed appropriate by the contracting officer; and (3) the loss of useful value as to any one terminated contract is limited to that portion of the acquisition cost which bears the same ratio to the total acquisition cost as the terminated portion of the contract bears to the entire terminated contract and other government contracts for which the special tooling, special machinery, or equipment was acquired.

(e) Rental costs under unexpired leases are generally allowable where clearly shown to have been reasonably necessary for the performance of the terminated contract, less the residual value of such leases, if (1) the amount of such rental claimed does not exceed the reasonable use value of the property leased for the period of the contract and such further period as may be reasonable; and (2) the institution makes all reasonable efforts to terminate, assign, settle, or otherwise reduce the cost of such lease. There also may be included the cost of alterations of such leased property, provided such alterations were necessary for the performance of the contract, and of reasonable restoration required by the provisions of the lease.

(f) Settlement expenses including the following are generally allowable: (1) accounting, legal, clerical, and similar costs reasonably necessary for the preparation and presentation to contracting officers of settlement claims and supporting data with respect to the terminated portion of the contract, and the termination and settlement of subcontracts; and (2) reasonable costs for the storage, transportation, protection, and disposition of property provided by the Government or acquired or produced by the institution for the contract.

(g) Subcontractor claims, including the allocable portion of claims which are common to the contract and to other work of the contractor are generally allowable.

§ 15.309–46 Use allowances.

See § 15.309–10.

PART 16—PROCUREMENT FORMS

25. In § 16.202, new subdivisions (XIV) and (XV) are added to paragraph (b)(2), and new paragraph (g) is added; in § 16.805, paragraphs (e), (f), and (g) are revised, paragraphs (h) and (i) are deleted, and paragraphs (j) and (k) are redesignated as paragraphs (h) and (i), respectively; and § 16.815–2 is revised, as follows:

§ 16.202 Negotiated contract forms (DD Forms 1261 and 1270).

* * * * *

(b) * * *

(2) * * *

(xiv) When appropriate, the Commercial Warranty clause (see § 1.323–2(c)) may be used in accordance with the provisions of that paragraph; and

(xv) Pending revision of DD ASPR Form 1270 (June 1964 edition), the Interest clause (see § 163.118 of this chapter) shall be inserted in the Schedule when the contract exceeds $2,500.

* * * * *

(g) *Effective date.* The effective date shown on DD Form 1261 is the date agreed to by the contracting parties as the date on which the terms and conditions of the contract take effect. This date may be different from the signature dates and is used for such purposes as establishing a base time from which delivery schedules may be established (see § 1.305–3(a)(2)). The effective date does not necessarily determine the fund obligation date which normally is the date when a mutually binding agreement is reached (see 21–131). If referred to in the contract schedule the effective date shall always be identified as the "effective date" and should not be later than any performance or delivery dates set forth in the schedule. The effective date should be filed in prior to forwarding for contractor signature.

§ 16.805 Bond forms.

* * * * *

(e) Continuation Sheet for Standard Forms 24, 25 and 25–A (Standard Form 25–B).

(f) Affidavit of Individual Surety (Standard Form 28).

(g) Annual Performance Bond (Standard Form 35).

(h) Performance Bond Form for Subcontracts (see § 10.103–3(a)).

* * * * *

(i) Payment Bond Form for Subcontracts (see § 10.103–3(a)).

* * * * *

§ 16.815–2 Supplemental agreement (DD Form 1320).

This form shall be used for supplemental agreements as defined in § 1.201–18. The effective date shown on DD Form 1320 is the date agreed to by contracting parties as the date on which the terms and conditions of the supplemental agreement take effect (see § 16.202(g)).

PART 30—APPENDIXES TO ARMED SERVICES PROCUREMENT REGULATIONS

26. New § 30.7, containing Appendix K, is added, to read as follows:

§ 30.7 Appendix K—Pre-award survey procedures.

PART 1—INTRODUCTION

K–100 *Scope of Appendix.* This Appendix establishes the procedure for conducting pre-award surveys (except for construction contracts) by the contract administration office.

K–101 *Applicability of Appendix.* This Appendix is applicable to all activities of the Department of Defense concerned with pre-award surveys.

K–102 *Definitions.* As used in this Appendix, the following terms have the meanings set forth below.

K–102.1 *Monitor.* "Monitor" means the person designated to administer the pre-award survey from the receipt of the request through the issuance of the final report.

K–102.2 *Team coordinator.* "Team coordinator" means the person designated by the monitor to coordinate the on-site survey, make arrangements for plant visits, and conduct team conferences as necessary before, during, or after the plant visit.

K–102.3 *Pre-Award Survey Review Board.* "Pre-Award Survey Review Board" means a board established to review and approve or disapprove pre-award survey reports.

PART 2—GENERAL PROVISIONS

K–200 *Scope of part.* This part sets forth the procedure for requesting and conducting a pre-award survey, and applicable administrative controls.

K–201 *Procedure for requesting pre-award survey.* (a) The purchasing office shall request a pre-award survey on Pre-Award Survey of Prospective Contractor (DD Form 1524) (see F–200.1524), indicating in Part I, Section III thereof, the scope of the survey desired. Factors requiring emphasis not enumerated in Part I, Section III, should be listed by the purchasing office under item "14" of that Section. A survey may be requested by telegraphic communication containing the data required by Part I, Sections I, II, and III of the Form. A survey may be requested by telephone but shall be immediately confirmed on DD Form 1524. Unless previously furnished, a copy of the solicitation, and such drawings and specifications as deemed necessary by the purchasing office, shall be supplied with the pre-award survey request.

(b) The purchasing office shall forward any information indicating previous unsatisfactory contract performance with the pre-award survey request, except where it is known that the contract administration office already has this information.

K–202 *Scope of survey.* (a) A complete survey encompasses investigation, to the extent applicable to the proposed contract, of the factors listed in Part I, Section III of DD Form 1524, together with other require-

ments of special inquiry as requested by the purchasing office, and submission of appropriate findings thereon.

(b) A partial survey encompasses investigation of those factors referenced in (a) above which are specifically requested by the purchasing office and any other factors considered advisable by the contract administration office conducting the survey, and submission of appropriate findings thereon.

K-203 *Contract administration office procedure.*

K-203.1 *General.* (a) Pre-award surveys will be conducted by the contract administration office within the time frame and in the detail requested by the purchasing office. Qualified specialists responsible for the factors referenced in K-202(a) shall participate as required.

(b) Representatives of the purchasing office and other activities shall participate in pre-award surveys when requested by the contract administration office or as desired by the purchasing office.

(c) If the pre-award survey cannot be accomplished within the time allowed, the purchasing office shall be so notified. If the date is not extended, the contract administration office shall supply a definite recommendation by the date required, based on the material at hand or developed by that time. The basis for the recommendation and the factors for which no data or only partial data could be obtained, shall be indicated.

K-203.2 *Designation of pre-award survey monitor.* An individual within each contract administration office performing pre-award surveys shall be designated as the pre-award survey monitor. The monitor shall administer the pre-award survey from the receipt of the request through the issuance of the final report to assure appropriate coverage and maximum efficiency. The monitor shall:

(i) Receive all incoming pre-award survey requests;

(ii) Ascertain whether the prospective contractor is included on the Consolidated List of Debarred, Ineligible, and Suspended Contractors for any reason, including those attributable to equal employment opportunity practices. (Where the prospective contractor is so listed, the purchasing office shall be promptly advised and the pre-award survey shall not be completed, unless specifically requested by the purchasing office.);

(iii) Compare the survey request with the requirements of the solicitation;

(iv) Determine the need for an on-site survey after reviewing the type and quantity of items or services involved; previous experience with the firm; technical and schedule requirements; and the extent of other information currently available (If an on-site survey has been requested and sufficient data is already available in the contract administration office, the monitor shall ask the purchasing office whether an on-site survey must nevertheless be conducted, and for the specific elements to be covered.);

(v) Determine and advise the organizational segments of the contract administration office (e.g., Production, Quality Assurance, and Contract Administration), that will furnish team members;

(vi) Provide team members the following information—

(A) The date on which the information is required from each organizational segment;

(B) The portion of the survey for which each organizational segment is responsible;

(C) Whether an on-site survey of the prospective contractor's facility is contemplated. (This is subject to later modification based on information supplied by team members.);

(D) Any special terms and conditions noted in the solicitation; and

(E) Any other information or guidance the particular request may require;

(vii) After discussion with appropriate organizational segments, designate the team coordinator;

(viii) Arrange for required audit and other external assistance. (For example, in those cases where contract award is dependent upon the contractor having an adequate cost accounting system for proper post-award administration of the contract, the cognizant audit agency shall be responsible for the system review, evaluation, and conclusive recommendation. Part V of DD Form 1524 is provided for this purpose.);

(ix) Coordinate any purchasing office participation in the pre-award survey;

(x) Receive and review reports of the individual team members for completeness and adequate substantiation;

(xi) Resolve questions regarding technical details with responsible specialists;

(xii) Report those applicable procedures of the prospective contractor which have been reviewed by Government personnel (e.g., purchasing system, estimating system, accounting system, control of Government property, and quality program); and

(xiii) Assemble all necessary survey data into a report, including a recommendation as to award, and submit it to the Chairman of the Pre-Award Survey Review Board.

K-203.3 *Designation and responsibilities of team coordinator and members.* (a) When an on-site survey by a team is necessary, members should include specialists qualified to evaluate all appropriate phases of the firm's capabilities. The team coordinator shall:

(i) Arrange for the team's visit to the site;

(ii) Conduct team conferences for the purpose of—

(A) Arriving at uniform interpretations prior to holding discussions with the prospective contractor's management;

(B) Briefing team members on their interviews and discussions with officials of the firm prior to making an on-site survey. (Members shall not make reference or comment relative to the possibility that the award will or will not be made to the prospective contractor. This does not preclude discussion with a prospective contractor of questionable areas which in the opinion of the team member require clarification. Information obtained during the survey will be treated in strict confidence and divulged only to those Government representatives having a need to know.); and

(C) Arranging for discussions among members during and after the on-site survey to assure that evaluations by individual specialists are integrated, coordinated, and complete; and

(iii) Otherwise direct the efforts of the team.

(b) When an on-site survey is required for only one aspect of the prospective contractor's capability, a qualified specialist will be designated to conduct the on-site portion of the survey. One specialist may be designated to investigate more than one aspect when it is within his capability.

K-203.4 *Pre-Award Survey Review Board.* (a) A Pre-Award Survey Review Board shall be formally established to review and approve survey reports prior to transmittal to the purchasing office.

(b) The Board shall be composed of senior specialists from each of the major organizational segments of the contract administration office normally concerned with pre-award surveys, one of whom shall be designated Chairman. Flexibility of membership shall be provided by designating alternates for membership and by establishing the criteria or conditions governing the need for occasional special technical representation. Membership on the Board shall be in addition to the members' regular duties.

PART 3—SURVEY

K-300 *Steps for survey performance.* The three steps in performing a pre-award survey are the:

(i) Preliminary analysis;

(ii) Development and evaluation of information; and

(iii) Preparation and review of the pre-award survey report.

K-301 *Preliminary analysis.* The request (DD Form 1524, Part I, Sections I, II, and III) shall be reviewed to establish basic administrative information and the factors to be investigated. The solicitation shall then be reviewed to ascertain those general and special requirements which have a significant bearing on determining contractor responsibility. Examples are the nature of the product, applicable specifications, delivery schedule, documentation requirements, and financing aspects.

K-302 *Development of information*—(a) *Review of available data.* The information already available in the contract administration office pertaining to the prospective contractor and his past performance shall be reviewed. Prior pre-award survey reports shall be examined. If the prospective contractor has current or contemplated Government contracts, the files should be checked for information regarding similarity of products, current status of contracts, quality control experience, and financial status.

(b) *Development of additional data.* (1) When appropriate, the contract administration office shall supplement the data on hand with any additional information required from other Government sources and from commercial sources, such as banks, business associates, and credit rating and reporting agencies.

(2) An on-site survey shall be performed when required by 1-905.4(a), or when sufficient information is not developed as a result of (a) and (b)(1) above.

(3) In each case where review of available data discloses previous unsatisfactory contractor performance in any regard, the pre-award survey shall specifically cover the extent to which action has been taken or planned by the contractor to avoid repetition. A narrative discussion shall be referenced in Part I, Section III of DD Form 1524 and appended to the Form covering each deficiency area and furnishing details on the effect of each deficiency area on the contractor's ability to perform the prospective contract involved, together with reasons for all stated conclusions. Lack of evidence that the contractor was responsible for a failure to meet past contractual requirements does not necessarily indicate satisfactory performance. A persistent pattern of the contractor's need for costly and burdensome Governmental assistance (engineering, inspection, testing) that was provided in the Government's interest but not contractually required, shall be treated in the pre-award survey as an element for separate narrative discussion to be appended to the Form.

K-303 *On-site surveys.*

K-303.1 *Interview, investigation and review.*—(a) *General.* An on-site survey will consist of an interview with representatives of the prospective contractor and, normally, an investigation of his resources and procedures.

(b) *Interview with management.* Management officials of the appropriate level authorized to represent the prospective contractor should be interviewed. The prospective contractor's background shall be reviewed and as much history recorded as necessary to reflect the soundness and reputation of the firm's operation.

(1) The organizational structure of the facility is the basis for management's control and must be reviewed. Assignment of

definite tasks and responsibilities should be checked.

(2) Lack of understanding or misinterpretation of the solicitation often results in delinquent contracts and leads to default actions. Therefore, the solicitation shall be discussed with the prospective contractor to assure that he understands its requirements, including its technical aspects, such as drawings, specifications, prototype, technical data, testing, and packaging. Any misinterpretations of the requirements of the solicitation which could adversely affect performance, or refusal by the prospective contractor to furnish required data, should be brought to the immediate attention of the monitor by the team coordinator. The monitor shall, in turn, promptly advise the purchasing office.

(c) *Investigation of resources and review of procedures.* The resources which the prospective contractor intends to utilize shall be inspected, analyzed, and compared with his overall plans for performing. His procedures relating to performance of the proposed contract shall be reviewed for adequacy.

(d) *Specific factors to be considered.* In the course of developing information, those factors described in K-303.2 through K-303.4 below and all others needed to provide the report and recommendations in the detail and to the extent required by the purchasing office shall be considered.

K-303.2 *Production.*—(a) *General.* The production portion of the on-site survey consists of an evaluation of the prospective contractor's ability to manufacture the product(s) in accordance with the specifications and delivery schedule of the proposed contract. To achieve the objectives of this portion of the on-site survey, the production plan shall be reviewed, production resources ascertained, and the plan related to such resources.

(b) *Obtaining the production plan.* The prospective contractor's production plan for meeting the delivery schedule specified in the proposed contract shall be ascertained. The principal milestones within the production plan shall be established, along with target dates for achievement. These target dates must support the delivery schedule of the proposed contract. The controls which will be utilized in order to gear and hold the manufacturing effort to the target dates for the principal milestones shall be analyzed for suitability.

(c) *Ascertaining production resources.* The information necessary to prepare Part II of DD Form 1524 shall be obtained by discussion with appropriate management personnel of the prospective contractor. This information shall be verified, when necessary, by physical inspection of the manufacturing plant and evaluated in terms of suitability to manufacture the required item(s).

(d) *Relating production plans to production resources.* When necessary, the representatives of the prospective contractor shall be requested to advise how the production resources described in Sections III, IV, V, and VI of Part II of DD Form 1524 will be allocated and utilized in order to achieve the target dates for the principal milestones. This shall include both in-house and subcontractor production resources. Pertinent to this is an analysis of projects and contracts which will compete for utilization of those resources within the same time frame as that specified by the prospective contractor's production plan. The information developed as a result of equating the production plan and production resources of the prospective contractor should enable the contract administration office to:

(i) Conclude whether the resources which the prospective contractor is planning to use are suitable for the job;

(ii) Determine whether the prospective contractor will be capable of properly controlling, maintaining and using Government-furnished property;

(iii) Determine whether the planning and scheduling of effort will result in timely accomplishment of the principal milestones;

(iv) Conclude whether achievement of the principal milestones will result in timely delivery.

K-303.3 *Quality assurance.* (a) The standing of the quality assurance organization in the prospective contractor's overall organization must be evaluated. An inspection or quality control function which reports to some other organizational segment (such as Production) instead of top management may be undesirable. The experience of the company inspection or quality control personnel with the same or similar items shall be evaluated.

(b) To evaluate the prospective contractor's ability to comply with quality control or inspection requirements, the following areas shall be reviewed:

(i) Methods currently utilized to control product quality as reflected by a documented or verifiable inspection system or quality program plan;

(ii) Personnel on hand and available (report both trained and untrained);

(iii) Inspection and test equipment on hand and available;

(iv) Quality, identification, and storage of materials;

(v) Physical arrangement of plant;

(vi) Tool and gauge control; and

(vii) Test and inspection records.

K-303.4 *Financial*—(a) *General.* The normal procedure for determining a prospective contractor's financial capability shall be initial pre-survey planning, followed by verification of financial data as required. The extent of the review and analysis of financial matters shall be governed by the nature of the proposed contract. In certain instances, a sound decision may be possible after a relatively simple review of a company's financial position and production commitments. Under other circumstances, a more comprehensive review and analysis will be required. The approach to financial analysis shall be consistent with the basic policies and regulations outlined in Appendix E.

(b) *Procedure.* Aspects to be considered in determining the prospective contractor's financial capability (Part IV of DD Form 1524) include the following:

(1) The latest balance sheet and profit and loss statement shall be reviewed. The following are indicative of the soundness of the prospective contractor's financial structure;

(i) Rates and ratios;

(ii) Working capital as represented by current assets over current liabilities; and

(iii) Financial trends such as net worth, sales, and profit.

(2) The method of financing the contract shall be evaluated. Where sources of outside financing, other than the Government, are indicated, their availability should be verified.

(3) When financial aid from the Government is to be obtained, the necessity should be verified. Review shall be made concerning the applicability of such financing as progress payments or guaranteed loans.

K-304 *Evaluating data and preparing the report*—(a) *Findings of team members.* When the required information has been gathered, each individual participant shall analyze it and evaluate the prospective contractor's capability to perform with respect to the functional element(s) investigated. Each participant shall then provide his findings to the monitor on the appropriate Part(s) of DD Form 1524. Where a negative reply is recorded, or where doubt exists, an explanation must substantiate the entry. If a detailed analysis is needed or additional significant information is pertinent, the Form should be supplemented by a narrative report.

(b) *Monitor's evaluation and recommendation.* Based on all the information received from the team members, the monitor shall thoroughly review and evaluate the findings and recommendations, and forward the report to the Chairman of the Review Board with (i) a summary of his findings, and (ii) his recommendation concerning award. A recommendation for partial or no award shall be supported by a statement of justification and shall, where the prospective contractor is a small business concern, be coordinated with the small business specialist at the contract administration office.

(c) *Review Board action.* Upon receipt of each pre-award survey report, the Chairman of the Review Board shall determine the extent of Review Board action. The requirements of K-303.4 above may be satisfied at the discretion of the Chairman by any of the following:

(i) Action by the Chairman alone;

(ii) Informal contact by the Chairman with one or more of the Board members; or

(iii) Formal action by the entire Board.

(d) *Final actions.* Following the action by the Review Board, the monitor shall forward the report direct to the purchasing office. When advance reports are made by telegraphic communication or telephone, they shall be confirmed by mail without delay. The monitor shall follow up on any requirements for the submission of supplemental reports.

J. C. LAMBERT,
Major General, U.S. Army,
The Adjutant General.

[F.R. Doc. 65-10033; Filed, Sept. 20, 1965; 8:51 a.m.]

Title 7—AGRICULTURE

Chapter III—Agricultural Research Service, Department of Agriculture

PART 354—OVERTIME SERVICES RELATING TO IMPORTS AND EXPORTS

Commuted Travel Time Allowances

Pursuant to the authority conferred upon the Director of the Plant Quarantine Division by § 354.1 of the regulations concerning overtime services relating to imports and exports, effective August 18, 1964 (7 CFR 354.1), administrative instructions (7 CFR 354.2) effective July 30, 1963, as amended October 2, 1963, January 4, 1964, March 5, 1964, August 18, 1964, September 19, 1964, April 14, 1965, May 8, 1965, July 22, 1965, and August 7, 1965 (28 F.R. 7718, 10564, 14485, 29 F.R. 2985, 11743, 13099, 30 F.R. 4745, 6429, 9147, 9875), prescribing the commuted travel time that shall be included in each period of overtime duty are hereby amended by deleting from the "Two Hours, Outside Metropolitan Area" list the item "Vancouver, British Columbia, Canada (served from Blaine, Wash.)."

Vancouver, British Columbia, is being deleted from the list since it is no longer one of the commuted travel areas. It is to the benefit of the public that these instructions be made effective at the earliest practicable date. Accordingly, pursuant to the provisions of section 4 of the Administrative Procedure Act (5 U.S.C. 1003), it is found upon good cause that notice and public procedure on these instructions are impracticable, unneces-

sary, and contrary to the public interest, and good cause is found for making these instructions effective less than 30 days after publication in the FEDERAL REGISTER.

(64 Stat. 561; 5 U.S.C. 576)

This amendment shall become effective September 22, 1965.

Done at Hyattsville, Md., this 15th day of September 1965.

[SEAL] W. H. WHEELER,
Acting Director,
Plant Quarantine Division.

[F.R. Doc. 65-10030; Filed, Sept. 20, 1965; 8:51 a.m.]

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

[Lemon Reg. 178, Amdt. 1]

PART 910—LEMONS GROWN IN CALIFORNIA AND ARIZONA

Limitation of Handling

(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 910, as amended (7 CFR Part 910), regulating the handling of lemons grown in California and Arizona, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674), and upon the basis of the recommendations and information submitted by the Lemon Administrative Committee, established under the said amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of handling of such lemons, as hereinafter provided, will tend to effectuate the declared policy of the act by tending to establish and maintain such orderly marketing conditions for such lemons as will provide, in the interest of producers and consumers, an orderly flow of the supply thereof to market throughout the normal marketing season to avoid unreasonable fluctuations in supplies and prices, and is not for the purpose of maintaining prices to farmers above the level which it is declared to be the policy of Congress to establish under the act.

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

(b) *Order, as amended.* The provisions in paragraph (b)(1)(iii) of § 910.478 (Lemon Regulation 178, 30 F.R. 11685) are hereby amended to read as follows:

§ 910.478 Lemon Regulation 178.

* * * * *

(b) *Order.* (1) * * *

(iii) District 3: Unlimited movement.

* * * * *

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

Dated: September 16, 1965.

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

[F.R. Doc. 65-9980; Filed, Sept. 20, 1965; 8:45 a.m.]

Title 24—HOUSING AND HOUSING CREDIT

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

SUBCHAPTER H—MORTGAGE INSURANCE FOR SERVICEMEN

PART 222—SERVICEMEN'S MORTGAGE INSURANCE

Subpart A—Eligibility Requirements

MAXIMUM MORTGAGE AMOUNT; RATIO OF LOAN-TO-VALUE LIMITATION

In § 222.4 a new paragraph (c) is added to read as follows:

§ 222.4 Maximum mortgage amount; ratio of loan-to-value limitation.

* * * * *

(c) An application for mortgage insurance filed prior to November 1, 1965 need not meet the conditions set forth in subparagraphs (1), (2), and (3) of paragraph (a).

(Sec. 211, 52 Stat. 23; 12 U.S.C. 1715b. Interprets or applies sec. 222 68 Stat. 603; 12 U.S.C. 1715m)

Issued at Washington, D.C., September 14, 1965.

PHILIP N. BROWNSTEIN,
Federal Housing Commissioner.

[F.R. Doc. 65-10012; Filed, Sept. 20, 1965; 8:49 a.m.]

Title 14—AERONAUTICS AND SPACE

Chapter I—Federal Aviation Agency

SUBCHAPTER B—PROCEDURAL RULES

[Docket No. 6906; Amdt. 13-3]

PART 13—ENFORCEMENT PROCEDURES

Authority of Area Managers and Area Counsels

The purpose of this amendment is to reflect the delegation of authority to Area Managers and Area Councils with respect to their exercise of functions in enforcement proceedings under Part 13 of the Federal Aviation Regulations.

Pursuant to the FAA decentralization program, the Regions are being divided into Areas. Notice of establishment of Area Offices is given in the FEDERAL REGISTER. Among the functions to be performed at the Area level is the prosecution of violations as provided in Part 13 of the Regulations. Accordingly, references to Area Managers and Area Counsels are being added. At the same time the references to "Assistant Administrator" are being corrected to reflect the present title of "Regional Director."

Specifically, Area Managers may exercise the same powers as Regional Directors with respect to seizure of aircraft, and § 13.17 (a) and (e) is being amended accordingly. References to Area Counsels are being added to § 13.3(b), Investigations; § 13.13, Reprimands; § 13.15 (b) and (c), Civil Penalties; § 13.17 (c) and (d), Seizure of Aircraft; § 13.19 (c), Certificate Action (two places); § 13.21, Military Aircraft; and § 13.35 (b), Request for Hearing. At the same time, in § 13.57(b) the erroneous reference to § 13.49(e) is being corrected to § 13.49(f). The provisions stated in terms of "FAA Counsel" may remain unchanged since Area Counsels are encompassed in this term.

The General Provisions of Paragraph 1 of Subpart D of the FAA Organization Statement of March 13, 1965, 30 F.R. 3395, applied to these delegations.

Since this amendment does not involve substantive rule making, notice and public procedure thereon are not required, and the amendment may be made effective immediately.

In consideration of the foregoing, Part 13 of the Federal Aviation Regulations, 14 CFR Part 13, is hereby amended, effective September 1, 1965—

1. By adding the words "and Area Counsel" at the end of paragraph (b) of § 13.3.

2. By inserting the words "or Area Counsel" after the words "Regional Counsel" in § 13.13 and in paragraph (b) and (c) of § 13.15.

3. By deleting the words "Assistant Administrator of the region" in paragraph (a) of § 13.17 and inserting in place thereof the words "Regional Director of the region, or Area Manager of the area,".

4. By deleting the words "Assistant Administrator" in § 13.17(c) and inserting in place thereof the words "Regional Director or Area Manager".

5. By amending paragraph (d) of § 13.17 to read:

(d) The Regional Counsel of the region, or the Area Counsel of the Area, in which an aircraft is seized * * * (remainder unchanged).

6. By deleting the words "Assistant Administrator" in paragraph (e) of § 13.17 and inserting in place thereof the words "Regional Director or Area Manager".

7. By inserting the words "or Area Counsel" after the words "Regional Counsel" wherever they occur in para-

graph (c) of § 13.19, in § 13.21, and in paragraph (b) of § 13.35.

8. By deleting the reference "§ 13.49 (e)" in § 13.57(b) and inserting in place thereof the reference "§ 13.49(f)".

(Secs. 302(f), 303(d), 313(a), and 1001 of the Federal Aviation Act of 1958, as amended; 49 U.S.C. 1343, 1344, 1354, 1481)

Issued in Washington, D.C., on September 14, 1965.

WILLIAM F. MCKEE,
Administrator.

[F.R. Doc. 65-9982; Filed, Sept. 20, 1965; 8:45 a.m.]

SUBCHAPTER D—AIRMEN

[Docket No. 6614; Amdt. 67-2]

PART 67—MEDICAL STANDARDS AND CERTIFICATION

Special Medical Flight or Practical Test or Medical Evaluation for Special Issue of Medical Certificate

The purpose of these amendments is to make clear that the Federal Air Surgeon has authority (1) to decide whether a special medical flight or practical test, or special medical evaluation, should be conducted or the applicant's operational experience considered under § 67.19 of Part 67 of the Federal Aviation Regulations, and, if so, (2) to prescribe which of these procedures should be used, in the determination of whether a medical certificate should be issued to an applicant who does not meet the applicable medical standards of that part. This action was proposed in Notice 65-10 (30 F.R. 6188) issued April 23, 1965.

Ten comments were received on Notice 65-10. Six were favorable and three unfavorable to the proposed amendments, and one was nonresponsive. Two of the unfavorable comments expressed concern that the amended rule would vest too much increased authority in the Federal Air Surgeon. The language contained in the proposal merely clarified the provisions of the existing rules and did not vest any increased authority in the Federal Air Surgeon. In this connection, one of these comments also asserted there would be nothing to ensure equal treatment of all applicants with the same defect. It should be noted that the objective of § 67.19 is to provide for the issue of a medical certificate to an applicant who does not meet the medical standards as prescribed in Part 67. In order to achieve that objective in the consideration of the various types of medical deficiencies involved, the Federal Air Surgeon must be given the discretion to conduct the type of test or other procedure that he believes appropriate to determine whether the applicant can properly perform his duties as an airman.

One of these two comments on the proposal further suggested that any rule finally adopted should provide that if the medical defect is static the applicant should be entitled to an opportunity to take a special medical flight test. If adopted, this not only would make mandatory resort to a special procedure in one type of situation, but it also would prescribe the particular special procedure to be used. As stated in the preamble of Notice 65-10, situations arise in which the Federal Air Surgeon may determine that the applicant could not satisfactorily show, by any of the available special procedures, ability to perform the duties of an airman certificate without endangering safety in air commerce. In such a case, the resort to any of these procedures would not be purposeful, and the Federal Air Surgeon should have authority under § 67.19 to refuse their use. Also as stated in that preamble where the Federal Air Surgeon does prescribe special medical flight or practical testing or special medical evaluation under § 67.19, the selection of the particular procedure to be used, of those named, essentially is an element of his medical determination whether the applicant can properly perform his duties as an airman despite his physical deficiency. This selection should repose in the Federal Air Surgeon because of his special qualifications and facilities available to him to obtain and assess medical information about an applicant's total medical status. Accordingly, it would defeat the objective of § 67.19 to provide for automatic entitlement to a designated procedure in any particular type of situation.

One of the favorable comments would make mandatory the consideration by the Federal Air Surgeon of an applicant's operational experience under § 67.19. Conversely, another comment expressed the belief that the applicant's operational experience is not germane to the evaluation of an airman's physical qualifications to hold a medical certificate. The medical requirements of the former Part 29 of the CARs were amended, many years ago, to permit an evaulation of the applicant's aeronautical experience regardless of the type of airman certificate or rating sought or held by the applicant. The Agency has pursued this policy as applied by the Federal Air Surgeon, and the last sentence of § 67.19(a)(1) of the proposal expressed the intent of the Agency to continue this policy. To limit the discretionary authority of the Federal Air Surgeon in those cases by prohibiting any consideration by him of the applicant's operational experience, or making such consideration mandatory in all cases, regardless of the type of deficiency involved, would, like the adoption of the suggestion on static defects, also defeat the objective of § 67.19.

Interested persons have been afforded an opportunity to participate in the making of these amendments to § 67.19, and due consideration has been given to all matter presented.

These amendments also substitute the term "Federal Air Surgeon" for the term "Civil Air Surgeon" throughout Part 67, to state the correct current title of this official of the Agency. They also change the numbering of § 67.15(e) to conform with the parallel provisions of §§ 67.13 (e) and 67.17(e), in order to preclude the continuation of some current confusion and technical mistakes in referring to these provisions. Since these latter two changes are purely editorial in nature, notice and public procedure thereon are unnecessary.

In consideration of the foregoing, Part 67 of the Federal Aviation Regulations is amended, effective October 21, 1965, as follows:

1. The term "Civil Air Surgeon" is stricken out wherever it appears in Part 67, and the term "Federal Air Surgeon" is substituted therefor.

2. Paragraph (e) of § 67.15 is amended to read as follows:

§ 67.15 Second-class medical certificate.

* * * * *

(e) Cardiovascular:

(1) No established medical history or clinical diagnosis of—

(i) Myocardial infarction; or

(ii) Angina pectoris or other evidence of coronary heart disease that the Federal Air Surgeon finds may reasonably be expected to lead to myocardial infarction.

* * * * *

3. Paragraph (a) of § 67.19 is amended to read as follows:

§ 67.19 Special issue: operational limitations.

(a) A medical certificate of the appropriate class may be issued to an applicant who does not meet the medical standards of this Part, under the following procedures:

(1) The Federal Air Surgeon may in his discretion find that a special medical flight or practical test, or special medical evaluation, should be conducted to determine whether the applicant can perform his duties under the airman certificate he holds, or for which he is applying, in a manner that will not endanger safety in air commerce during the period the certificate would be in force. Upon such a finding, the Federal Air Surgeon authorizes the conduct of that test or evaluation. The Federal Air Surgeon may also consider the applicant's operational experience for this purpose.

(2) If the Federal Air Surgeon authorizes a procedure under subparagraph (1) of this paragraph, the applicant must show to the satisfaction of the Federal Air Surgeon, by the prescribed procedure, that he can perform those duties in the manner referred to in subparagraph (1). Upon such a showing, the Federal Air Surgeon issues to the appli-

cant a medical certificate of the appropriate class.

* * * * *

(Sec. 313(a), 314, 601, and 602 of the Federal Aviation Act of 1958; 49 U.S.C. 1354, 1355, 1421, 1422)

Issued in Washington, D.C., on September 14, 1965.

WILLIAM F. MCKEE,
Administrator.

[F.R. Doc. 65-9983; Filed, Sept. 20, 1965; 8:45 a.m.]

SUBCHAPTER E—AIRSPACE

[Airspace Docket No. 65-SO-27]

PART 71—DESIGNATION OF FEDERAL AIRWAYS, CONTROLLED AIRSPACE, AND REPORTING POINTS

Revocation and Designation of Federal Airways

On June 3, 1965 a notice of proposed rule making was published in the FEDERAL REGISTER (30 F.R. 7316) stating that the Federal Aviation Agency was considering amendments to Part 71 of the Federal Aviation Regulations that would revoke the VOR Federal airway No. 7 east alternate segment between Birmingham, Ala., and Graham, Tenn., designate east and west alternate segments to V-7 between Birmingham and Muscle Shoals, Ala., and that would redesignate a segment of VOR Federal airway No. 57 from Birmingham via Decatur, Ala., to Graham.

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

Subsequent to publication of the notice, it was determined that the Nashville, Tenn., transition area is bounded, in part, by a segment of V-7E, which will be replaced with V-57 in this action. In order to retain continuity in the description of the Nashville transition area, it is necessary to substitute V-57 for V-7E therein. This substitution will involve neither the designation or release of controlled airspace, therefor, it is editorial in nature and compliance with the notice and public procedure requirements of the Administrative Procedures Act is unnecessary.

In consideration of the foregoing, Part 71 of the Federal Aviation Regulations is amended, effective 0001 e.s.t., November 11, 1965, as hereinafter set forth.

a. In § 71.123 (29 F.R. 17509, 30 F.R. 434), V-7 and V-57 are amended, respectively, as follows:

1. In V-7 "Muscle Shoals, Ala.; Graham, Tenn., including an E alternate from Birmingham to Graham via INT of Huntsville, Ala., 264° and Graham 158° radials;" is deleted and "Muscle Shoals, Ala., including an E alternate via INT of Birmingham 358° and Muscle Shoals 133° radials and also a W alternate via INT of Birmingham 313° and Muscle Shoals 178° radials; Graham, Tenn.;" is substituted therefor.

2. In V-57 "Muscle Shoals, Ala.;" is deleted and "Decatur, Ala.;" is substituted therefor.

b. In § 71.181 (29 F.R. 17643, 30 F.R. 3640), the Nashville, Tenn. transition area is amended as follows:

"V-7E, thence NW along the E boundary of V-7E" should be deleted and "V-57, thence NW along the E boundary of V-57" should be substituted therefor.

(Sec. 307(a) of the Federal Aviation Act of 1958; 49 U.S.C. 1348)

Issued in Washington, D.C., on September 13, 1965.

JAMES L. LAMPL,
Acting Chief, Airspace Regulations and Procedures Division.

[F.R. Doc. 65-9984; Filed, Sept. 20, 1965; 8:45 a.m.]

[Airspace Docket No. 65-CE-67]

PART 71—DESIGNATION OF FEDERAL AIRWAYS, CONTROLLED AIRSPACE, AND REPORTING POINTS

Designation of Transition Area

On June 15, 1965, a notice of proposed rule making was published in the FEDERAL REGISTER (30 F.R. 7723) stating that the Federal Aviation Agency proposed to designate controlled airspace in the Shenandoah, Iowa, terminal area.

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

In consideration of the foregoing, Part 71 of the Federal Aviation Regulations is amended effective 0001 e.s.t., November 11, 1965, as hereinafter set forth:

In § 71.181 (29 F.R. 17643) the following transition area is added:

SHENANDOAH, IOWA

That airspace extending upward from 700 feet above the surface within a 6-mile radius of the Shenandoah, Iowa, Municipal Airport (latitude 40°45'15" N., longitude 95°25'15" W.), and within 5 miles NE and 8 miles SW of the 133° bearing from the Shenandoah RBN, extending from the RBN to a point 12 miles SE of the RBN.

(Sec. 307(a) of the Federal Aviation Act of 1958; 49 U.S.C. 1348)

Issued in Kansas City, Mo., on September 9, 1965.

EDWARD C. MARSH,
Director, Central Region.

[F.R. Doc. 65-9985; Filed, Sept. 20, 1965; 8:46 a.m.]

[Airspace Docket No. 65-CE-74]

PART 71—DESIGNATION OF FEDERAL AIRWAYS, CONTROLLED AIRSPACE, AND REPORTING POINTS

Modification of Control Zone and Designation of Transition Area

On July 16, 1965, a notice of proposed rule making was published in the FEDERAL REGISTER (30 F.R. 8970) stating that the Federal Aviation Agency proposed to alter controlled airspace in the Champaign, Ill., terminal area.

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

In consideration of the foregoing, Part 71 of the Federal Aviation Regulations is amended, effective 0001 e.s.t., November 11, 1965, as hereinafter set forth.

1. In § 71.171 (29 F.R. 17581) the Champaign, Ill., control zone is amended to read:

CHAMPAIGN, ILL.

Within a 5-mile radius of the University of Illinois-Willard Airport, Champaign, Illinois (latitude 40°02'25" N., longitude 88°-16'35" W.), within 2 miles each side of the Champaign VORTAC 123° radial, extending from the 5-mile radius zone to 8 miles SE of the VORTAC; within 2 miles each side of the Champaign VORTAC 233° radial, extending from the 5-mile radius zone to 8 miles SW of the VORTAC; within 2 miles each side of the Champaign VORTAC 030° radial extending from the 5-mile radius zone to 8 miles NE of the VORTAC; and within 2 miles each side of the Champaign VORTAC 326° radial, extending from the 5-mile radius zone to 8 miles NW of the VORTAC.

2. In § 71.181 (29 F.R. 17643) the following is added:

CHAMPAIGN, ILL.

That airspace extending upward from 700 feet above the surface within a 12-mile radius of the Champaign, Illinois, VORTAC and within 2 miles each side of the Champaign VORTAC 326° radial extending from the 12-mile radius area to 17 miles NW of the VORTAC, excluding the area which overlies the Rantoul, Ill., transition area extending upward from 700 feet above the surface.

(Sec. 307(a) of the Federal Aviation Act of 1958; 49 U.S.C. 1348)

Issued in Kansas City, Mo., on September 9, 1965.

EDWARD C. MARSH,
Director, Central Region.

[F.R. Doc. 65-9987; Filed, Sept. 20, 1965; 8:47 a.m.]

[Airspace Docket No. 65-CE-83]

PART 71—DESIGNATION OF FEDERAL AIRWAYS, CONTROLLED AIRSPACE, AND REPORTING POINTS

Alteration of Transition Areas

On July 9, 1965, a notice of proposed rule making was published in the FEDERAL REGISTER (30 F.R. 8689) stating that the Federal Aviation Agency proposed to alter controlled airspace in the vicinities of Green Bay, Wis., and Oshkosh, Wis.

Interested persons were afforded an opportunity to participate in the rule making through submission of com-

ments. The comment received was favorable.

In consideration of the foregoing, Part 71 of the Federal Aviation Regulations is amended effective 0001 e.s.t., December 9, 1965, as hereinafter set forth:

1. In § 71.181 (29 F.R. 17643) the Green Bay, Wis., transition area is amended to read:

GREEN BAY, WIS.

That airspace extending upward from 700 feet above the surface within a 6-mile radius of Austin-Straubel Airport, Green Bay, Wis. (latitude 44°29'15" N., longitude 88°07'45" W.), within 2 miles each side of the Green Bay VORTAC 326° radial, extending from the 6-mile radius area to 8 miles NW of the VORTAC, and within 2 miles each side of the Green Bay ILS localizer SW and NE courses, extending from 8 miles SW to 21 miles NE of the OM.

2. In § 71.181 (29 F.R. 17643) the Oshkosh, Wis., transition area is amended to read:

OSHKOSH, WIS.

That airspace extending upward from 700 feet above the surface within an 8-mile radius of Winnebago County Airport, Oshkosh, Wis. (latitude 43°59'20" N., longitude 88°33'15" W.), within 8 miles E and 5 miles W of the Oshkosh VOR 176° radial, extending from the 8-mile radius area to 12 miles S of the VOR; within a 5-mile radius of Fond du Lac County Airport, Fond du Lac, Wis. (latitude 43°46'14" N., longitude 88°29'29" W.), and within 5 miles S and 8 miles N of the 273° bearing from the Fond du Lac County Airport, extending from the airport to 12 miles W of the airport; and that airspace extending upward from 1200 feet above the surface bounded by a line beginning at latitude 44°32'00" N., longitude 87°43'55" W.; thence to latitude 44°32'00" N., longitude 87°27'00" W.; thence to latitude 43°30'00" N., longitude 87°27'00" W.; thence to latitude 43°30'00" N., longitude 88°30'00" W.; thence to latitude 43°40'40" N., longitude 89°38'20" W.; thence north along the east boundary of V-255 to latitude 84°19'50" N., longitude 89°29'00" W.; thence counterclockwise via the arc of a 15-mile radius circle centered on the Stevens Point, Wis., VOR to latitude 44°28'30" N., longitude 89°14'25" W.; thence to latitude 44°28'30" N., longitude 89°05'20" W.; thence to latitude 64°29'10" N., longitude 89°04'35" W.; thence to latitude 44°29'25" N., longitude 88°35'30" W.; thence to latitude 44°31'32" N., longitude 88°29'20" W.; thence clockwise along the arc of an 18-mile radius circle centered on Austin-Straubel Airport, Green Bay, Wis. (latitude 44°29'15" N., longitude 88°07'45" W.), to the east edge of V-7; thence northeast along the east edge of V-7 to intersect an arc of a 20-mile radius circle centered on Austin-Straubel Airport; thence clockwise along the 20-mile radius arc to the point of beginning.

(Sec. 307(a) of the Federal Aviation Act of 1958; 49 U.S.C. 1348)

Issued in Kansas City, Mo., on September 9, 1965.

EDWARD C. MARSH,
Director, Central Region.

[F.R. Doc. 65-9988; Filed, Sept. 20, 1965; 8:47 a.m.]

SUBCHAPTER F—AIR TRAFFIC AND GENERAL OPERATING RULES

[Reg. Docket No. 6867; Amdt. 444]

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 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	
Ledall (VHF) Int	PAE RBn	Direct	3000	T-dn#	300-1	300-1	200-½
Bainbridge Int	PAE RBn	Direct	3000	C-dn	600-2	600-2	600-2
PAE VOR	PAE RBn	Direct	3000	S-d-16	500-1	500-1	500-1
				S-n-16	500-2	500-2	500-2
				A-dn	800-2	800-2	800-2

Radar available.
Procedure turn E side of crs, 338° Outbnd, 158° Inbnd, 3000' within 10 miles of PAE RBn.
Minimum altitude over facility on final approach crs, 2000'.
Crs and distance, facility to airport, 158°—7.9 miles.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 7.9 miles after passing RBn, turn right, climbing to 3000' on crs, 300° to intercept 030° bearing to PAE RBn, thence continue climb direct to PAE RBn and hold N of PAE RBn, 1-minute left turn, holding pattern, crs, 338° Outbnd, 158° Inbnd.
CAUTION: Numerous jet aircraft activities from airport and in immediate surrounding area.
#Takeoff minimums 300-1 authorized only for Runways 16 and 34.
MSA within 25 miles of facility: 000°-090°—7400'; 090°-180°—4800'; 180°-270°—4600'; 270°-360°—5200'.

City, Everett; State, Wash.; Airport name, Paine Field; Elev., 603'; Fac. Class., HW; Ident., PAE; Procedure No. 1, Amdt. 3; Eff. date, 25 Sept. 65; Sup. Amdt. No. 2; Dated, 23 Feb. 63

Martie Int	SPW RBn	Direct	3000	T-dn*$	300-1	300-1	NA
				C-d	1000-1	1000-1	NA
				C-n$	1000-1½	1000-1½	NA
				A-dn	NA	NA	NA

Procedure turn E side of crs, 183° Outbnd, 003° Inbnd, 3000' within 10 miles.
Minimum altitude over facility on final approach crs, 2300'.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 0.0 mile of SPW RBn, make left-climbing turn to 3000', return to SPW RBn, hold S on 183° bearing from SPW RBn.
*600-1 required for eastbound traffic taking off on Runways 4 and 11, due to 1729' tower, 1.7 miles E.
$Night takeoffs and landings not authorized on Runways 17/35 and 4/22.
MSA within 25 miles of facility: 000°-360°—2900'.

City, Spencer; State, Iowa; Airport name, Spencer Municipal; Elev., 1335'; Fac. Class., MH; Ident., SPW; Procedure No. 1, Amdt. Orig.; Eff. date, 25 Sept. 65, or upon commissioning of facility

2. 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	
El Paso RBn	ELP VOR	Direct	5000	T-dn	300-1	300-1	200-½
Rio Int	ELP VOR (final)*	Direct	5500	C-dn	400-1	500-1	500-1½
Newman VOR	ELP VOR	Direct	5500	S-dn-26#	400-1	400-1	400-1
Giffen Int	ELP VOR (final)	Direct	5000	A-dn	800-2	800-2	800-3

Radar available.
Procedure turn S side of crs, 077° Outbnd, 257° Inbnd, 6500′ within 10 miles.
Minimum altitude over facility on final approach crs, 5000′.
Crs and distance, facility to airport, 257°—3.8 miles.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 3.8 miles after passing ELP VOR, turn left, climb to 5500′ on R-150 within 20 miles.
#400-¾ authorized, except for 4-engine turbojet aircraft, with operative REIL.
*Maintain 7000′ until 5 miles W of Rio Int. If Rio Int not received, maintain 8000′ until over ELP VOR.
MSA within 25 miles of facility: 000°-090°—7800′; 090°-180°—8700′; 180°-270°—7200′; 270°-360°—8200′.

City, El Paso; State, Tex.; Airport name, El Paso International; Elev., 3956′; Fac. Class., BVORTAC; Ident., ELP; Procedure No. 1, Amdt. 18; Eff. date, 25 Sept. 65; Sup. Amdt. No. 17; Dated, 27 Feb 65

North Plains VHF Int	UBG VOR	Direct	3000	T-dn	500-1	500-1	500-1
Oswego VHF Int	UBG VOR	Direct	3000	C-d	1000-1	1000-1	1000-1½
Aurora VHF Int	UBG VOR	Direct	3000	C-n	1000-2	1000-2	1000-2
Gladstone VHF Int	UBG VOR	Direct	3500	A-dn*	NA	NA	NA

Procedure turn W side of crs, 166° Outbnd, 346° Inbnd, 2700′ within 10 miles.
Final approach from holding pattern at UBG VOR not authorized, procedure turn required.
Minimum altitude over facility on final approach crs, 2400′.
Crs and distance, facility to airport, 346°—11.1 miles.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 6.0 miles after passing UBG VOR, turn right to crs, 110° to intercept UBG VOR R-014, thence direct to UBG VOR climbing to 2700′. Operations from 6.0 miles to airport must be conducted in accordance with visual flight rules.
CAUTION: VOR reception not available over the airport below 700′.
*No public weather service. Air carrier use not authorized.
MSA within 25 miles of facility: 000°-180°—3100′; 180°-270°—4500′; 270°-360°—4600′.

City, Hillsboro; State, Oreg.; Airport name, Hillsboro; Elev., 204′; Fac. Class., H-BVORTAC; Ident., UBG; Procedure No. 1, Amdt. 2; Eff. date, 25 Sept. 65; Sup. Amdt. No. 1; Dated, 29 June 64

				T-dn	300-1	300-1	200-½
				C-dn	500-1	500-1	500-1½
				S-dn-14#	400-1	400-1	400-1
				A-dn	800-2	800-2	800-2

Procedure turn S side of crs, 310° Outbnd, 130° Inbnd, 2700′ within 10 miles.
Minimum altitude over facility on final approach crs, 2300′.
Crs and distance, facility to airport, 130°—3.6 miles.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 3.6 miles after passing Mansfield VOR, make left-climbing turn to 3000′, intercept R-101 of Mansfield VOR, proceed to Reedsburg Int. Hold W, 1-minute right turns, 101° Inbnd or, when directed by ATC, make left-climbing turn to 2700′, proceed to Mansfield VOR. Hold NW Mansfield VOR, right turns, 1 minute, 130° Inbnd.
#400-¾ authorized, except for 4-engine turbojet aircraft, with operative high-intensity runway lights.
MSA within 25 miles of facility: 000°-090°—2500′; 090°-270°—2800′; 270°-360°—2300′.

City, Mansfield; State, Ohio; Airport name, Mansfield Municipal; Elev., 1297′; Fac. Class., BVORTAC; Ident., MFD; Procedure No. 1, Amdt. 4; Eff. date, 25 Sept. 65; Sup. Amdt. No. 3; Dated, 27 Mar. 65

SVM VOR	PTK VOR	Direct	2800	T-dn	300-1	300-1	200-½
FNT VOR	PTK VOR	Direct	2800	C-dn	500-1	500-1	500-1½
Russell Int	PTK VOR (final)	Direct	1900	A-dn*	800-2	800-2	800-2

Procedure turn S side final approach crs, 275° Outbnd, 095° Inbnd, 2200′ within 10 miles.
Minimum altitude over facility on final approach crs, 1900′.
Crs and distance, facility to airport, 119°—4.9 miles.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 4.9 miles after passing PTK VOR, make climbing left turn to 3000′ on heading, 360° to intercept PTK R-058 then proceed to Dennis Int or, when directed by ATC, make left turn to 2200′ and return to PTK VOR.
NOTE: Radar available.
*Alternate minimums authorized only during hours of control zone operation or for air carrier with approved weather reporting service.
MSA within 25 miles of facility: 000°-090°—2500′; 090°-180°—2800′; 180°-270°—2600′; 270°-360°—2300′.

City, Pontiac; State, Mich.; Airport name, Pontiac Municipal; Elev., 974′; Fac. Class., BVOR; Ident., PTK; Procedure No. 1, Amdt. 8; Eff. date, 25 Sept. 65; Sup. Amdt. No. 7; Dated, 16 Jan. 65

SVM VOR	Keego Int	Direct	2700	T-dn	300-1	300-1	200-½
PTK VOR	Keego Int	Direct	2700	C-dn	500-1	500-1	500-1½
Troy Int	Keego Int (final)	Direct	2400	S-dn-27	500-1	500-1	500-1
				A-dn*	800-2	800-2	800-2

Procedure turn N side of final approach crs, 115° Outbnd, 295° Inbnd, 2700′ within 10 miles of Keego Int.
Minimum altitude over Keego Int on final approach crs, 2400′.
Crs and distance, Keego Int to airport, 295°—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 Keego Int, climb to 2700′ on PTK R-115 and proceed to PTK VOR.
*Alternate minimums authorized during hours of control zone operation or for air carrier with approved weather reporting service.
MSA within 25 miles of facility: 000°-090°—2500′; 090°-180°—2800′; 180°-270°—2600′; 270°-360°—2300′.

City, Pontiac; State, Mich.; Airport name, Pontiac Municipal; Elev., 974′; Fac. Class., BVOR; Ident., PTK; Procedure No. 2, Amdt. 2; Eff. date, 25 Sept. 65; Sup. Amdt. No. 1; Dated, 19 Dec. 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	
Dungeness FM	CLM VOR (final)	Direct	1000	T-dn	300-1	300-1	200-½
				C-d*	700-2	700-2	700-2
				C-n*	700-3	700-3	700-3
				A-d**	1000-2	1000-2	1000-2
				A-n**	1000-3	1000-3	1000-3

Procedure turn N side of crs, 068° Outbnd, 248° Inbnd, 2000' within 10 miles.
Final approach from holding pattern at CLM VOR not authorized, procedure turn required.
Minimum altitude over facility on final approach crs, 1000'.
Crs and distance, facility to airport, 226°—3.4 miles.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 2.0 miles after passing CLM VOR, turn right, climb to 2000' on R-068 CLM VOR within 10 miles.
*CAUTION: 1600' terrain within 2.0 miles S of Clallam County Airport. All circling and maneuvering N of Runways 8-26.
**Alternate minimums authorized only for air carrier with approved weather service at airport.
MSA within 25 miles of facility: 000°-090°—3200'; 090°-180°—8800'; 180°-270°—9000'; 270°-360°—3000'.

City, Port Angeles; State, Wash.; Airport name, Clallam County; Elev., 290'; Fac. Class., L-BVOR; Ident., CLM; Procedure No. 1, Amdt. 1; Eff. date, 25 Sept. 65; Sup. Amdt. No. Orig.; Dated, 14 Dec. 63

3. 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	
Lofall Int	PAE VOR	Direct	1700	T-dn#	300-1	300-1	200-½
Bainbridge Int	PAE VOR	Direct	1700	C-dn	600-2	600-2	600-2
PAE RBn	PAE VOR (final)	Direct	1100	S-dn-16	500-1	500-1	500-1
				A-dn	800-2	800-2	800-2

Radar available.
Procedure turn E side crs, 334° Outbnd, 154° Inbnd, 1700' within 10 miles of PAE VOR.
Minimum altitude over facility on final approach crs, 1100'.
PAE VOR on airport. Crs and distance, breakoff point to approach end of Runway 16, 158°—1.0 miles.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 0.0 mile of PAE VOR, turn right, climb to 2000' on R-275 within 10 miles.
CAUTION: Numerous jet aircraft activities from airport and in immediate surrounding area.
#Takeoff minimums 200-½ authorized only for Runways 16 and 34.
MSA within 25 miles of facility: 000°-090°—7100'; 090°-180°—6300'; 180°-270°—4800'; 270°-360°—4000'.

City, Everett; State, Wash.; Airport name, Paine Field; Elev., 603'; Fac. Class., VOR; Ident., PAE; Procedure No. VOR-16, Amdt. 2; Eff. date, 25 Sept. 65; Sup. Amdt. No. 1; Dated, 23 Feb. 63

GRI VOR	HSI VOR	Direct	3700	T-dn	300-1	300-1	300-1
				Minimums when control zone effective:			
				C-dn	600-1	600-1	600-1½
				S-dn	600-1	600-1	600-1
				A-dn*	800-2	800-2	800-2
				Following minimums authorized when Hansen Int identified:#			
				C-dn	400-1	500-1	500-1½
				S-dn-14	400-1	400-1	400-1
				Minimums when control zone not effective:			
				C-dn	700-1	700-1	700-1½
				S-dn-14	700-1	700-1	700-1
				Following minimums authorized when Hansen Int identified:#			
				C-dn	500-1	600-1	600-1½
				S-dn-14	500-1	500-1	500-1

Procedure turn W side of crs, 328° Outbnd, 148° Inbnd, 3700' within 15 miles.
Minimum altitude over facility on final approach crs, 2400'.
Crs and distance, Hansen Int to airport, 148°—5.0 miles; Hansen Int to VOR, 148°—5.2 miles; breakoff point to Runway 14, 141°—0.6 mile.
If visual contact not established upon descent to authorized landing minimums of if landing not accomplished within 0.0 mile after passing HSI VOR, climb to 3700' on R-148 within 15 miles, make right turn and return to HSI VOR.
NOTES: (1) Altimeter setting from GRI FSS during hours control zone not effective. (2) When instrument flight planned to N, NW, or NE, maintain runway heading, 140-320 (as appropriate) until reaching 3700' before departing on crs. (3) Lights operating on Runways 14-32 only.
CAUTION: 2707' tower, 2.8 miles NNE of airport.
*These minimums apply during hours control zone effective except for those air carriers with approved weather reporting service.
#Operating VOR and ADF receivers required to identify Hansen Int.
MSA within 25 miles of facility: 315°-225°—3700'; 225°-315°—4200'.

City, Hastings; State, Nebr.; Airport name, Hastings Municipal; Elev., 1954'; Fac. Class., T-BVOR; Ident., HSI; Procedure No. TerVOR-14, Amdt. 3; Eff. date, 25 Sept. 65; Sup. Amdt. No. 2; Dated, 28 Aug. 65

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	
GRI VOR	HSI VOR	Direct	3700	T-dn	300-1	300-1	300-1
				C-dn	700-1	700-1	700-1½
				S-dn-32	700-1	700-1	700-1
				A-dn*	800-2	800-2	800-2

Procedure turn E side of crs, 135° Outbnd, 315° Inbnd, 3700' within 10 miles.
Minimum altitude over facility on final approach crs, 2700'.
Facility on airport, breakoff point to Runway 32, 321°—1.0 mile.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 6.0 mile after passing HSI VOR, climb to 3700' on R-328 within 15 miles, make left turn and return to HSI VOR.
NOTES: (1) Altimeter setting from GRI FSS during hours control zone not effective. (2) When instrument flight planned to N, NW, or NE, maintain runway heading, 140-320 (as appropriate) until reaching 3700' before departing crs. (3) Lights operating on Runways 14-32 only.
CAUTION: 2707' tower, 2.8 miles NNE of airport.
*These minimums apply during hours control zone effective except for those air carriers with approved weather reporting service.
MSA within 25 miles of facility: 315°-225°—3700'; 225°-315°—4200'.

City, Hastings; State, Nebr.; Airport name, Hastings Municipal; Elev., 1954'; Fac. Class., T-BVOR; Ident., HSI; Procedure No. TerVOR-32, Amdt. 2; Eff. date, 25 Sept. 65; Sup. Amdt. No. 1; Dated, 28 Aug. 65

4. 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.

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	
15-mile Fix R-259	8-mile Fix R-259	Direct	8800	T-dn	300-1	300-1	300-1½
8-mile Fix R-259	ELP VOR	Direct	8200	C-dn	400-1	400-1	400-1½
10-mile Fix R-081	7-mile Fix R-081 (Giffen Int)	Direct	5600	S-dn-26R	400-1	400-1	400-1
7-mile Fix R-081	ELP VOR (final)	Direct	5000	A-dn	800-2	800-2	800-2
7-mile Fix R-077	ELP VOR (final)	Direct	5000				

When authorized by ATC, DME may be used within 10 miles between radials, 325° clockwise to 200° at 5500' to position aircraft for final approach with the elimination of a procedure turn.
Radar Available.
Procedure turn S side of crs, 077° Outbnd, 257° Inbnd, 6500' within 10 miles.
Minimum altitude over facility on final approach crs, 5000'.
Crs and distance, facility to airport, 257°—3.8 miles.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished at 3.8-mile DME Fix on R-257, turn left to heading of 125°, climbing to 5500' on ELP VOR R-150 within 20 miles.
RVR-¾ authorized, except for 4-engine turbojet aircraft, with operative REIL.
MSA within 25 miles of facility: 000°-090°—7800'; 090°-180°—5700'; 180°-270°—7200'; 270°-360°—8200'.

City, El Paso; State, Tex.; Airport name, El Paso International; Elev., 3956'; Fac. Class., BVORTAC; Ident., ELP; Procedure No. VOR-DME No. 1, Amdt. 10; Eff. date, 25 Sept. 65; Dated, 9 Feb. 63

North Plains Int/11-mile DME Fix R-334	UBG VOR	Direct	3000	T-dn	500-1	500-1	500-1
Oswego Int/11-mile DME Fix R-048	UBG VOR	Direct	3000	C-d	1000-1	1000-1	1000-1½
Aurora Int/10-mile DME Fix R-111	UBG VOR	Direct	3000	C-n	1000-2	1000-2	1000-2
10-mile DME Fix R-183	5-mile DME Fix R-183	Direct	2700	A-dn*	NA	NA	NA
5-mile DME Fix R-183	UBG VOR (final)	Direct	2400				
Gladstone Int/17-mile DME Fix R-085	UBG VOR	Direct	3500				

Procedure turn W side of crs, 166° Outbnd, 346° Inbnd, 2700' within 10 miles.
Final approach from holding pattern at UBG VOR not authorized, procedure turn required.
Minimum altitude over facility on final approach crs, 2400'.
Crs and distance, facility to airport 346°—11.1 miles.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 6.0 miles after passing UBG VOR, or at the 6.0-mile DME Fix R-346, turn right to crs 110° to intercept UBG VOR R-014 thence direct to UBG VOR climbing to 2700'. Operations from 6.0 miles to airport must be conducted in accordance with visual flight rules.
CAUTION: VOR reception not available over airport below 700'.
*No public weather service. Air carrier use not authorized.
MSA within 25 miles of facility: 000°-180°—3100'; 180°-270°—4500'; 270°-360°—4600'.

City, Hillsboro; State, Oreg.; Airport name, Hillsboro; Elev., 204'; Fac. Class., H-BVORTAC; Ident., UBG; Procedure No. VOR-DME No. 1, Amdt. 1; Eff. date, 25 Sept. 65; Sup. Amdt. No. Orig. Dated, 25 Apr. 64

PROCEDURE CANCELED EFFECTIVE 25 SEPT. 1965.

City, Janesville; State, Wis.; Airport name, Rock County; Elev., 808'; Fac. Class., BVORTAC; Ident., JVL; Procedure No. VOR-DME No. 1, Amdt. Orig.; Eff. date, 27 May 65

VOR/DME 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	
MFD VOR	9-mile DME Fix R-133	Direct	2500	T-dn	300-1	300-1	200-½
				C-dn	500-1	500-1	500-1½
				S-dn-32#	400-1	400-1	400-1
				A-dn	800-2	800-2	800-2

Procedure turn N side of crs, 133° Outbnd, 313° Inbnd, 2500′ within 10 miles of 9-mile DME Fix R-133.
Minimum altitude over 9-mile DME Fix R-133 on final approach crs, 2500′.
Crs and distance, 9-mile DME Fix R-133 to airport, 313°—4.0 miles.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished at 5.0-mile DME Fix R-133, climb to 2700′, proceed direct to Mansfield VOR. Hold NW Mansfield VOR, right turns, 1 minute, 130° Inbnd or, when directed by ATC, climb on 313° crs to 2500′, turn right and return to 9-mile DME Fix R-133, hold SE, right turns, 1 minute, 313° Inbnd.
NOTE: When authorized by ATC, DME may be used between R-036 clockwise to R-183 at 3000′ between 12 and 15 miles to position aircraft for final approach to the 9-mile DME Fix with elimination of procedure turn.
#400-¾ authorized, except for turbojet aircraft, with operative high-intensity runway lights. 400-½ authorized, except for turbojet aircraft, with operative ALS.
MSA within 25 miles of facility: 000°-090°—2500′; 090°-270°—2800′; 270°-360°—2300′.

City, Mansfield; State, Ohio; Airport name, Mansfield Muncipal; Elev., 1297′; Fac. Class., BVORTAC; Ident., MFD; Procedure No. VOR-DME No. 1, Amdt. 2; Eff. date, 25 Sept 65; Sup. Amdt. No. 1; Dated, 21 Nov. 64

5. 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	
Radar terminal area maneuvering altitudes and azimuth measured clockwise around radar antenna site:							
335°	205°	Within:		Surveillance approach			
315°	205°	0-5 miles	5000	T-dn	300-1	300-1	200-½
335°	205°	5-15 miles	5500	C-dn	400-1	500-1	500-1½
		15-20 miles	7000	S-dn-22#	400-1	400-1	400-1
				S-dn-26*	400-1	400-1	400-1
				A-dn	800-2	800-2	800-2

Radar control must provide 1000′ vertical clearance within a 3-mile radius of 4148′ stacks, 5.0 miles S; radio towers, 4267′—3-5 miles NW; hill, 5067′—13 miles NE; hill, 4651′—9.5 miles E; and hill, 6717′—22 miles NE.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished, turn left to 090°, climb to 6000′ on ELP VOR R-120 within 20 miles.
*400-¼ authorized, except for 4-engine turbojet aircraft, with operative REIL.
#400-¾ authorized, except for 4-engine turbojet aircraft, with operative high-intensity runway lights. 400-½ authorized, except for 4-engine turbojet aircraft, with operative ALS.

City, El Paso; State, Tex.; Airport name, El Paso International; Elev., 3956′; Fac. Class., and Ident., El Paso Radar; Procedure No. 1, Amdt. 5; Eff. date, 25 Sept 65; Sup. Amdt. No. 4; Dated, 24 July 65

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., on August 19, 1965.

HARRY A. TURNPAUGH,
Acting Director, Flight Standards Service.

[F.R. Doc. 65-9040; Filed, Sept. 20, 1965; 8:45 a.m.]

Title 12—BANKS AND BANKING

Chapter III—Federal Deposit Insurance Corporation

PART 329—PAYMENT OF DEPOSITS AND INTEREST THEREON BY INSURED NONMEMBER BANKS

Foreign Time Deposits

1. Section 329.3(a) of the rules and regulations of the Federal Deposit Insurance Corporation (12 CFR 329.3(a)) is hereby amended to reads as follows:

§ 329.3 Maximum rate of interest on time and savings deposits.

(a) *Maximum rate prescribed from time to time.*—Except in accordance with the provisions of this part, no insured nonmember bank shall pay interest on any time deposit or savings deposit in any manner, directly or indirectly, or by any method, practice, or device whatsoever. No insured nonmember bank shall pay interest on any time deposit or savings deposit at a rate in excess of such applicable maximum rate as the Board of Directors of the Federal Deposit Insurance Corporation shall prescribe from time to time; and any rate or rates which may be so prescribed by the Board will be set forth in supplements to this part (see § 329.6), which will be issued in advance of the date upon which such rate or rates become effective. During the period commencing October 15, 1962, and ending on October 15, 1968, the provisions of this paragraph shall not apply to the rate of interest which may be paid by insured nonmember banks on time deposits of foreign governments, monetary and financial authorities of foreign governments when acting as such, or international financial institutions of which the United States is a member.

* * * * *

2a. The purpose of this amendment is to amend the last sentence of § 329.3 (a) so that it will conform with Public Law 89–79 (79 Stat. 244), approved July 21, 1965. That law extended for a period of three years the exemption of deposits of foreign governments and certain foreign institutions from regulation by the Board of Directors of the Federal Deposit Insurance Corporation as to the rate of interest that insured nonmember banks may pay on time deposits.

b. The notice and public procedure described in sections 4(a) and 4(b) of the Administrative Procedure Act, and the prior publication described in section 4(c) of such act, are not followed in connection with this amendment for the reasons and good cause found, as stated in § 302.6 of the Federal Deposit Insurance Corporation's procedure and rules of practice, and especially because such notice, procedure, and prior publication are unnecessary as they would serve no useful purpose.

(Sec. 9, 64 Stat. 881; 12 U.S.C. 1819; Interprets or applies sec. 18, 64 Stat. 891; 12 U.S.C. 1828)

FEDERAL DEPOSIT INSURANCE CORPORATION,
[SEAL] E. F. DOWNEY,
Secretary.

[F.R. Doc. 65–10023; Filed, Sept. 20, 1965; 8:51 a.m.]

Title 16—COMMERCIAL PRACTICES

Chapter I—Federal Trade Commission

[Docket No. C–907]

PART 13—PROHIBITED TRADE PRACTICES

American Service and Supply Co., Inc., and Edward A. Kurker

Subpart—Advertising falsely or misleadingly: § 13.15 *Business status, advantages, or connections:* 13.15–270 Size or extent; § 13.70 *Fictitious or misleading guarantees;* § 13.155 *Prices:* 13.155–15 Comparative; 13.155–80 Retail as cost, wholesale, discounted, etc., § 13.175 *Quality of product or service.* Subpart—Misrepresenting oneself and goods—Business status, advantages, or connections: § 13.1555 *Size or weight.* Misrepresenting oneself and goods—Goods: § 13.1635 *Government inspection;* § 13.1647 *Guarantees;* § 13.1715 *Quality.* Misrepresenting oneself and goods—Prices: § 13.1785 *Comparative;* § 13.1820 *Retail as cost, etc., or discounted.*

(Sec. 6, 38 Stat. 721; 15 U.S.C. 46. Interpret or apply sec. 5, 38 Stat. 719, as amended; 15 U.S.C. 45) [Cease and desist order, American Service and Supply Co., Inc., et al., North Attleboro, Mass., Docket C–907, June 10, 1965]

Consent order requiring a concern located in North Attleboro, Mass., to cease representing falsely in advertisements that purchasers of their freezer-food plan would receive their food requirements and a freezer for the same or less money than they had been paying for food alone; to cease misrepresenting the size of their business, the guarantee of freezers, and the publications in which the freezer-food plan was advertised; to cease advertising falsely through U.S. mails the grade or quality of the food sold to purchasers.

The order to cease and desist, including further order requiring report of compliance therewith, is as follows:

PART I

It is ordered, That respondents American Service and Supply Co., Inc., a corporation, and its officers, and Edward A. Kurker, individually and as an officer of the said corporation, and respondents' agents, representatives, and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of freezers, food or freezer food plans, or other merchandise in conjunction with freezers, food or freezer food plans, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

A. Representing, directly or by implication:

1. That purchasers of respondents' freezer food plan can acquire their food requirements and a freezer for an amount equal to or less than what said customer has been paying for food alone;

2. That under respondents' freezer food plans, customers can feed their families for any specified amount unless respondents are able to establish the truth of any such representation;

3. That respondents' customers receive food at wholesale prices;

4. That respondents' customers can purchase any merchandise at specified prices, when such prices are based on purchases in specified quantities and under specified conditions, unless respondents clearly and conspicuously disclose in immediate conjunction with such representations the requirements of quantity purchase and other conditions;

5. a. That respondents have offices in thirteen cities;

b. That respondents have over 20,000 satisfied customers;

6. That any of respondents' meats are inspected by the U.S. Department of Agriculture or are graded either "USDA prime" or "USDA choice", unless respondents are able to establish the truth of such representations;

7. That respondents have advertised their freezer food plan in Life Magazine;

8. That respondents' freezers or other products or merchandise are guaranteed unless the nature and extent of the guarantee, the identity of the guarantor and the manner in which the guarantor will perform thereunder are clearly and conspicuously disclosed.

B. Misrepresenting in any manner the prices of food, freezer food plans or merchandise; the savings that will be realized by purchasers of food or freezer food plans; the grade or quality of the food sold to purchasers; the size or extent of respondents' business; or the publications or manner in which respondents' freezer food plan has been advertised.

PART II

It is further ordered, That respondents American Service and Supply Co., Inc., a corporation, and its officers, and Edward A. Kurker, individually and as an officer of the said corporation, and respondents' agents, representatives, and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of food or any purchasing plan

involving food, do forthwith cease and desist from:

1. Disseminating, or causing to be disseminated any advertisement by means of the U.S. mails or by any means in commerce, as "commerce" is defined in the Federal Trade Commission Act, which advertisement contains any of the representations or misrepresentations prohibited in paragraphs A and B of Part I of this order;

2. Disseminating, or causing to be disseminated any advertisement by any means, for the purpose of inducing, or which is likely to induce, directly or indirectly the purchase of any food, or other purchasing plan involving food, in commerce, as "commerce" is defined in the Federal Trade Commission Act, which advertisement contains any of the representations or misrepresentations prohibited in paragraphs A and B of Part I of this order.

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: June 10, 1965.

By the Commission.

[SEAL] JOSEPH W. SHEA, *Secretary.*

[F.R. Doc. 65-9973; Filed, Sept. 20, 1965; 8:45 a.m.]

[Docket No. C-908]

PART 13—PROHIBITED TRADE PRACTICES

Marjorie P. Ingram et al.

Subpart—Misrepresenting oneself and goods—Business status, advantages or connections: § 13.1390 *Concealed subsidiary, fictitious collection agency, etc.*; § 13.1475 *Location*; § 13.1490 *Nature*; § 13.1555 *Size, extent or equipment.* Subpart—Using misleading name—Vendor: § 13.2365 *Concealed subsidiary, fictitious collection agency, etc.*

(Sec. 6, 38 Stat. 721; 15 U.S.C. 46. Interpret or apply sec. 5, 38 Stat. 719, as amended; 15 U.S.C. 45) [Cease and desist order, Marjorie P. Ingram doing business as Retail Credit Bureau of America (formerly trading as American Credit Institute, etc.) et al., Dallas, Tex., Docket C-908, June 14, 1965]

In the Matter of Marjorie P. Ingram, an Individual Trading and Doing Business as Retail Credit Bureau of America and Formerly Trading and Doing Business as American Credit Institute, Van Cleef & Bryant Associates, Retail Credit Association, and American Credit Association, and James B. Ingram, Jr., an Individual.

Consent order requiring a Dallas, Tex., concern engaged in the business of collecting delinquent accounts—solicit and receive accounts for collection from business and professional people—conducting their collection business through the use of various form letters, mailed directly to debtors, designed to obtain information concerning delinquent debtors for the purpose of collecting past due accounts; to cease using the trade names "Retail Credit Bureau of America", "Retail Credit Association", "American Credit Institute" or "American Credit Association", or any other trade name to misrepresent the nature of their business; to cease misrepresenting the purpose for which the information was requested; and to cease falsely representing their business as a nationwide credit bureau, located in Washington, D.C., with personnel engaged in auditing and investigating matters affecting credit rating of alleged debtors.

The order to cease and desist, including further order requiring report of compliance therewith, is as follows:

It is ordered, That respondent Marjorie P. Ingram, an individual, trading and doing business as Retail Credit Bureau of America, and formerly trading and doing business as American Credit Institute, Van Cleef & Bryant Associates, Retail Credit Association, and American Credit Association, or under any other name or names, and respondent James B. Ingram, Jr., an individual, and said respondents' representatives, agents, and employees, directly or through any corporate or other device, in connection with the solicitation of accounts for collection, or the collection of, or attempts to collect accounts, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing, directly or by implication, that any information requested directly from alleged debtors themselves is to be used for credit rating purposes, unless said information is to be used solely for credit rating purposes, or for any purpose other than that for which the information is actually desired.

2. Using the trade names "Retail Credit Bureau of America", "Retail Credit Association", "American Credit Institute" or "American Credit Association", or any other trade or corporate name of similar import or meaning to designate, describe or refer to respondents' business or otherwise representing, directly or by implication, that respondents' business is an association, institute or is that of a credit bureau or credit rating or credit reporting agency.

3. Representing, directly or by implication, that respondents are engaged in the business of auditing the accounts and records of others.

4. Representing, directly or by implication, that respondents operate an investigative agency or maintain an investigational staff, or have agents for investigating the assets, and other matters affecting the credit rating, employment status or sources of income of alleged delinquent debtors.

5. Representing, directly or by implication, that respondents' business is nationwide in scope.

6. Representing, directly or by implication, that respondents maintain business or credit information offices in Washington, D.C., or in any other city of the United States unless respondents do in fact maintain a bona fide office in such city.

7. Representing, through the use of any trade or corporate name, or in any manner, directly or by implication, that respondents' business is other than that of a collection agency engaged in collection of allegedly past due accounts.

Provided, That respondents may continue to use the trade name "Retail Credit Bureau of America" for a period of not more than 6 months, from the date of service of this order: *And provided, further,* That the use of the trade name "Retail Services Co." or the corporate name "Retail Services Co., Inc." shall not in and of themselves be construed to be prohibited by paragraphs 2 and 7 of this order.

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: June 14, 1965.

By the Commission.

[SEAL] JOSEPH W. SHEA, *Secretary.*

[F.R. Doc. 65-9974; Filed, Sept. 20, 1965; 8:45 a.m.]

[Docket No. C-909]

PART 13—PROHIBITED TRADE PRACTICES

Herzbergs, Inc., et al.

Subpart—Advertising falsely or misleadingly: § 13.30 *Composition:* 13.30–30 Fur Products Labeling Act; 13.30–75 Textile Fiber Products Identification Act. Subpart—Concealing, obliterating, or removing law required and informative marking: § 13.512 *Fur products tags, labels, or identification;* §13.523 *Textile fiber products tags, labels, or identification;* § 13.525 *Wool products tags, labels, or identification.* Subpart—Invoicing products falsely: § 131108 *Invoicing products falsely:* § 13.1108–45 Fur Products Labeling Act. Subpart—Misbranding or mislabeling: § 13.1185 *Composition:* 13.1185–30 Fur Products Labeling Act; 13.1185–80 Textile Fiber Products Identification Act; 13.1185–90 Wool Products Labeling Act; § 13.1212 *Formal regulatory and statutory requirements:* 13.1212–30 Fur Products Labeling Act; 13.1212–80 Textile Fiber Products Identification Act; 13.1212–90 Wool Products Labeling Act. Subpart—Neglecting, unfairly or deceptively, to make material disclosure: § 13.1845 *Composition:* 13.1845–30 Fur Products Labeling Act; § 13.1852 *Formal regulatory and statutory requirements:* § 13.1852–35 Fur Products Labeling Act; 13.1852–70 Textile Fiber Products Identification Act; 13.1852–80 Wool Products Labeling Act. Subpart—Using misleading name—Goods: § 13.2280 *Composition:* 13.228–70 Textile Fiber Products Identification Act.

(Sec. 6, 38 Stat. 721; 15 U.S.C. 46. Interpret or apply sec. 5, 38 Stat. 719, as amended; sec. 8, 65 Stat. 179; 72 Stat. 1717; 15 U.S.C. 45, secs. 2–5, 54 Stat. 1128–1130; 15 U.S.C. 45, 68, 69f, 70) [Cease and desist order, Herz-

bergs, Inc., et al., Omaha, Nebr., Docket C-909, June 18, 1965]

In the Matter of Herzbergs, Inc., a corporation, and David Goldman, and Richard Goldman, individually and as officers of said corporation

Consent order requiring Omaha, Nebr., retailers to cease and desist from: Misbranding, removing, and mutilating required labels on fur, wool, and textile fiber products; falsely advertising textile and fur products in the World Herald, a newspaper published in Omaha; deceptively invoicing fur products; failing to keep adequate records in substituting labels of textile fiber and fur products and failing to comply with other requirements of the respective acts as outlined below.

The order to cease and desist, including further order requiring report of compliance therewith, is as follows:

It is ordered, That respondents Herzbergs, Inc., a corporation, and its officers, and David Goldman and Richard Goldman, 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 sale, advertising, or offering for sale in commerce; or the transportation or distribution in commerce, of any fur product; or in connection with the sale, advertising, offering for sale, transportation or distribution, of any fur product which is made in whole or in part of fur which has been shipped and received in commerce, as the terms "commerce", "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

A. Misbranding fur products by:

1. Failing to affix labels to fur products showing in words and figures plainly legible all of the information required to be disclosed by each of the subsections of section 4(2) of the Fur Products Labeling Act.

2. Setting forth information required under section 4(2) of the Fur Products Labeling Act and the rules and regulations promulgated thereunder in abbreviated form on labels affixed to fur products.

3. Failing to set forth the term "Persian Lamb" on labels in the manner required where an election is made to use that term instead of the word "Lamb".

4. Failing to set forth the term "Dyed Mouton Lamb" on labels in the manner required where an election is made to use that term instead of the term "Dyed Lamb".

5. Failing to set forth the term "natural" as part of the information required to be disclosed on labels under the Fur Products Labeling Act and the rules and regulations promulgated thereunder to describe fur products which are not pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.

6. Affixing to fur products labels that do not comply with the minimum size requirements of 1¾ inches by 2¾ inches.

7. Setting forth information required under section 4(2) of the Fur Products Labeling Act and the rules and regulations promulgated thereunder in handwriting on labels affixed to fur products.

8. Failing to set forth information required under section 4(2) of the Fur Products Labeling Act and the rules and regulations promulgated thereunder on labels in the sequence required by Rule 30 of the aforesaid rules and regulations.

9. Failing to set forth separately on labels attached to fur products composed of two or more sections containing different animal fur the information required under section 4(2) of the Fur Products Labeling Act and the rules and regulations promulgated thereunder with respect to the fur comprising each section.

10. Failing to set forth on labels the item number or mark assigned to a fur product.

B. Falsely or deceptively invoicing fur products by:

1. Failing to furnish invoices as the term "invoice" is defined in the Fur Products Labeling Act showing in words and figures plainly legible all the information required to be disclosed by each of the subsections of section 5(b)(1) of the Fur Products Labeling Act.

2. Setting forth information required under section 5(b)(1) of the Fur Products Labeling Act and the rules and regulations promulgated thereunder in abbreviated form.

3. Failing to set forth the term "Persian Lamb" in the manner required where an election is made to use that term instead of the word "Lamb".

4. Failing to set forth the term "natural" as part of the information required to be disclosed on invoices under the Fur Products Labeling Act and rules and regulations promulgated thereunder to describe fur products which are not pointed, bleached, dyed, tip-dyed or otherwise artificially colored.

5. Failing to set forth on invoices the item number or mark assigned to fur products.

C. Falsely or deceptively advertising fur products through the use of any advertisement, representation, public announcement or notice which is intended to aid, promote or assist, directly or indirectly, in the sale, or offering for sale of any fur product and which:

1. Fails to set forth in words and figures plainly legible all the information required to be disclosed by each of the subsections of section 5(a) of the Fur Products Labeling Act.

2. Falsely or deceptively identifies any such fur product as to the name or designation of the animal or animals that produced the fur contained in the fur product.

3. Fails to set forth the term "natural" as part of the information required to be disclosed in advertisements under the Fur Products Labeling Act and the rules and regulations promulgated thereunder to describe fur products which are not pointed, bleached, dyed, tip-dyed, or otherwise artificially colored .

It is further ordered, That Herzbergs, Inc., a corporation, and its officers, and David Goldman and Richard Goldman, individually and as officers of the said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from removing and mutilating, or causing or participating in the removal and mutilation or, prior to the time any fur product subject to the provisions of the Fur Products Labeling Act is sold and delivered to the ultimate consumer, any label required by said Act to be affixed to such fur product.

It is further ordered, That Herzbergs, Inc., a corporation, and its officers, and David Goldman and Richard Goldman, individually and as officers of the said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction, sale, advertising, or offering for sale, in commerce, or the processing for commerce, of fur products; or in connection with the selling, advertising, offering for sale or processing of fur products which have been shipped and received in commerce, do forthwith cease and desist from:

A. Misbranding fur products by substituting for the labels affixed to such fur products pursuant to section 4 of the Fur Products Labeling Act labels which do not conform to the requirements of the aforesaid act and the rules and regulations promulgated thereunder.

B. Failing to keep and preserve the records required by the Fur Products Labeling Act and the rules and regulations promulgated thereunder in substituting labels, as permitted by section 3(e) of the said act.

It is further ordered, That respondents Herzbergs, Inc., a corporation, and its officers, and David Goldman and Richard Goldman, individually and as officers of the said corporation, and respondents' 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:

A. Misbranding textile fiber products by:

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 textile fiber products showing in a clear, legible,

and conspicuous manner each element of information required to be disclosed by section 4(b) of the Textile Fiber Products Identification Act.

3. Setting forth on labels information required under section 4(b) of the Textile Fiber Products Identification Act and the rules and regulations promulgated thereunder in a foreign language instead of the English language.

4. Setting forth information required under section 4(b) of the Textile Fiber Products Identification Act and the rules and regulations promulgated thereunder in handwriting on labels affixed to textile fiber products.

5. Failing to set forth information required under section 4(b) of the Textile Fiber Products Identification Act and the rules and regulations promulgated thereunder conspicuously and in a manner clearly legible and readily accessible to the prospective purchasers.

6. Using a fiber trademark on labels affixed to such textile fiber products without the generic name of the fiber appearing on such label.

7. Using a generic name or fiber trademark on any label whether required or nonrequired, without making a full and complete fiber content disclosure in accordance with the Textile Fiber Products Identification Act and the rules and regulations promulgated thereunder the first time such generic name or fiber trademark appears on the label.

8. Failing to affix labels to sample textile fiber products used to promote or effect sales of textile fiber products showing in a clear, legible and conspicuous manner each element of information required to be disclosed by section 4(b) of the Textile Fiber Products Identification Act.

B. Falsely and deceptively advertising textile fiber products by:

1. Making any representations, by disclosure or by implication, as to the fiber content of any textile fiber product in any written advertisement which is used to aid, promote or assist, directly or indirectly, in the sale or offering for sale of such textile fiber product, unless the same information required to be shown on the stamp, tag, label, or other means of identification under section 4(b) (1) and (2) of the Textile Fiber Products Identification Act is contained in the said advertisement, except that the percentages of the fibers present in the textile fiber product need not be stated.

2. Using a fiber trademark in advertisements without a full disclosure of the required content information in at least one instance in the said advertisement.

3. Using a fiber trademark in advertising textile fiber products containing more than one fiber without such fiber trademark appearing in the required fiber content information in immediate proximity and conjunction with the generic name of the fiber in plainly legible type or lettering of equal size and conspicuousness.

It is further ordered, That respondents Herzbergs, Inc., a corporation, and its officers, and David Goldman and Richard Goldman, individually and as officers of the said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from removing and mutilating, or causing or participating in the removal and mutilation of, the stamp, tag, label, or other identification required by the Textile Fiber Products Identification Act to be affixed to any textile fiber product, after such textile fiber product has been shipped in commerce and prior to the time such textile fiber product is sold and delivered to the ultimate consumer.

It is further ordered, That respondents Herzbergs, Inc., a corporation, and its officers, and David Goldman and Richard Goldman, 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 offering for sale, sale, transportation, distribution, or delivery for shipment in commerce, of any wool product, as "commerce" and "wool product" are defined in the Wool Products Labeling Act of 1939, do forthwith cease and desist from misbranding such wool products by failing to securely affix to, or place on each wool product a stamp, tag, label or 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 respondents Herzbergs, Inc., a corporation, and its officers, and David Goldman and Richard Goldman, 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 mutilating and removing or participating in the mutilation and removal of any stamp, tag, label, or other means of identification affixed to any wool product subject to the provisions of the Wool Products Labeling Act of 1939 with intent to violate the provisions of said 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: June 18, 1965.

By the Commission.

[SEAL] JOSEPH W. SHEA, *Secretary.*

[F.R. Doc. 65-9975; Filed, Sept. 20, 1965; 8:45 a.m.]

[Docket No. C-910]

PART 13—PROHIBITED TRADE PRACTICES

Luxor Carpets, Inc., and Henry Hillman

Subpart—Misrepresenting oneself and goods—Goods: § 13.1615 *Earnings and profits.* Misrepresenting oneself and goods—Prices: § 13.1817 *Reductions for prospect referrals.* Misrepresenting oneself and goods—Promotional sales plans: § 13.1830 *Promotional sales plans.* Subpart—Offering unfair, improper, and deceptive inducements to purchase or deal: § 13.1928 *Customer connection or action.*

(Sec. 6, 38 Stat. 721; 15 U.S.C. 46. Interpret or apply sec. 5, 38 Stat. 719, as amended; 15 U.S.C. 45) [Cease and desist order, Luxor Carpets, Inc., et al., Washington, D.C., Docket C-910, June 25, 1965]

Consent order requiring a Washington, D.C., concern engaged in selling and distributing carpeting exclusively through a referral selling plan to cease representing falsely that customers participating in their referral plan would receive enough referral commissions to obtain their carpeting at little or no cost, that respondents would be successful in selling carpeting to 50 percent of the persons referred to them by participants in the program, and to cease inducing participants to falsely represent to others that they had received carpeting at little or no cost in order to develop leads to prospective purchasers.

The order to cease and desist, including further order requiring report of compliance therewith, is as follows:

It is ordered, That respondents Luxor Carpets, Inc., a corporation, and its officers and Henry Hillman, individually and as an officer of said corporation, and respondents' agents, representatives, and employees, directly or through any corporate or other device, in connection with the offering for sale, sale, and distribution of carpeting or other products, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing, directly or by implication, that respondents' customers are able to obtain respondents' products at little or no cost unless respondents clearly disclose in immediate conjunction therewith (1) the total number of respondents' customers (2) the number of such customers who have received their carpets at no cost and (3) the average amount of the earnings or compensation received by respondents' customers.

2. Representing, directly or by implication, that a person participating in respondents' program will receive earnings or compensation in any amount unless respondents are able to establish that participants in said program have regularly and consistently received earnings or compensation in such amounts in the regular course of respondents' business.

3. Representing, directly or by implication, that respondents have in the past, or will in the future, sell their products to persons referred to them, in any percentage or number however expressed, unless respondents are able

to establish that they regularly and consistently sold such products in such percentage or number in the regular course of their business.

4. Inducing, or seeking to induce, persons to misrepresent to others that they have received respondents' products at little or no cost to themselves, or otherwise inducing or seeking to induce, persons to misrepresent respondents' products or their sales plan to others.

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: June 25, 1965.

By the Commission.

[SEAL] JOSEPH W. SHEA, *Secretary.*

[F.R. Doc. 65-9976; Filed, Sept. 20, 1965; 8:45 a.m.]

Title 46—SHIPPING

Chapter II—Maritime Administration, Department of Commerce

SUBCHAPTER C—REGULATIONS AFFECTING SUBSIDIZED VESSELS AND OPERATORS

[General Order 96, Rev.]

PART 255—PAYMENTS FROM CAPITAL RESERVE FUND

Effective upon date of publication hereof in the FEDERAL REGISTER, Part 255 is hereby revised by changing the heading to read as set forth above and by changing the existing text to read as follows:

Sec.
255.1 Purpose.
255.2 Definitions.
255.3 Application.
255.4 Feasibility of purchase or reconstruction and fund availability.
255.5 Subsidy.
255.6 Deposits in the capital reserve fund on account of cargo containers purchased or reconstructed therefrom.
255.7 Accounting treatment.
255.8 Accountability.
255.9 Exceptional proposals.

AUTHORITY: The provisions of this Part 255 issued under sec. 204, 49 Stat. 1987, as amended; 46 U.S.C. 1114; sec. 607(b), 46 U.S.C. 1177; Public Law 87-271, 75 Stat. 570.

PURPOSE OR RECONSTRUCTION OF CARGO CONTAINERS

§ 255.1 Purpose.

The purpose of this part is to establish the policy and procedure to be followed by the Maritime Administration and by the subsidized operators:

(a) For the payments from the Capital Reserve Fund relative to the purchase price of cargo containers delivered after June 30, 1959;

(b) For the payments from the Capital Reserve Fund relative to the reconstruction costs of containers meeting the standard nominal sizes, or the exception thereto, prescribed in § 255.2(a); and

(c) For other purposes, pursuant to the Merchant Marine Act, 1936, as amended.

§ 255.2 Definitions.

(a) A cargo container is defined as a new container (with or without temperature or humidity control units) of rectangular configuration for shipping a number of smaller packages or bulk material, that confines and protects the contents from loss or damage and can be handled in transit as a unit, has an estimated useful life of 5 years or more, is of domestic manufacture, and is one of the following standard nominal sizes:

Length (feet)	Width (feet)	Height (feet)
40	8	8
30	8	8
20	8	8
10	8	8

Variations in height only will be considered on their merits and any such proposed size must be an even divisor of the basic eight (8) foot height indicated immediately above. The prior approval of the Maritime Administration is required for all such variations. For purchases made prior to April 28, 1961, a cargo container is defined as above except that in lieu of the dimensions above it shall have a gross external cube of 640 cubic feet or more.

(b) Applications to purchase other than new containers which meet all other requirements of this part, will be given consideration on their merits and in the light of all relevant circumstances in each case.

§ 255.3 Application.

(a) Application for permission to purchase or reconstruct cargo containers with monies from the Capital Reserve Fund, or from general funds if reimbursement from the Capital Reserve Fund is to be requested at a later date, shall be filed with the Maritime Administration not less than 60 days prior to the date the operator contemplates committing itself for the purchase or reconstruction of same unless specifically waived in individual cases by the Maritime Administration. The application, with respect to such cargo containers, shall state the size, type, quantity, construction material, vessel or vessels on which they are or can be used, estimated useful life, estimated cost, method of financing, and whether of domestic manufacture. Competitive bidding will be required in all cases of purchases or reconstruction unless specifically waived by the Maritime Administration. Copies of all bids received, the name of the seller or reconstruction contractor and any relationship existing between the operator and the seller or reconstruction contractor will be filed as a part of each application, either at the outset or as soon as available.

(b) Approval of any application pursuant to paragraph (a) of this section will include, unless otherwise stated in the approval, authority for the payment of principal of any indebtedness when due under the method of financing so approved.

§ 255.4 Feasibility of purchase or reconstruction and fund availability.

The Maritime Administration will authorize use of the Capital Reserve Fund for the purchase or reconstruction of cargo containers, for use in connection with subsidized vessels (determined in accordance with Article II-37(a) of the Operating-Differential Subsidy Agreement), only if the applicant demonstrates to the satisfaction of the Maritime Administration that the purchase or reconstruction is prudent and the cost is fair and reasonable, and the Maritime Administration determines that the applicant's resources are adequate first to meet the requirements and purposes of the applicant's Capital Reserve Fund (and with respect to any transfer of funds from the applicant's Special Reserve Fund, the requirements and purposes of that fund) taking into account the applicant's current and (to the extent deemed appropriate) future ship construction and reconstruction programs, methods of financing, ship mortgage indebtedness and other factors deemed pertinent in the particular case. Applications involving deferred payments shall have a method of financing satisfactory to the Maritime Administration, including a minimum equity in the cargo containers of 12.5 percent. Purchases from or reconstruction by related companies, if any, may be made only with the prior approval of the Maritime Administration and shall be in accordance with the applicable provisions of law or contract.

§ 255.5 Subsidy.

Neither construction-differential subsidy nor operating-differential subsidy shall be paid with respect to cargo containers.

§ 255.6 Deposits in the capital reserve fund on account of cargo containers purchased or reconstructed therefrom.

There shall be deposited in the Capital Reserve Fund in respect of cargo containers paid for or payable out of such fund (a) not later than 6 months after the end of each accounting period an amount equivalent to the annual depreciation written off as prescribed in § 255.7(b), (b) proceeds from containers sold or otherwise disposed of, and (c) proceeds of insurance or indemnities in the event of total loss; provided the deposits of depreciation on cargo containers shall be deferred to the extent not earned on the same basis as depreciation with respect to subsidized ships as provided in Article II-25(a)(2) of the Operating-Differential Subsidy Agreement.

§ 255.7 Accounting treatment. (Amendments have been or will be made to other sections of this chapter).

(a) Account 349—"Other shipping property and equipment" shall be charged with the cost of acquisition of cargo containers;

(b) Account 350—"Reserve for amortization and depreciation; other shipping

property and equipment" shall be credited and Account 988—"Depreciation; other shipping property and equipment" shall be charged with depreciation computed on the straight line method on the basis of the useful life approved by the Maritime Administration;

(c) Any revenues derived from cargo containers such as, but not limited to, demurrage and rental, shall be credited to Account 660—"Revenue from other shipping operations." Expenses such as, but not limited to, insurance, maintenance and repairs, and those incurred in transporting empty containers between ports and piers, shall be charged to Account 885—"Expenses of other shipping operations." Subsidiary accounts shall be maintained to show separately the principal classes of revenues and expenses of cargo containers; and

(d) For subsidy accounting purposes the depreciated book value of cargo containers, less outstanding indebtedness thereon for capital necessarily employed purposes and the debits and credits for expenses and revenues such as those referred to in paragraph (c) of this section, depreciation, and interest on indebtedness incurred by the purchase or reconstruction for the purpose of determining earnings subject to recapture, shall be allocated between subsidized operations and unsubsidized operations on the basis of the relation that the number of cargo container voyage days on subsidized and unsubsidized voyage terminations during the accounting period, separately, bears to the total number of cargo container voyage days on voyage terminations during the accounting period.

§ 255.8 Accountability.

There shall be filed annually with the appropriate Maritime Administration Coast Director not later than March 31 of each year a summary of cargo containers, by size and type, for which approvals have been granted hereunder, showing (a) the relative percentage of utilization in subsidized and unsubsidized operations (determined in accordance with Article II-37(a) of the Operating-Differential Subsidy Agreement), on the same basis of allocations and for the same period as prescribed in § 255.7(d), and (b) location as of December 31 of the previous year. As to location, breakdown should show:

(1) Number afloat, by service designation;

(2) Number in transit on land by general geographical area; and

(3) Number of others by general geographical area.

§ 255.9 Exceptional proposals.

In the event any proposal submitted is not embraced in the provisions of this part, the Maritime Administrator will determine each application on its merits in light of the provisions of section 607 (b), Merchant Marine Act, 1936, as amended (46 U.S.C. 1177).

NOTE: The reporting and/or recordkeeping requirements contained herein have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

Dated: September 15, 1965.

By order of the Maritime Administrator/Maritime Subsidy Board.

JAMES S. DAWSON, Jr.,
Secretary.

[F.R. Doc. 65-10002; Filed, Sept. 20, 1965; 8:46 a.m.]

Proposed Rule Making

POST OFFICE DEPARTMENT

[39 CFR Part 96]

MILITARY ORDINARY MAIL

Notice of Proposed Rule Making

Currently effective orders of the Civil Aeronautics Board have established service mail rates for the transportation of certain military mail by aircraft, consisting of all classes of United States mail other than airmail and air parcel post, including official and personal letters and parcels, addressed to or from military post offices outside the United States and tendered from time to time to an air carrier by the Post Office Department or its agents or representatives for transportation in this class of service. See Civil Aeronautics Board Order No. E-15182, May 4, 1960 (Atlantic Service); Order No. E-15463, June 29, 1960, as amended (Pacific Service); and Order No. E-16012, November 10, 1960 (Latin-American Service). Such mail is ordinarily referred to and is referred to herein as military ordinary mail. The transportation of military ordinary mail is subject to the condition, inter alia, that no such military ordinary mail may be transported in this class of service on any aircraft unless the air carrier has first provided fully for the needs of the postal service for the transportation of airmail and air parcel post on that aircraft, and (in the case of a service offering passenger transportation) has also first provided fully for the passenger requirements on that flight.

Initially the Post Office Department limited tenders of military ordinary mail to all-cargo flights pursuant to the request of the Department of Defense. On March 20, 1964, the Secretary of Defense requested the Post Office Department to provide military ordinary mail the best possible commercial air service, advising further that the Department of Defense did not wish the movement of this mail to be delayed for the purpose of favoring any civil air line or type of aircraft. The Department of Defense reaffirmed this position in February 1965, in a communication to the Assistant Postmaster General, Bureau of Transportation and International Services, Post Office Department, Washington, D.C., 20260.

The Post Office Department desires to formulate rules and regulations setting forth principles and procedures to be applicable in the future in the dispatch and division of military ordinary mail. It is tentatively proposed that the rules and regulations finally adopted will contain clear and definite guidelines susceptible of administration on a uniform basis which, consistent with the prescribed conditions applicable to the transportation of military ordinary mail, will provide for its expeditious carriage by aircraft, without restriction as to type, and permit equitable division of such mail between competitive flights under conditions which will not impair the maintenance of adequate standards of service. In this connection the Department tentatively proposes to amend Part 96, Title 39, Code of Federal Regulations, by adding a new Subpart F thereto, to read as follows:

Subpart F—Military Ordinary Mail

§ 96.55 Dispatch and division.

(a) Military ordinary mail may not be dispatched on an aircraft unless the air carrier has first provided fully for the needs of the postal service for the transportation of airmail and air parcel post on that aircraft, and (in the case of a service offering passenger transportation) has also first provided fully for the passenger requirements on that flight.

(b) Military ordinary mail shall be dispatched by the most expeditious service to the airport of destination to the extent that space is available on a flight under the conditions set forth in paragraph (a) of this section.

(c) Military ordinary mail for competitive points shall be divided equally between competitive flights as nearly as practicable if such flights are scheduled to arrive at the airport of destination within two hours of each other. When one carrier operates multiple competitive flights scheduled to arrive at an airport within two hours of a competitive flight or flights of another carrier, the military ordinary mail shall be divided equally between air carriers rather than between flights. For each application of these principles the time period of two hours shall start with the first scheduled arrival of a flight or flights not included in an earlier division. A divided share of military ordinary mail will not be subject to further division.

(d) Military ordinary mail will be divided on a weight basis which, to the extent practicable, reflects an equitable division of types of such mail having different space requirements.

(e) The use of a flight or flights may be suspended in the event of cancellation, unduly delayed departure, frequent failure of schedule performance, abnormal mail backlog, or other unusual or unanticipated condition which would otherwise delay the dispatch of military ordinary mail or impair the service to be accorded such mail.

Accordingly, notice is hereby given that interested persons may submit in writing to the Assistant Postmaster General, Bureau of Transportation and International Services, Post Office Department, Washington, D.C., 20260, at any time prior to October 21, 1965, data, views, or arguments concerning the tentative rules and regulations. All statements submitted in writing pursuant to this notice will be made available for inspection at Room 5000, Post Office Department, after the closing date for submission thereof. Not later than November 5, 1965, interested persons may submit in writing to the Assistant Postmaster General, Bureau of Transportation and International Services, Post Office Department, Washington, D.C., 20260, data, views, or arguments limited in scope to rebuttal of any data, views, or arguments initially presented in writing pursuant to this notice.

The original and 11 copies of any paper or document containing data, views, or arguments shall be furnished for use of the Post Office Department.

(R.S. 161, as amended (5 U.S.C. 22, 1964 ed.); 39 U.S.C. 501, 6301; and section 405 (a), (d) of the Federal Aviation Act of 1958, 72 Stat. 760, 761 (49 U.S.C. 1375 (a), (d), 1964 ed.))

HARVEY H. HANNAH,
Acting General Counsel.

[F.R. Doc. 65-10069; Filed, Sept. 20, 1965; 9:19 a.m.]

CIVIL AERONAUTICS BOARD

[14 CFR Part 223]

[Docket No. 16448]

FOREIGN AIR TRANSPORTATION

Restrictions on Free and Reduced Rate

SEPTEMBER 15, 1965.

The Board, by publication in 30 F.R. 11178 and by circulation of a notice of proposed rule making, EDR-90, dated August 25, 1965, gave notice that it has under consideration proposed amendments to Part 223 of the Economic Regulations to restrict the furnishing of free or reduced-rate overseas or foreign air transportation pursuant to requirements of law and permit the filing of applications for free or reduced-rate overseas or foreign air transportation not covered by a carrier's manual on file with the Board. Interested persons were invited to participate in the rule-making proceeding through submission of ten (10) copies of written data, views or arguments pertaining thereto, addressed to the Docket Section, Civil Aeronautics Board, Washington, D.C., 20428, on or before September 30, 1965.

Lufthansa German Airlines has requested that the time for filing comments be extended 30 days. The carrier states that, because of the effects the proposed rule may have on various government agencies, additional time is required to fully discuss the proposal and its effects on the present situation.

The undersigned finds that good cause has been shown for the extension of time requested. Accordingly, pursuant to authority delegated under section 7.3C of Public Notice PN-15, dated July 3, 1961, the undersigned hereby extends the date for submitting comments on the subject proposal to October 29, 1965. All relevant matter received on or before that date will be considered by the Board before taking action on this proposal.

Copies of such communications will be available for examination by interested persons in the Docket Section of the Board, Room 710, Universal Building, 1825 Connecticut Avenue NW., Washington, D.C.

(Secs. 204, 403, Federal Aviation Act of 1958, as amended, 72 Stat. 743 and 758, as amended; 49 U.S.C. 1324 and 1373)

By the Civil Aeronautics Board.

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

[F.R. Doc. 65-10016; Filed, Sept. 20, 1965; 8:50 a.m.]

ATOMIC ENERGY COMMISSION

[10 CFR Parts 50, 70, 115, 140]

LICENSES TO OWN AND EXPORT SPECIAL NUCLEAR MATERIAL

Notice of Proposed Rule Making

Public Law 88-489, approved on August 26, 1964, amended the Atomic Energy Act of 1954, as amended, to provide for private ownership of special nuclear material. The new law authorizes the Commission to distribute special nuclear material, licensed under section 53 of the act, "by sale, lease, lease with option to buy, or grant".

The proposed amendments of Parts 50, 70, 115, and 140 set forth below are intended to implement the new legislation to reflect the Commission's authority to issue licenses to receive title to, own, acquire, deliver, import, or export under the terms of an agreement for cooperation arranged pursuant to section 123 of the act, special nuclear material. Certain of the proposed amendments of Part 70 which may be of particular interest are (1) a new § 70.22(b) prescribing the contents of an application for export of special nuclear material, and (2) a new § 70.44 concerning creditors' rights, proposed in accordance with the change in section 184 of the act extending to special nuclear material the Commission's authority to consent to the creation of a lien on a licensed facility.[1]

Minor amendments are proposed to § 50.81 of Part 50 concerning creditors' rights to reconcile that section with the new § 70.44.

The Commission's present reporting requirements are applicable to licensees with respect to material distributed by the Commission under section 53 of the act, regardless of whether or not the special nuclear material is privately owned. The Commission intends to consider amendments to Part 70 regarding accountability and reporting requirements, which will provide specific instructions for appropriate reporting of privately owned material.

The proposed amendments to Part 70 include provisions for licensing the export of special nuclear material. As required by amended section 53 of the act, such exports must be under an agreement for cooperation arranged pursuant to section 123. Existing agreements for cooperation were entered into under circumstances contemplating government-to-government transfer of special nuclear material, and will need to be amended or otherwise formally clarified before export licenses may be issued under them.

Pursuant to the Atomic Energy Act of 1954, as amended, and the Administrative Procedure Act of 1946, notice is hereby given that adoption of the following amendments of 10 CFR Parts 50, 70, 115 and 140 is contemplated. All interested persons who desire to submit written comments or suggestions in connection with the proposed amendments should send them to the Secretary, United States Atomic Energy Commission, Washington, D.C., 20545, within 60 days after publication of this notice in the FEDERAL REGISTER. Comments received after that period will be considered if it is practicable to do so, but assurance of consideration cannot be given except as to comments filed within the period specified.

§ 50.54 [Amended]

1. Paragraph (a) of § 50.54 of 10 CFR Part 50 is deleted.

§ 50.81 [Amended]

2. Section 50.81(a) of 10 CFR Part 50 is amended by inserting the words ", not owned by the United States," between the words "facility" and "which", and by deleting the word "property" and substituting therefor the word "facility".

3. Section 50.81(c) of 10 CFR Part 50 is amended by deleting the words "to constitute consent by the Commission to the creation of any mortgage, pledge, or other lien on any special nuclear material, or".

4. Section 70.1(a) of 10 CFR Part 70 is revised to read as follows:

§ 70.1 Purpose.

(a) The regulations in this part establish procedures and criteria for the issuance of licenses to receive title to, own, acquire, deliver, receive, possess, use, transfer, import and export special nuclear material and for the distribution by the Commission of special nuclear material to licensees; and establish and provide for the terms and conditions upon which the Commission will issue such licenses and distribute special nuclear material.

* * * * *

5. Section 70.3 of 10 CFR Part 70 is revised to read as follows:

§ 70.3 License requirements.

No person subject to the regulations in this part shall receive title to, own, acquire, deliver, receive, possess, use, transfer, import or export special nuclear material except as authorized in a license issued by the Commission pursuant to these regulations.

6. A new paragraph (p) is added to § 70.4 of 10 CFR Part 70, to read as follows:

§ 70.4 Definitions.

* * * * *

(p) "Commission-owned special nuclear material" means special nuclear material which is the property of the United States and which is administered and controlled by the Commission as agent of and on behalf of the United States.

§ 70.11 [Amended]

7. Section 70.11 of 10 CFR Part 70 is amended by deleting the words "receives, possesses, uses or transfers" in the two places where they appear and substituting therefor the words "receives title to, owns, acquires, delivers, receives, possesses, uses, transfers, imports or exports".

§ 70.19 [Amended]

8. Section 70.19(a) of 10 CFR Part 70 is amended by inserting the words "receive title to, own, acquire, deliver," between the words "to" and "receive".

9. Section 70.19(b) of 10 CFR Part 70 is amended by inserting the words "or importer" between the words "manufacturer" and "of".

10. Section 70.19(c) of 10 CFR Part 70 is amended by inserting the words "receive title to, own, acquire, deliver," between the words "who" and "receive".

11. Section 70.19(c)(2) of 10 CFR Part 70 is amended by deleting the words "(Name of Manufacturer)" and substituting therefor the words "(Name of Manufacturer or Importer)".

§ 70.22 [Amended]

12. Section 70.22(a) of 10 CFR Part 70 is amended by inserting the words "for a license, other than an application for a license authorizing export only," between the words "application" and "shall".

13. The note following § 70.22(a)(8) of 10 CFR Part 70 is amended by inserting the word "Commission-owned" between the words "of" and "special" in the phrase beginning with the number (2).

14. Paragraph (b) of § 70.22 of 10 CFR Part 70 is relettered paragraph (d), and a new paragraph (b) is added to § 70.22, to read as follows:

(b) An application for a license authorizing export only shall contain the following information:

(1) The full name and address of the applicant;

(2) The full name and address of the ultimate consignee, and of any intermediate consignee;

(3) The chemical and physical form of the special nuclear material, including isotopic content, and the weight of contained special nuclear material;

[1] The Commission's consent in § 70.44 is, of course, not applicable to special nuclear material which is subject to licensing by a State to which the Commission has transferred certain regulatory authority over radioactive material by formal agreement, pursuant to section 274 of the Atomic Energy Act of 1954, as amended, except in a situation in which a person seeks to create mortgages, pledges, or other liens on special nuclear material in an agreement State in a total quantity sufficient to form a critical mass. A person who seeks to create mortgages, pledges, or other liens on special nuclear material in an agreement State in a total quantity not sufficient to form a critical mass will be subject to appropriate regulations of the agreement State, which regulations may include a provision concerning creditors' rights.

(4) A certificate provided by the government of the country of destination certifying that the material will be received and used in that country within the scope of and consistent with the terms of an agreement for cooperation made in accordance with section 123 of the Act;

(5) A statement of end use from the consignee; and

(6) Shipping and packaging procedures, to the extent required by the regulations in this chapter.

§ 70.23 [Amended]

15. Section 70.23(e) of 10 CFR Part 70 is amended by inserting the word "Commission-owned" between the words "of" and "special" in the first sentence.

16. Section 70.31 (c) and (d) of 10 CFR Part 70 is revised and a new paragraph (e) is added to read as follows:

§ 70.31 Issuance of licenses.

* * * * *

(c) Each license issued to a person for use of special nuclear material in activities in which special nuclear material will be produced shall (subject to the provisions of § 70.41(b)) be deemed to authorize such person to receive title to, own, acquire, receive, possess, use, and transfer the special nuclear material produced in the course of such authorized activities.

(d) No license will be issued and no distribution of special nuclear material will be made by the Commission to any person within the United States if the Commission finds that the distribution of such special nuclear material or the issuance of such license would be inimical to the common defense and security or would constitute an unreasonable risk to the health and safety of the public.

(e) When a license is sought to authorize export of special nuclear material, the Commission will determine whether the export of special nuclear material is under the terms of an agreement for cooperation. No license authorizing export of special nuclear material will be issued if the Commission finds that the issuance of such license would be inimical to the interests of the United States.

§ 70.32 [Amended]

17. Subparagraph (1) of § 70.32(a) of 10 CFR Part 70 is deleted.

18. Section 70.32(b) of 10 CFR Part 70 is amended by deleting the words "receipt, possession, use and transfer" and substituting therefor the words "ownership, receipt, possession, use, transfer, import and export".

§ 70.39 [Amended]

19. The section heading of § 70.39 of 10 CFR Part 70 is amended to read as follows:

§ 70.39 Specific licenses for the manufacture or import of calibration or reference sources.

20. Section 70.39(a) of 10 CFR Part 70 is amended by inserting the words "or import" between the words "manufacture" and "calibration".

21. Section 70.39(b) of 10 CFR Part 70 is amended by deleting the words "(Name of Manufacturer)" and substituting therefor the words "(Name of Manufacturer or Importer)".

22. The undesignated center head preceding § 70.41 of 10 CFR Part 70 is amended by adding at the end thereof the words "; CREDITORS' RIGHTS".

23. Section 70.41(a) of 10 CFR Part 70 is amended by adding a sentence at the end thereof and paragraph (c) is revised to read as follows:

§ 70.41 Authorized use of special nuclear material.

(a) * * * Except as otherwise provided in the license, each license issued pursuant to the regulations in this part shall carry with it the right to receive title to, own, acquire, receive, possess, use and transfer special nuclear material.

* * * * *

(c) Nothing contained in the regulations in this part or in any license issued pursuant to the regulations in this part shall authorize or be deemed to authorize the distribution of any special nuclear material to any person for a use which is not under the jurisdiction of the United States, except pursuant to the terms of an agreement for cooperation made in accordance with section 123 of the act.

§ 70.43 [Amended]

24. Section 70.43(a) of 10 CFR Part 70 is amended by inserting the word "Commission-owned" between "for" and "special" in the section heading and between the words "receives" and "special" in the text.

25. Section 70.43(b) of 10 CFR Part 70 is amended by inserting the word "Commission-owned" between "The transfer of" and "special nuclear material."

26. A new § 70.44 is added to 10 CFR Part 70 to read as follows:

§ 70.44 Creditor regulations.

(a) Pursuant to section 184 of the act, the Commission consents, without individual application, to the creation of any mortgage, pledge, or other lien upon any special nuclear material, not owned by the United States, which is subject to licensing: *Provided:*

(1) That the rights of any creditor so secured may be exercised only in compliance with and subject to the same requirements and restrictions as would apply to the licensee pursuant to the provisions of the license, the Atomic Energy Act of 1954, as amended, and regulations issued by the Commission pursuant to said act; and

(2) That no creditor so secured may take possession of the special nuclear material pursuant to the provisions of this section prior to the issuance of a license by the Commission authorizing such possession.

(b) Nothing contained in this section shall be deemed to affect the means of acquiring, or the priority of, any tax lien or other lien provided by law.

(c) As used in this section, "creditor" includes, without implied limitation, the trustee under any mortgage, pledge, or lien on special nuclear material made to secure any creditor, any trustee or receiver of the special nuclear material appointed by a court of competent jurisdiction in any action brought for the benefit of any creditor secured by such mortgage, pledge, or lien, any purchaser of such special nuclear material at the sale thereof upon foreclosure of such mortgage, pledge, or lien or upon exercise of any power of sale contained therein, or any assignee of any such purchaser.

§ 70.51 [Amended]

27. Section 70.51 of 10 CFR Part 70 is amended by inserting the words ", acquisition, import, export" between the words "inventory" and "and".

§ 70.55 [Amended]

28. Section 70.55(b) of 10 CFR Part 70 is amended by inserting the words ", acquisition, import, export" between the words "use" and "or".

§ 115.42 [Amended]

29. Paragraph (a) of § 115.42 of 10 CFR Part 115 is deleted.

§ 140.13 [Amended]

30. Section 140.13 of 10 CFR Part 140 is amended by inserting the word "ownership," between the words "authorizing" and "possession."

(Sec. 161, 68 Stat. 948; 42 U.S.C. 2201)

Dated at Washington, D.C., this 8th day of September 1965.

For the Atomic Energy Commission.

W. B. McCool,
Secretary.

[F.R. Doc. 65-9287; Filed, Sept. 20, 1965; 8:48 a.m.]

FEDERAL AVIATION AGENCY

[14 CFR Part 71]

[Airspace Docket No. 63-SO-58]

CONTROL ZONES AND TRANSITION AREA

Proposed Designation and Alteration

The Federal Aviation Agency is considering amendments to Part 71 of the Federal Aviation Regulations that would alter the Tampa (International Airport) Fla., control zone, designate the St. Petersburg, Fla., control zone, alter the MacDill AFB control zone, and that would designate the Tampa transition area.

As parts of these proposals relate to the navigable airspace outside the United States, this notice is submitted in consonance with the ICAO International Standards and Recommended Practices.

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

designed to improve the safety and efficiency of air operations.

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

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

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

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., 20553. An informal docket also will be available for examination at the office of the Regional Air Traffic Division Chief.

The Federal Aviation Agency, having completed a comprehensive review of the terminal airspace structure requirements in the Tampa, Fla., terminal area, including studies attendant to the implementation of the provisions of CAR Amendments 60-21/60-29, proposes the airspace actions as hereinafter set forth.

1. The Tampa (International Airport) control zone would be redesignated as that airspace within a 5-mile radius of the Tampa International Airport (latitude 27°58'30" N., longitude 82°31'40" W.); within 2 miles each side of the St. Petersburg VORTAC 064° True radial, extending from the 5-mile radius zone to the arc of a 5-mile radius circle centered on the St. Petersburg-Clearwater International Airport (latitude 27°54'40" N., longitude 82°41'10" W.); and within 2 miles each side of the 002° True bearing from the Tampa RBN, extending from the 5-mile radius zone to the arc of a 5-mile radius circle centered on the MacDill AFB (latitude 27°51'05" N., longitude 82°31'15" W.); excluding the portion southeast of a line 2 miles northwest of and parallel to the MacDill AFB ILS localizer northeast course.

2. The St. Petersburg control zone would be designated as that airspace within a 5-mile radius of the St. Petersburg-Clearwater International Airport (latitude 27°54'40" N., longitude 82°41'10" W.); within 2 miles each side of the St. Petersburg VORTAC 343° True radial, extending from the 5-mile radius zone to 8 miles northwest of the VORTAC; and within 2 miles each side of the St. Petersburg ILS localizer northwest course extending from the 5-mile radius zone to the LOM.

3. The MacDill AFB control zone would be redesignated as that airspace within a 5-mile radius of the MacDill AFB (latitude 27°51'05" N., longitude 82°31'15" W.); within a 3-mile radius of the Peter O. Knight Airport (latitude 27°54'55" N., longitude 82°27'05" W.); within 2 miles each side of the MacDill TACAN 226° True radial, extending from the 5-mile radius zone to 7 miles southwest of the TACAN; and within 2 miles each side of the MacDill AFB runway 22 extended centerline, extending from the 5-mile radius zone to 4.5 miles southwest of the lift-off end of the runway; excluding the portion within the Tampa International Airport control zone.

4. The Tampa transition area would be designated as that airspace extending upward from 700 feet above the surface within a 7-mile radius of Tampa International Airport (latitude 27°58'30" N., longitude 82°31'40" W.); within 5 miles east and 8 miles west of the Tampa ILS localizer north course extending from the Tampa International Airport to 12 miles north of the Tampa LOM; within a 7-mile radius of St. Petersburg-Clearwater International Airport (latitude 27°54'40" N., longitude 82°41'10" W.); within 2 miles each side of the St. Petersburg ILS localizer south course extending from the 7-mile radius area to 13 miles south of the ILS localizer; within 5 miles east and 8 miles west of the St. Petersburg ILS north course extending from the St. Petersburg-Clearwater International Airport to 12 miles north of the St. Petersburg LOM; within a 4-mile radius of Peter O. Knight Airport (latitude 27°54'55" N., longitude 82°27'05" W.); within a 7-mile radius of MacDill AFB (latitude 27°51'05" N., longitude 82°31'15" W.); within 2 miles each side of the MacDill ILS localizer northeast course extending from the Peter O. Knight Airport 4-mile radius area to 12 miles northeast of the MacDill OM; within 2 miles southeast and 4 miles northwest of the MacDill TACAN 226° True radial extending from the MacDill AFB 7-mile radius area to 8 miles southwest of the TACAN; within 2 miles each side of the MacDill AFB runway 22 extended centerline extending from the MacDill AFB 7-mile radius area to 6 miles southwest of the lift-off end of the runway; that airspace extending upward from 1,200 feet above the surface within a 42-mile radius of MacDill AFB, excluding the portion within W-168; within the area bounded on the north by the 42-mile radius area, on the east by V-35W and the arc of a 20-mile radius circle centered on the Fort Myers, Fla., VOR, on the south by latitude 26°30'00" N., and on the west by W-168; within the area bounded on the north by the 42-mile radius area, on the east by V-97 and V-7, and on the west by V-35; within the area bounded on the north by the 42-mile radius area, on the east by V-157, on the southwest by V-97 and on the west by V-7; within the area bounded on the east by the 42-mile radius area, on the south by W-168, on the west by a line extending from the intersection of the north boundary of W-168 and longitude 83°42'00" W. to the intersection of the north boundary of Control 1226 and longitude 83°47'50" W., and on the north by the north boundary of Control 1226; that airspace extending upward from 2,000 feet MSL bounded on the east by V-35W, on the southwest by V-97 and on the northwest by V-97E; and that airspace extending upward from 4,700 feet MSL bounded on the northeast by V-97 and V-97W, on the southeast by the 42-mile radius area, on the south by Control 1226, on the northwest by the Cross City, Fla., VOR 212° True radial and the St. Petersburg, Fla., VORTAC 280° True radial, excluding the portion within W-151.

Certain minor revisions to prescribed instrument procedures would be effected in conjunction 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 and minimum instrument flight rules altitudes that would be required may be examined by contacting the Chief, Airspace Utilization Branch, Air Traffic Division, Southern Region, FAA, Post Office Box 20636, Atlanta, Ga., 30320.

The control zones proposed for alteration and designation are necessary to provide protection for aircraft executing instrument approach and departure procedures. The transition area proposed for designation is necessary to provide protection for aircraft executing instrument approach and departure procedures and to provide protected airspace for holding patterns in the terminal area.

These amendments are proposed under the authority of sections 307(a) and 1110 of the Federal Aviation Act of 1958 (49 U.S.C. 1348, 1510) and Executive Order 10854 (24 F.R. 9565).

Issued in Washington, D.C., on September 13, 1965.

JAMES L. LAMPL,
Acting Chief, Airspace Regulations and Procedures Division.

[F.R. Doc. 65-9986; Filed, Sept. 20, 1965; 8:46 a.m.]

[14 CFR Part 71]

[Airspace Docket No. 65-SO-67]

CONTROL ZONE AND TRANSITION AREAS

Proposed Alteration and Designation

The Federal Aviation Agency is considering amendments to Part 71 of the Federal Aviation Regulations that would alter the control zone at West Palm Beach, Fla., and designate transition areas at Stuart and Lake Placid, Fla.

The West Palm Beach, Fla., control zone is presently designated as within a 5-mile radius of West Palm Beach International Airport (latitude 26°41'25" N., longitude 80°05'35" W.) and within 2 miles each side of the West Palm Beach RBN 270° bearing, extending from the 5-mile radius zone to 10 miles W of the RBN.

The West Palm Beach, Fla., RBN is tentatively scheduled to be relocated in January 1966 to the instrument landing system outer marker site. The Federal Aviation Agency, having completed a comprehensive review of the terminal airspace and transition area structure requirements in the West Palm Beach, Stuart, and Lake Placid, Fla., areas, including studies attendant to the implementation of the provisions of CAR Amendments 60.21/60.29 (26 F.R. 570, 27 F.R. 4012) and adjustments required to conform with the relocated RBN, proposes the airspace actions hereinafter set forth.

1. The West Palm Beach, Fla., control zone would be redesignated within a 5-mile radius of Palm Beach International Airport (latitude 26°41'00" N., longitude 80°05'41" W.); within 2 miles each side of the West Palm Beach VORTAC 275° radial extending from the 5-mile radius zone to 8 miles W of the VORTAC; excluding that airspace within a 1.5-mile radius of the Palm Beach County Park (Lantana) Airport (latitude 26°35'33" N., longitude 80°05'13" W.).

2. The Stuart, Fla., transition area would be designated as that airspace extending upward from 700 feet above the surface within a 5-mile radius of Witham Airport (latitude 27°10'51" N., longitude 80°13'25" W.); within 2 miles each side of the 320° bearing from the WSTU Commercial Broadcast Station (latitude 27°-12'58" N., longitude 80°15'19" W.) extending from the 5-mile radius area to 11 miles NW of the WSTU Commercial Broadcast Station; and that airspace extending upward from 1,200 feet above the surface within 5 miles SW and 8 miles NE of the 320° and 140° bearings from the WSTU Commercial Broadcast Station extending to 12 miles NW and 3 miles SE of the WSTU Commercial Broadcast Station.

3. The Lake Placid, Fla., transition area would be designated as that airspace extending upward from 1,200 feet above the surface bounded on the E by V-267, on the SE by V-225, on the SW by V-157, on the NW by a line extending from the E boundary of V-157 and latitude 27°14'-10" N., to latitude 27°22'00" N., longitude 81°08'00" W., to latitude 27°45'00" N., longitude 81°08'00" W., and on the N by latitude 27°45'00" N. The portion which coincides with R-2901B and R-2901D shall be used only after obtaining prior approval from appropriate authority.

The proposed control zone is needed for the protection of prescribed instrument approach and departure procedures at Palm Beach International Airport.

The proposed transition areas are needed for the protection of prescribed instrument approach, departure and missed approach procedures, holding pattern and transition routes at Stuart, Fla., and for holding patterns, transition routes and random radar vectoring in the Lake Placid, Fla., area.

The floors of airways which traverse the Stuart, Fla., transition area proposed herein would automatically coincide with the floor of the transition area.

Certain revisions to prescribed instrument procedures would be effected in conjunction 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 and minimum instrument flight rules altitudes that would be required may be examined by contacting the Chief, Airspace Branch, Air Traffic Division, Southern Region, Federal Aviation Agency, Post Office Box 20636, Atlanta, Ga., 30320.

Action proposed in Airspace Docket Nos. 63-SO-75 and 65-SO-30 would alter the West Palm Beach, Fla., transition area and route predicated on the RBN concurrently with the alteration of the control zone.

Interested persons may submit such written data, views or arguments as they may desire. Communications should be submitted in duplicate to the Director, Southern Region, Attention: Chief, Air Traffic Division, Federal Aviation Agency, Post Office Box 20636, Atlanta, Ga., 30320. All communications received within 30 days after publication of this notice in the FEDERAL REGISTER will be considered before action is taken on the proposed amendment. No hearing is contemplated at this time, but arrangements for informal conferences with Federal Aviation Agency officials may be made by contacting the Chief, Air Traffic Division. Any data, views, or arguments presented during such conferences must also be submitted in writing in accordance with this notice in order to become part of the record for consideration. The proposal contained in this notice may be changed in the light of comments received.

The official docket will be available for examination by interested persons at the Southern Regional Office, Federal Aviation Agency, Room 724, 3400 Whipple Street, East Point, Ga.

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

Issued in East Point, Ga., on September 9, 1965.

JACK G. WEBB,
Acting Director, Southern Region.

[F.R. Doc. 65-9989; Filed, Sept. 20, 1965; 8:47 a.m.]

Notices

DEPARTMENT OF AGRICULTURE

Commodity Credit Corporation

SALES OF CERTAIN COMMODITIES

September 1965 CCC Monthly Sales List

Notice to buyers. Pursuant to the policy of Commodity Credit Corporation issued October 12, 1954 (19 F.R. 6669), and subject to the conditions stated therein as well as herein, the commodities listed below are available for sale and, where noted, for redemption of payment-in-kind certificates on the price basis set forth.

The prices at which Commodity Credit Corporation commodity holdings are available for sale during September 1965 are as announced by the U.S. Department of Agriculture. The following commodities are available: Butter, cheddar cheese, nonfat dry milk, cotton (upland and extra long staple), wheat, corn, oats, barley, rye, rice, grain sorghum, dry edible beans, peanuts, flax and linseed oil.

The list is unchanged from August, except that U.S. Extra Large and U.S. Medium peanuts have been dropped because supplies are exhausted.

Corn, oats, barley or grain sorghum, as determined by CCC, will be sold for unrestricted use for "Dealers' Certificates" issued under the emergency livestock feed program. Grain delivered against such certificates will be sold at the applicable current market price, determined by CCC.

In the following listing of commodities and sales prices or method of sales, "unrestricted use" applies to sales which permit either domestic or export use and "export" applies to sales which require export only. CCC reserves the right to determine the class, grade, quality and available quantity of commodities listed for sale.

The CCC Monthly Sales List, which varies from month to month as additional commodities become available or commodities formerly available are dropped, is designed to aid in moving CCC's inventories into domestic or export use through regular commercial channels.

If it becomes necessary during the month to amend this list in any material way—such as by the removal or addition of a commodity in which there is general interest or by a significant change in price or method of sale—an announcement of the change will be sent to all persons currently receiving the list by mail from Washington. To be put on this mailing list, address: Director, Procurement and Sales Division, Agricultural Stabilization and Conservation Service, U.S. Department of Agriculture, Washington, D.C., 20250.

Interest rates per annum under the CCC Export Credit Sales Program (Announcement GSM-3) for September 1965 are 4½ percent for periods up to and including 12 months, and 5 percent for periods from over 12 months up to a maximum of 36 months. Commodities currently offered for sale by CCC, plus tobacco from CCC loan stocks, are available for export sale under the CCC Export Credit Sales Program as provided under specific commodity listings. Commodities from private stocks now eligible for financing under the CCC Export Credit Sales Program include wheat, wheat flour, bulgur, corn, cornmeal, grain sorghum, upland and extra long staple cotton, tobacco, milled and brown rice, cottonseed oil, soybean oil, and dairy products.

The following commodities are available for programming under Title IV, P.L. 480, private trade agreements: Wheat, corn, rice, grain sorghum, upland and extra long staple cotton, tobacco from CCC loan stocks, butter, cheese, and nonfat dry milk. In addition, other surplus agricultural commodities are also eligible for Title IV programming. Information on commodities available under this program, and current information on interest rates and other phases of the program may be obtained from the Office of the General Sales Manager, Foreign Agricultural Service, U.S. Department of Agriculture, Washington, D.C., 20250.

The following commodities are currently available for barter: Cotton (upland and extra long staple), tobacco, wheat, corn, grain sorghum, butter, and nonfat dry milk. (In addition, free market stocks of cottonseed and soybean oils are eligible for barter programming.) This list is subject to change from time to time.

The CCC will entertain offers from responsible buyers for the purchase of any commodity on the current list. Offers accepted by CCC will be subject to the terms and conditions prescribed by the Corporation. These terms include payment by cash or irrevocable letter of credit before delivery of the commodity, and the conditions require removal of the commodity from CCC stocks within a reasonable period of time. Where sales are for export, proof of exportation is also required, and the buyer is responsible for obtaining any required U.S. Government export permit or license. Purchases from CCC shall not constitute any assurance that any such permit or license will be granted by the issuing authority.

Applicable announcements containing all terms and conditions of sale will be furnished upon request. For easy reference a number of these announcements are identified by code number in the following list. Interested persons are invited to communicate with the Agricultural Stabilization and Conservation Service, USDA, Washington, D.C., 20250, with respect to all commodities or—for specified commodities—within the designated ASCS Commodity Office.

Commodity Credit Corporation reserves the right to amend, from time to time, any of its announcements. Such amendments shall be applicable to and be made a part of the sale contracts thereafter entered into.

CCC reserves the right to reject any or all offers placed with it for the purchase of commodities pursuant to such announcements.

CCC reserves the right to refuse to consider an offer, if CCC does not have adequate information of financial responsibility of the offerer to meet contract obligations of the type contemplated in this announcement. If a prospective offerer is in doubt as to whether CCC has adequate information with respect to his financial responsibility, he should either submit a financial statement to the office named in the invitation prior to making an offer, or communicate with such office to determine whether such a statement is desired in his case. When satisfactory financial responsibility has not been established, CCC reserves the right to consider an offer only upon submission by offerer of a certified or cashier's check, a bid bond, or other security, acceptable to CCC, assuring that if the offer is accepted, the offerer will comply with any provisions of the contract with respect to payment for the commodity and the furnishing of performance bond or other security acceptable to CCC.

Disposals and other handling of inventory items often result in small quantities at given locations or in qualities not up to specifications. These lots are offered by the appropriate ASCS office promptly upon appearance and therefore, generally, they do not appear in the monthly Sales List.

On sales for which the buyer is required to submit proof to CCC of exportation the buyer shall be regularly engaged in the business of buying or selling commodities and for this purpose shall maintain a bona fide business office in the United States, its territories or possessions and have a person, principal, or resident agent upon whom service of judicial process may be had.

Prospective buyers for export should note that generally, sales to United States Government agencies, with only minor exceptions will constitute domestic unrestricted use of the commodity.

Commodity Credit Corporation reserves the right, before making any sales, to define or limit export areas.

The Department of Commerce, Bureau of International Commerce, pursuant to regulations under the Export Control Act of 1949, prohibits the exportation or re-exportation by anyone of any commodities under this program to Cuba, the Soviet Bloc or Communist-controlled areas of the Far East including Communist China, North Korea, and the Communist-controlled area of Vietnam, except validated license issued by the U.S. Department of Commerce, Bureau of International Commerce.

For all exportations, one of the destination control statements specified in Commerce Department regulations (Comprehensive Export Schedule § 379.10(c)) is required to be placed on all copies of the shipper's export declaration, all copies of the bill of lading, and all copies of the commercial invoices. For additional information as to which destination control statement to use, the exporter should communicate with the Bureau of International Commerce or one of the field offices of the Department of Commerce.

Exporters should consult the applicable Commerce Department regulations for more detailed information if desired and for any changes that may be made therein.

SALES PRICE OR METHOD OF SALE

WHEAT, BULK

Unrestricted use.

A. *Nonstorable.* Such dispositions of nonstorable wheat as CCC may designate will be made at not less than market price, as determined by CCC.

B. All sales of storable wheat for unrestricted use have been suspended until further notice. However, the following markups and examples are furnished for use in any upward adjustment in price which becomes necessary under CCC sales programs.

C. *Markup and examples (dollars per bushel—in store).*

Markup in-store received by—		Examples—Agricultural Act of 1949 Stat. minimum
Truck	Rail or barge	
$0.08	$0.04¼	Minneapolis—No. 1 DNS (1.58); 105 percent, $0.04¼; $1.70¼. Portland—No. 1 SW (1.44); 105 percent, $0.04¼; $1.56¾. Kansas City—No. 1 HW (1.43); 105 percent, $0.04¼; $1.55¼. Chicago—No. 1 RW (1.49); 105 percent, $0.04¼; $1.61¾.

D. *Availability information.* For information on the disposition of nonstorable wheat, contact the Evanston, Kansas City, Minneapolis or Portland ASCS grain offices shown at the end of this sales list.

Export.

Sales will be made pursuant to the following announcements:

A. Announcement GR-345 (Revised August 25, 1964) as amended for export under the wheat export payment-in-kind program.

B. Announcement GR-346 (Revised September 8, 1964) as amended for export as flour.

C. Announcement GR-261 (Revision 2, January 9, 1961, as amended and supplemented) for export as wheat and under Announcement GR-262 (Revision 2, January 9, 1961, as amended) for export as flour for application under arrangements for barter and approved CCC credit sales only at prices determined daily. Hard winter wheat will not be sold through West Coast ports under Announcements GR-261 or GR-262.

D. *Available.* Evanston, Kansas City, Minneapolis, and Portland ASCS grain offices.

CORN, BULK

Unrestricted use.

A. *Redemption of domestic payment-in-kind certificates.* Such CCC dispositions of corn as CCC may designate will be in redemption of certificates or rights represented by pooled certificates under a feed grain program. The price at which corn shall be valued for such dispositions shall be the highest of (a) market price as determined by CCC, (b) a minimum price for such corn as determined by CCC and, (c) the payment-in-kind formula price for such redemptions. Such formula price shall be the applicable 1964 price-support loan rate for the class, grade, and quality of the corn plus the amount shown in C of this unrestricted use section applicable to the storage point involved.

B. *General sales.*

1. *Storable.* Such CCC dispositions of storable corn, as CCC may designate as general sales, will be made during the month at market price, but not less than the Agricultural Act of 1949 formula minimum price for such sales which is 105 percent of the applicable 1964 price-support rate [2] (published price-support rate plus 15 cents per bushel) for the class, grade, and quality of the corn, plus the amount shown in C of this unrestricted use section, applicable to the storage point involved. Examples of these formula minimum prices are shown in C below. For corn in store at other than the point of production, the freight from point of production to the present point of storage will also be added. CCC will normally make general sales of corn when dispositions of such corn are not being made against domestic payment-in-kind certificates.

2. *Nonstorable.* Such dispositions of nonstorable corn as CCC may designate as general sales will be made at not less than market price, as determined by CCC.

C. *Markups and Agricultural Act of 1949 formula price examples (per bushel).*

Markup in cents in-store at—		Examples of in-store [1] formula minimum prices No. 2 yellow corn (14 percent M.T. and 2 percent F.M.) (exrail or barge in dollars)	
Production point	Other points	Terminal	General sales price
Cents 13½	*Cents* 15	Minneapolis, Minn.[4] Chicago, Ill.[3]	$1.48¼ 1.67

D. *Availability information.* For information on CCC corn sales and payments-in-kind from bin sites, contact ASCS State or county offices. For information on the disposition of corn from other locations, contact the Evanston, Kansas City, Minneapolis or Portland ASCS grain offices shown at the end of this sales list.

Export.

Sales for barter and credit are made at the applicable export market price, as determined by CCC; export payment-in-kind rates, if any, are deducted in arriving at barter and credit sales prices. The statutory minimum price referred to in the price adjustment provisions of the following export sales announcements is 105 percent of the applicable price-support rate plus the adjustment referred to in C of the unrestricted use section for corn. Sales will be made pursuant to the following announcement:

A. Announcement GR-212 (Revision 2, Jan. 9, 1961), for application to approved CCC barter and credit sales.

B. *Available.* Evanston, Kansas City, Minneapolis, and Portland ASCS grain offices.

GRAIN SORGHUM (BULK)

Unrestricted use.

A. *Redemption of domestic payment-in-kind certificates.* Such CCC dispositions of grain sorghum as CCC may designate will be in redemption of certificates or rights represented by pooled certificates under a feed grain program. The minimum price at which grain sorghum shall be valued for such dispositions shall be market price, but not less than the payment-in-kind formula price for such redemption. Such formula price shall be the applicable 1965 price-support loan rate for the class, grade, and quality of the grain sorghum, plus the amount shown in C of this unrestricted use section applicable to the type of carrier involved.

B. *General sales.*

1. *Storable.* Such CCC dispositions of storable grain sorghum, as CCC may designate as general sales will be made during the month at market price, but not less than the Agricultural Act of 1949 formula minimum price for such sales which is 105 percent of the applicable 1965 price-support rate [2] (published price-support loan rate plus 35 cents per hundredweight) for the class, grade, and quality of the grain sorghum, plus the amount shown in C of this unrestricted use section applicable to the type of carrier involved. If delivery is outside the area of production, applicable freight and handling charges will be added. Examples of these formula minimum prices are shown in C below. CCC will normally make general sales of grain sorghum when dispositions of such grain sorghum are not being made against domestic payment-in-kind certificates.

2. *Nonstorable.* Such dispositions of nonstorable grain sorghum as CCC may designate as general sales will be made at not less than market price, as determined by CCC.

C. *Markups and examples (dollars per hundredweight in-store No. 2 or better).*

Markup in-store received by—		Examples
Truck	Rail or barge	
$0.14	$0.08¼	Feed grain program domestic PIK certificate minimum Hale County, Tex. ($1.63 and $0.14); $1.77; Kansas City, Mo. (exrail) ($1.93 and $0.08¼); $2.01¼. Agricultural Act of 1949 Stat. minimums: Hale County, Tex. ($1.63 and $0.35) 105 percent and $0.14; $2.22. Kansas City, Mo. (exrail) ($1.93 and $0.35); 105 percent and $0.08¼; $2.48¼.

D. *Availability information.* For information on CCC grain sorghum sales and payments-in-kind from bin sites, contact ASCS State or county offices. For information on the disposition of grain sorghum from other locations, contact the Kansas City, Evanston, Portland, or Minneapolis ASCS grain offices shown at the end of this sales list.

Export.

Sales are made at the applicable export market price, as determined by CCC; export payment-in-kind rates, if any, are deducted in arriving at barter and credit sales prices. The statutory minimum price referred to in the price adjustment provisions of the following export sales announcements is 105 percent of the applicable price-support rate plus the adjustment referred to in C of the unrestricted use section for grain sorghum. Sales will be made pursuant to the following announcements:

A. Announcement GR-368 (Revised March 1, 1965), feed grain export payment-in-kind program.

B. Announcement GR-212 (Revision 2, January 9, 1961), for application to arrangements for barter, approved CCC credit and other designated sales.

C. *Available.* Evanston, Kansas City, Minneapolis, and Portland ASCS grain offices.

BARLEY, BULK

Unrestricted use.

A. *Redemption of domestic payment-in-kind certificates.* Such CCC dispositions of barley as CCC may designate, will be in redemption of certificates or rights represented by pooled certificates under a feed grain pro-

See footnotes at end of document.

gram. The minimum price at which barley shall be valued for such dispositions shall be market price, as determined by CCC, but not less than the payment-in-kind formula price for such redemptions. Such formula price shall be the applicable 1965 price-support loan rate for the class, grade, and quality of the barley, plus the amount shown in C of this unrestricted use section, applicable to the type of carrier involved.

B. *General sales.*

1. *Storable.* Such CCC dispositions of storable barley, as CCC may designate as general sales, will be made during the month at market price, but not less than the Agricultural Act of 1949 formula minimum price for such sales which is 105 percent of the applicable 1965 price-support rate[2] (published price-support loan rate plus 16 cents per bushel) for the class, grade, and quality of the barley, plus the amount shown in C of this unrestricted use section, applicable to the type of carrier involved. Examples of these formula minimum prices are shown in C below. If delivery is outside the area of production, applicable freight and handling charges will be added. CCC will normally make general sales of barley when dispositions of such barley are not being made against domestic payment-in-kind certificates.

2. *Nonstorable.* At not less than market price as determined by CCC.

C. *Markups and examples (dollars per bushel in-store No. 2 or better).*

Markup in-store received by—		Examples
Truck	Rail or barge	
$0.07¼	$0.04¾	Feed grain program domestic PIK certificate minimum Cass County, N. Dak. ($0.76 and $0.07¼); $0.83¼; Minneapolis, Minn. (exrail) ($0.99 and $0.04¾); $1.03¾. Agricultural Act of 1949 Stat. minimums: Cass County, N. Dak. ($0.76 and $0.16); 105 percent and $0.07¼; $1.04¼. Minneapolis, Minn. (exrail) ($0.99 and $0.16); 105 percent and $0.04¾; $1.25¾.

D. *Availability information.* For information on CCC barley sales from bin sites, contact ASCS State or county offices. For information on the disposition of barley from other locations, contact the Evanston, Kansas City, Minneapolis, or Portland ASCS grain offices shown at the end of this sales list.

Export.

Sales are made at the applicable export market price, as determined by CCC; export payment-in-kind rates, if any, are deducted in arriving at credit sales prices. The statutory minimum price referred to in the price adjustment provisions of the following export sales announcements is 105 percent of the applicable price-support rate plus the adjustment referred to in C of the unrestricted use section for barley. Sales will be made pursuant to the following announcements except that barley will not be sold for applications to Title I, or Title IV, P.L. 480 purchase authorizations or for barter.

A. Announcement GR-368 (Revised March 1, 1965), feed grain export payment-in-kind program.

B. Announcement GR-212 (Revision 2, January 9, 1961), for application to approved CCC credit sales.

C. *Available.* Evanston and Kansas City ASCS offices. Stocks in Duluth or Minneapolis will be available through the Minneapolis ASCS grain office.

OATS, BULK

Unrestricted use.

A. *Storable.* Market price, as determined by CCC, but not less than the Agricultural Act of 1949 formula price which is 105 percent of the applicable 1965 price-support rate[2] for the class, grade, and quality of the oats plus the amount shown in B below. For oats in-store at other than the point of production, the freight and handling charges from point of production to the present point of storage will also be added.

B. *Markups and examples (dollars per bushel in-store basis No. 2 XHWO).*

Markup in-store received by—	Examples—Agricultural Act of 1949 Stat. minimum
Truck	
$0.05¾	Redwood County, Minn.; $0.67¾ ($0.56 and $0.03 quality differential); 105 percent and $0.05¾. Minneapolis, Minn. (ex-Redwood County by rail); $0.75¾. County minimum plus freight and handling charges ($0.66¾ and $0.09¼ and $0.05¾ and $0.61¾).

C. *Nonstorable.* At not less than the market price as determined by CCC.

D. *Availability information.* Sales at bin sites are made through the ASCS county offices; at other locations through the Evanston, Kansas City, Minneapolis, or Portland ASCS grain offices.

Export.

Sales are made at the applicable export market price, as determined by CCC; export payment-in-kind rates, if any, are deducted in arriving at credit sales prices. The statutory minimum price referred to in the price adjustment provisions of the following export sales announcements is 105 percent of the applicable price-support rate plus the adjustment referred to in B of the unrestricted use section for oats. Sales will be made pursuant to the following announcements except that oats will not be sold for applications to Title I or Title IV, Public Law 480 purchase authorizations or for barter.

A. Announcement GR-368 (Revised March 1, 1965), feed grain export payment-in-kind program.

B. Announcement GR-212 (Revision 2, January 9, 1961), for application to approved CCC credit and other designated sales.

C. *Available:* Evanston, Kansas City, Minneapolis, and Portland ASCS grain offices.

RYE, BULK

Unrestricted use.

A. *Storable.* Market price, as determined by CCC, but not less than the Agricultural Act of 1949 formula price which is 105 percent[2] of the applicable 1965 price-support rate for the class, grade, and quality of the grain plus the respective amount shown below applicable to the type of carrier involved. If delivery is outside the area of production applicable freight and handling charges will be added to the above.

B. *Markups and examples (dollars per bushel in-store No. 2 or better).*

Markup in-store received by—		Examples—Agricultural Act of 1949 Stat. minimum
Truck	Rail or barge	
$0.08	$0.04¾	Rollete County, N. Dak. ($0.91); 105 percent and $0.08; $1.04. Minneapolis, Minn. (exrail) ($1.24); 105 percent and $0.04¾; $1.30¾.

C. *Nonstorable.* At not less than market price as determined by CCC.

D. *Availability information.* Sales at bin sites are made through ASCS county offices; at other locations through the Evanston, Kansas City, Minneapolis, or Portland ASCS grain offices.

Export.

Sales are made at the applicable export market price, as determined by CCC; export payment-in-kind rates, if any, are deducted in arriving at credit sales prices. The statutory minimum price referred to in the price adjustment provisions of the following export sales announcements is 105 percent of the applicable price-support rate plus the adjustment referred to in B of the unrestricted use section for rye. Sales will be made pursuant to the following announcements except that rye will not be sold for applications to Title I, or Title IV, Public Law 480 purchase authorizations or for barter.

A. Announcement GR-368 (revised March 1, 1965), feed grain export payment-in-kind program.

B. Announcement GR-212 (revision 2, January 9, 1961), for application to approved CCC credit and other designated sales.

C. *Available.* Evanston, Kansas City, and Portland ASCS offices; also Minneapolis ASCS grain office for rye stored in terminals in Minneapolis.

RICE, ROUGH

Unrestricted use.

Market price but not less than 1965 loan rate plus 5 percent plus 16 cents per hundredweight, basis in store.

Export.

As milled or brown under Announcement GR-369, revision III, rice export program—payment-in-kind, and under GR-379, revision I, for approved credit sales.

Availability information. Prices, quantities, and varieties of rough rice available from Kansas City ASCS Commodity Office.

DRY EDIBLE BEANS (BAGGED)

Unrestricted use.

Domestic market price but not less than the following minimum price per hundredweight for U.S. No. 1 f.o.b. indicated points of production. Amount of paid-in-freight to be added as applicable. For other grades and locations adjust by applicable 1965 price-support differentials.

Class	Prices per hundredweight	Area of production
Pea	$7.13	Michigan.
Dark Red Kidney	8.81	Michigan.
Great Northern	7.67	Nebraska.
Great Northern	7.25	Idaho.

COTTON, UPLAND

Unrestricted use.

A. Competitive bid under the terms and conditions of Announcement NO-C-16, as amended (Sale of Upland Cotton for Unrestricted Use). Under this announcement, upland cotton acquired under price-support programs will be sold at the highest price offered but in no event at less than the higher of (a) 105 percent of the current loan rate for such cotton, plus reasonable carrying charges, or (b) the market price for such cotton, as determined by CCC.

B. Competitive offers under the terms and conditions of Announcement NO-C-26 (Disposition of Upland Cotton—for exchange of PIK certificates or rights in the certificate pool for upland cotton), as amended. Upland cotton may be acquired at its domestic market price which shall be the highest price offered but not less than the minimum price determined by CCC.

Export.

A. *CCC cash sales for export.* Competitive bid under the terms and conditions of Announcement CN-EX-25 (Cotton Export Program—Sales—1964-66 Marketing Years) and NO-C-29 (Sale of Upland Cotton—Cotton Export Program—1964-66 Marketing Years), as amended.

See footnotes at end of document.

B. *CCC credit sales and barter.* Competitive bid under the terms and conditions of Announcement CN-EX-23 (Purchase of Upland Cotton for Export under the Export Credit Sales Program), Announcement CN-EX-24 (Acquisition of Upland Cotton for Export under the Barter Program), and Announcement NO-C-28 (Sale of Upland Cotton—CCC Credit and Barter Programs—1964-66 Marketing Years), as amended.

COTTON, EXTRA LONG STAPLE

Unrestricted use.

A. Competitive bid under the terms and conditions of Announcement NO-C-6 (Revised July 22, 1960), as amended, and NO-C-10, as amended. Under these announcements extra long staple cotton (domestically grown) will be sold at the highest price offered but in no event at less than the higher of (a) 115 percent of the current support price for such cotton plus reasonable carrying charges, or (b) the domestic market price as determined by CCC.

Export.

A. *CCC cash sales for export.* Competitive bid under the terms and conditions of Announcements CN-EX-20 (Foreign-grown Extra Long Staple Cotton Export Program) and NO-C-23 (Sale of Foreign-grown Extra Long Staple Cotton).

Competitive bid under the terms and conditions of Announcements CN-EX-22 (Extra Long Staple Cotton Export Program) and NO-C-27 (Sale of Extra Long Staple Cotton), as amended.

B. *CCC credit sales and barter.* Competitive bid under the terms and conditions of Announcement CN-EX-26 (Purchase of Extra Long Staple Cotton for Export under the Export Credit Sales Program), Announcement CN-EX-27 (Acquisition of Extra Long Staple Cotton for Export under the Barter Program), and Announcement NO-C-27 (Sale of Extra Long Staple Cotton), as amended.

Availability information. Sale of cotton will be made by the New Orleans ASCS Commodity Office and catalogs for upland cotton and extra long staple cotton showing quantities, qualities, and location may be obtained for a nominal fee from that office.

PEANUTS, SHELLED OR UNSHELLED FARMERS STOCK

Domestic crushing or export. Competitive bids pursuant to CCC Peanut Announcement 1 (Revised), January 4, 1962, Amendments 1 through 4 thereto, Supplement 1, March 3, 1964, Appendix 1 thereto and terms of weekly lot list(s).

Shelled peanuts are restricted to crushing by domestic and foreign oil mills.

When stocks are available lot lists are issued by GFA Peanut Association, Camilla, Ga.; Peanut Growers Cooperative Marketing Association, Franklin, Va.; Southwestern Peanut Growers' Association, Gorman, Tex.

FLAXSEED, BULK

Unrestricted use.

A. *Storable.* Market price basis in store,[1] but not less than the applicable 1965 support price for the class, grade, and quality of flaxseed plus 14½ cents per bushel, and plus the respective amount shown below applicable to the type of carrier involved. If delivery is outside the area of production applicable freight and handling will be added to the above.

B.

Markup per bushel received by—		Examples of minimum prices (carrail or barge)		
Truck	Rail or barge	Terminal	Class and grade	Price
Cents 9½	*Cents* 5	Minneapolis	No. 1	$3.34½

C. *Nonstorable.* At not less than market price as determined by CCC.

D. *Available.* Through the Minneapolis Grain Merchandising ASCS office.

Export.

Under Announcement PS-GR-4 dispositions of flaxseed, as designated by CCC, will be in redemption of export PIK certificates at the domestic market price as determined by CCC.

Available. Through the Minneapolis Grain Merchandising ASCS office.

LINSEED OIL, RAW, BULK

Export.

Under Announcement PS-GR-4 dispositions of raw linseed oil, as designated by CCC, will be in redemption of export PIK certificates at the domestic market price as determined by CCC.

Available. Through the Minneapolis ASCS Commodity Office.

DAIRY PRODUCTS

Sales are in carlots only in-store at storage location of products.

Submission of offers.

Submit offers to the Minneapolis ASCS Commodity Office.

NONFAT DRY MILK

Unrestricted use.

Announced prices, under MP-14: Spray process, U.S. Extra Grade, 16.40 cents per pound.

Export.

A. Payment-in-kind under SM-7 (Revision 1).

B. Competitive bid, under MP-10, pursuant to invitation to bid to be issued by Minneapolis ASCS Commodity Office. Sales under this announcement may be made for application to barter and approved CCC credit.

Any nonfat dry milk offered but not sold under the invitation to bid issued pursuant to MP-10 will be offered for sale through the following Monday noon at prices announced by press release from the Minneapolis ASCS Commodity Office each Wednesday.

BUTTER

Unrestricted use.

Announced prices, under MP-14: 63.0 cents per pound—New York, Pennsylvania, New Jersey, New England, and other States bordering the Atlantic Ocean and Gulf of Mexico. 62.25 cents per pound—Washington, Oregon, and California. All other States 62.0 cents per pound.

Export.

A. Payment-in-kind under SM-7 (Revision 1).

B. Competitive bid under Announcement MP-10, pursuant to invitations to bid to be issued by Minneapolis ASCS Commodity Office. Sales under this announcement may be made for application to barter and CCC credit.

CHEDDAR CHEESE (STANDARD MOISTURE BASIS)

Unrestricted use.

Announced prices under MP-14: 41.25 cents per pound—New York, Pennsylvania, New England, New Jersey, and other States bordering the Atlantic Ocean and Pacific Ocean and the Gulf of Mexico. All other States 40.25 cents per pound.

Export.

Competitive bid under Announcement MP-10, pursuant to invitation to bid to be issued by Minneapolis ASCS Commodity Office. Announced prices under MP-10. Sales under this announcement may be made for application to CCC credit.

Any cheese offered but not sold under the invitation to bid issued pursuant to MP-10 will be offered for sale through the following Monday noon at prices announced by press release from the Minneapolis ASCS Commodity Office each Wednesday.

FOOTNOTES:

[1] The delivery basis for these examples is "in-store", and market prices will be on the same basis. The formula price delivery basis for bin site sales will be f.o.b.

[2] To compute, multiply applicable support price by 1.05, round product up to nearest whole cent and add amount shown in the appropriate table and any applicable freight.

[3] Woodford County, Ill., origin.

[4] Redwood County, Minn., origin.

USDA AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE OFFICES

GRAIN OFFICES

Evanston ASCS Commodity Office, 2201 Howard Street, Evanston, Ill., 60202. Telephone: Long distance—University 9-0600 (Evanston Exchange). Local—Rogers Park 1-5000 (Chicago, Ill.).

Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Iowa, Kentucky, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Tennessee, Virginia, Vermont, and West Virginia.

Branch Office—Minneapolis ASCS Branch Office, 310 Grain Exchange Building, Minneapolis, Minn., 55415. Telephone: 334-2051.

Minnesota, Montana, North Dakota, South Dakota, and Wisconsin.

Kansas City ASCS Commodity Office, 8930 Ward Parkway (P.O. Box 205), Kansas City, Mo., 64141. Telephone: Emerson 1-0860.

Alabama, Arkansas, Colorado, Kansas, Louisiana, Mississippi, Missouri, Nebraska, New Mexico, Oklahoma, Texas, and Wyoming.

Branch Office—Portland ASCS Branch Office, 1218 Southwest Washington Street, Portland, Oreg., 97205. Telephone: 226-3361.

Alaska, Hawaii, Idaho, Nevada, Oregon, Utah, and Washington (Domestic and Export Sales), Arizona and California (Export sales only).

Branch Office—Berkeley ASCS Branch Office, 2020 Milvia Street, Berkeley, Calif., 94704. Telephone: Thornwall 1-5121.

Arizona and California (Domestic sales only).

PROCESSED COMMODITIES OFFICE—(ALL STATES)

Minneapolis ASCS Commodity Office, 6400 France Avenue South, Minneapolis, Minn., 55410. Telephone: 334-3200.

COTTON OFFICES—(ALL STATES)

New Orleans ASCS Commodity Office, Wirth Building, 120 Marais Street, New Orleans, La., 70112. Telephone: 527-7766.

GENERAL SALES MANAGER OFFICES

Representative of General Sales Manager, New York Area: Joseph Reidinger, 80 Lafayette Street, New York, N.Y., 10013. Telephone: 264-8439, 8440, 8441.

Representative of General Sales Manager, West Coast Area: Callan B. Duffy, Appraisers' Building, Room 802, 630 Sansome Street, San Francisco, Calif., 94111. Telephone: 556-6185.

(Sec. 4, 62 Stat. 1070, as amended; 15 U.S.C. 714b. Interpret or apply sec. 407, 63 Stat. 1066; sec. 105, 63 Stat. 1051, as amended by 76 Stat. 612; secs. 303, 306, and 307, 76 Stat. 614-617; 7 U.S.C. 1427; and 1441 (note))

Signed at Washington, D.C., on September 15, 1965.

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

[F.R. Doc. 65-10026; Filed, Sept. 20, 1965; 8:51 a.m.]

Consumer and Marketing Service

CANNED KADOTA FIGS

Notice of Purchase Program GMP 96a

In order to encourage the domestic consumption of Kadota figs by diverting them from the normal channels of trade and commerce in accordance with section 32, Public Law 320, 74th Congress, approved August 24, 1935, as amended, the U.S. Department of Agriculture offers to purchase canned Kadota figs packed from the 1965 crop grown in the United States, for subsequent use in school lunch programs. Purchases will be made on an offer and acceptance basis as a surplus removal activity. Details and specifications of the invitation to offer this canned fruit are contained in Announcement FV-380 issued by the Department on September 16, 1965. Quantity purchased will depend upon quantities and prices offered. Information concerning this purchase program may be obtained from the Fruit and Vegetable Division, Consumer and Marketing Service, U.S. Department of Agriculture, Washington, D.C., 20250.

(Sec. 32, 49 Stat. 774, as amended, 7 U.S.C. 612c)

Dated: September 16, 1965.

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

[F.R. Doc. 65-10029; Filed, Sept. 20, 1965; 8:51 a.m.]

[P. & S. Docket No. 291]

NASHVILLE UNION STOCK YARDS, INC.

Notice of Petition for Modification of Rate Order

Pursuant to the provisions of the Packers and Stockyards Act, 1921, as amended (7 U.S.C. 181 et seq.), an order was issued on November 5, 1964 (23 A.D. 1352), continuing in effect to and including November 30, 1965, an order issued on November 23, 1959 (18 A.D. 1264), which as modified by orders issued on November 10, 1960 (19 A.D. 1243) and March 27, 1961 (20 A.D. 218), authorizes assessment of the current temporary schedule of rates and charges.

By a petition filed on August 25, 1965, the respondent requested authority to modify the current schedule of rates and charges as indicated below.

YARDAGE

	Rate per head	
	Proposed	Present
Cattle, 300 pounds or over	$1.30	$1.20
Bulls, 600 pounds or over	1.80	1.60
Calves, 295 pounds or less	.65	.50
Reactors—T.B. or bangs	1.80	1.60
Hogs (unchanged)	.35	.35
Sheep, lambs, goats or kids (unchanged)	.30	.30
Horses or mules (unchanged)	.75	.75

Resale or reweighing charges. On all livestock purchased on this yard that are subsequently resold to a buyer on the yards or removed from the holding pens to a selling pen for the purpose of resale, the following charges will be assessed:

	Rate per head	
	Proposed	Present
Cattle, 300 pounds or over	$1.30	$1.20
Bulls, 600 pounds or over	1.80	1.60
Reactors—T.B. or bangs	1.80	1.60
Calves, 295 pounds or less	.65	.50
Hogs (unchanged)	.35	.35
Sheep, lambs, goats or kids (unchanged)	.30	.30
Horses or mules (unchanged)	.75	.75

All livestock brought in from auctions or from the country to fill out loads will be charged the regular yardage rates, as hereinabove set forth and requested.

The modifications, if authorized, will produce additional revenue for the respondent and increase the cost of marketing livestock. Accordingly, it appears that this public notice of the filing of the petition and its contents should be given in order that all interested persons may have an opportunity to indicate a desire to be heard in the matter.

All interested persons who desire to be heard in the matter shall notify the Hearing Clerk, U.S. Department of Agriculture, Washington, D.C., 20250, within 15 days after the publication of this notice in the FEDERAL REGISTER.

All written statements made pursuant to this notice will be made available for public inspection at such times and places and in a manner convenient to the public business (7 CFR 1.27(b)).

Done at Washington, D.C., this 16th day of September 1965.

DONALD A. CAMPBELL,
Director, Packers and Stockyards Division, Consumer and Marketing Service.

[F.R. Doc. 65-10028; Filed, Sept. 20, 1965; 8:51 a.m.]

DEPARTMENT OF THE TREASURY

Office of the Secretary

[Dept. Circ. 570, 1965 Rev. Supp. No. 8]

WESTERN PACIFIC INSURANCE CO.

Acceptable Surety on Federal Bonds

SEPTEMBER 15, 1965.

A Certificate of Authority as an acceptable surety on Federal bonds has been issued by the Secretary of the Treasury to the following company under the act of Congress approved July 30, 1947, 6 U.S.C. 6-13.

An underwriting limitation of $198,000 has been established for the company. Further details as to the extent and localities with respect to which the company is acceptable as surety on Federal bonds will appear in the next revision of Department Circular 570, to be issued as of June 1, 1966. Copies of the circular, when issued, may be obtained from the Treasury Department, Bureau of Accounts, Surety Bonds Branch, Washington, D.C., 20226.

State in which incorporated, name of company and location of principal executive office. Washington, Western Pacific Insurance Co., Seattle, Wash.

[SEAL] GEORGE F. STICKNEY,
Deputy Fiscal Assistant Secretary.

[F.R. Doc. 65-10007; Filed, Sept. 20, 1965; 8:48 a.m.]

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

[New Mexico 0557750]

NEW MEXICO

Notice of Filing of Application for Withdrawal of Lands

SEPTEMBER 13, 1965.

The U.S. Army, Corps of Engineers, has filed an application, serial number New Mexico 0557750 for the withdrawal of lands described below, from all forms of appropriation, including the general mining, but not the mineral leasing laws. The applicant desires the land for inundating and flooding with water, impounding water thereon and maintaining thereon a reservoir for the purpose of impounding water therein and thereon, in the operation and maintenance of the Conchas Dam and Reservoir Project, in San Miguel County, N. Mex.

For a period of 30 days from the date of publication of this notice, all persons who wish to submit comments, suggestions, or objections in connection with the proposed withdrawal may present their views in writing to the undersigned officer of the Bureau of Land Management, Department of the Interior, Chief, Division of Lands and Minerals Program Management and Land Office, Post Office Box 1449, Santa Fe, N. Mex.

The authorized officer of the Bureau of Land Management will undertake such investigations as are necessary to determine the existing and potential demand for the lands and their resources. He will also undertake negotiations with the applicant agency with the view of adjusting the application to reduce the area to the minimum essential to meet the applicant's needs, to provide for the maximum concurrent utilization of the lands for purposes other than the applicant's, to eliminate lands needed for purposes more essential than the applicant's, and to reach agreement on the concurrent management of the lands and their resources.

He will also prepare a report for consideration by the Secretary of the Interior who will determine whether or not the lands will be withdrawn as requested by the U.S. Army, Corps of Engineers.

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

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

The lands involved in the application are:

NEW MEXICO PRINCIPAL MERIDIAN, N. MEX.

T. 13 N., R. 25 E., Sec. 16.

The area described contains 640 acres.

MICHAEL T. SOLAN,
Chief, Division of Lands and Minerals, Program Management and Land Office.

[F.R. Doc. 65-9978; Filed, Sept. 20, 1965; 8:45 a.m.]

Office of the Secretary

CLYDE M. EPPARD

Notice of Appointment and Statement of Financial Interests

SEPTEMBER 14, 1965.

Pursuant to section 302(a) of Executive Order 10647, the following information on a WOC appointee in the Department of the Interior is furnished for publication in the FEDERAL REGISTER:

Name of appointee. Mr. Clyde M. Eppard.
Name of employing agency. Department of the Interior, Office of Assistant Secretary for Water and Power Development.
The Title of the appointee's position. Deputy Director, Defense Electric Power Area 10.
The name of the appointee's private employer or employers. Union Electric Co., 315 North 12th Boulevard, St. Louis, Mo., 63166.

The statement of "financial interests" for the above appointee is enclosed.

STEWART L. UDALL,
Secretary of the Interior.

APPOINTEE'S STATEMENT OF FINANCIAL INTERESTS

In accordance with the requirements of section 302(b) of Executive Order 10647, I am filing the following statement for publication in the FEDERAL REGISTER:

(1) Names of any corporations of which I am, or had been within 60 days preceding my appointment, on August 25, 1965, as Deputy Director, DEPA Area 10, Defense Electric Power Administration, an officer or director:

None.

(2) Names of any corporations in which I own, or did own within 60 days preceding my appointment, any stocks, bonds, or other financial interests:

Union Electric Co.;
Iowa Electric Light & Power Co.;
Inter-County Telephone & Telegraph Co.;
Consolidation Coal Co.;
Old Ben Coal Co.

(3) Names of any partnerships in which I am associated, or had been associated within 60 days preceding my appointment:

None.

(4) Names of any other businesses which I own, or owned within 60 days preceding my appointment:

None.

CLYDE M. EPPARD.

SEPTEMBER 3, 1965.

[F.R. Doc. 65-9979; Filed, Sept. 20, 1965; 8:45 a.m.]

DEPARTMENT OF COMMERCE

Maritime Administration

[Trade Route 25]

U.S. PACIFIC/WEST COAST MEXICO, CENTRAL AND SOUTH AMERICA

Notice of Determinations Regarding Essentiality and U.S. Flag Service Requirements

Notice is hereby given that on September 3, 1965, the Acting Maritime Administrator, acting pursuant to section 211 of the Merchant Marine Act, 1936, as amended, found and determined the essentiality and United States flag service requirements of United States foreign Trade Route No. 25, and ordered that the following conclusions and determinations reached by the Maritime Administrator with respect to said trade route be published in the FEDERAL REGISTER:

1. Trade Route No. 25, as described below, is reaffirmed as an essential foreign trade route of the United States:

Trade Route No. 25—U.S. Pacific/West Coast Mexico, Central and South America

Between United States Pacific ports (Washington-California inclusive) and Pacific ports of Mexico, Central America, Panama, the Canal Zone, and South America (Colombia, Eucador, Peru, and Chile).

2. United States flag liner service requirements on Trade Route No. 25 are approximately three sailings per month of freight ships serving the route exclusively or predominantly.

3. The existing C-1 and C-2 type ships are suitable for interim operation on Trade Route No. 25 pending replacement.

4. Newly constructed freight ships shall have a speed of not less than 20 knots, and a greater cargo carrying capacity than the U.S. flag C-2 type ships now serving the route. Consideration should be given to providing refrigerated cargo space on replacement ships.

Dated: September 8, 1965.

By order of the Acting Maritime Administrator.

JAMES S. DAWSON, Jr.,
Secretary.

[F.R. Doc. 65-10003; Filed, Sept. 20, 1965; 8:46 a.m.]

Office of the Secretary

RICHMOND LEWIS

Statement of Changes in Financial Interests

In accordance with the requirements of section 710(b)(6) of the Defense Production Act of 1950, as amended, and Executive Order 10647 of November 28, 1955, the following changes have taken place in my financial interests as reported in the FEDERAL REGISTER during the past 6 months:

A. Deletions: None.
B. Additions: None.

This statement is made as of August 27, 1965.

Dated: August 30, 1965.

RICHMOND LEWIS.

[F.R. Doc. 65-10005; Filed, Sept. 20, 1965; 8:48 a.m.]

MARVIN S. PLANT

Statement of Changes in Financial Interests

In accordance with the requirements of section 710(b)(6) of the Defense Production Act of 1950, as amended, and Executive Order 10647 of November 28, 1955, the following changes have taken place in my financial interests as reported in the FEDERAL REGISTER during the past 6 months:

A. Deletions: No changes.
B. Additions: No changes.

This statement is made as of August 15, 1965.

Dated: August 16, 1965.

MARVIN S. PLANT.

[F.R. Doc. 65-10006; Filed, Sept. 20, 1965; 8:48 a.m.]

ATOMIC ENERGY COMMISSION

[Docket No. 50-144]

CAROLINAS VIRGINIA NUCLEAR POWER ASSOCIATES, INC.

Notice of Issuance of Facility License Amendment

Please take notice that no request for a formal hearing having been filed following publication of the notice of proposed action in the FEDERAL REGISTER, the Atomic Energy Commission has issued, effective as of the date of issuance, Amendment No. 1 to Facility License No. DPR-8. The license, as previously issued, authorized Carolinas Virginia Nuclear Power Associates, Inc. ("the licensee") to operate its nuclear reactor located at Parr, S.C. at steady state power levels up to 44.3 megawatts thermal. The amendment authorizes the licensee to increase the maximum steady state operating power level of the reactor to 65 megawatts gross fission power in accordance with the application for license amendment dated March 4, 1965, and the supplements thereto dated April 15, 1965, June 9, 1965 and June 30, 1965.

The amendment, as issued, is as set forth in the notice of proposed issuance of facility license amendment published in the FEDERAL REGISTER on August 11, 1965, 30 F.R. 9993.

Dated at Bethesda, Md., this 14th day of September 1965.

For the Atomic Energy Commission.

R. L. DOAN,
Director,
Division of Reactor Licensing.

[F.R. Doc. 65-9288; Filed, Sept. 20, 1965; 8:49 a.m.]

CIVIL AERONAUTICS BOARD

[Docket No. 15353; Order E-22655]

INTERNATIONAL AIR TRANSPORT ASSOCIATION

Agreement Regarding Specific Commodity Rates

Adopted by the Civil Aeronautics Board at its office in Washington, D.C., on the 15th day of September 1965.

Agreement adopted by Joint Conferences 1–2, 3–1, and 1–2–3 of the International Air Transport Association relating to specific commodity rates; Docket 15353, Agreement C.A.B. 18169, R–23 through R–25.

Pursuant to section 412(a) of the Federal Aviation Act of 1958 (the Act) and Part 261 of the Board's Economic Regulations, an agreement has been filed with the Board between various air carriers, foreign air carriers, and other carriers, embodied in the resolutions of Joint Conferences 1–2, 3–1, and 1–2–3 of the International Air Transport Association (IATA), and adopted pursuant to the provisions of Resolution 590 dealing with specific commodity rates.

The agreement, adopted pursuant to unprotested notices to the carriers and promulgated in IATA letters dated August 18, 24, and 30, 1965, as set forth in the attachment hereto[1] (1) names rates under new descriptions, and (2) names additional specific commodity rates for an existing commodity description. The proposed rates reflect reductions ranging from 18.3 to 79.6 percent of the otherwise applicable rates and are consistent with the present specific commodity rates within the applicable areas.

The Board, acting pursuant to sections 102, 204(a), and 412 of the Act, does not find the subject agreement to be adverse to the public interest or in violation of the Act, provided that approval thereof is conditioned as hereinafter ordered.

Accordingly, it is ordered, That Agreement C.A.B. 18169, R–23 through R–25, be approved, provided that such approval shall not constitute approval of the specific commodity descriptions contained therein for purposes of tariff publication.

Any air carrier party to the agreement, or any interested person, may, within 15 days from the date of service of this order, submit statements in writing containing reasons deemed appropriate, together with supporting data, in support of or in opposition to the Board's action herein. An original and nineteen copies of the statements should be filed with the Board's Docket Section. The Board may, upon consideration of any such statements filed, modify or rescind its action herein by subsequent order.

This order will be published in the FEDERAL REGISTER.

By the Civil Aeronautics Board.

[SEAL] HAROLD R. SANDERSON, *Secretary.*

[F.R. Doc. 65–10013; Filed, Sept. 20, 1965; 8:49 a.m.]

[1] Attachment filed as part of original document.

[Docket No. 15563 etc.]

SERVICE TO DOUGLAS, ARIZ.

Notice of Postponement of Prehearing Conference

Pursuant to the request of counsel for the Douglas parties, to which other counsel have indicated they have no objection, the date for prehearing conference in this proceeding is changed to October 7, 1965. The conference will be held at 10 a.m., in room 911, Universal Building, Connecticut and Florida Avenues NW., Washington, D.C. The date for written submissions in advance of prehearing conference is changed to September 30, 1965.

Dated at Washington, D.C., September 15, 1965.

[SEAL] RALPH L. WISER, *Hearing Examiner.*

[F.R. Doc. 65–10014; Filed, Sept. 20, 1965; 8:49 a.m.]

[Docket No. 16236; Order E-22657]

INTERNATIONAL AIR TRANSPORT ASSOCIATION

Agreement Regarding Specific Commodity Rates

Adopted by the Civil Aeronautics Board at its office in Washington, D.C., on the 15th day of September 1965.

Agreement adopted by Traffic Conference 1 of the International Air Transport Association relating to specific commodity rates; Docket 16236, Agreement C.A.B. 18504, R–2.

Pursuant to section 412(a) of the Federal Aviation Act of 1958 (the Act) and Part 261 of the Board's Economic Regulations, there has been filed with the Board an agreement between various air carriers, foreign air carriers, and other carriers, embodied in the resolutions of Traffic Conference 1 of the International Air Transport Association (IATA), and adopted pursuant to the provisions of Resolution 590 dealing with specific commodity rates.

The agreement, adopted pursuant to unprotested notices to the carriers and promulgated in an IATA letter dated August 30, 1965, names additional specific commodity rates for existing commodity descriptions as set forth below. The proposed rates offer reductions of 55.0 and 33.3 percent, respectively, from the otherwise applicable general cargo rates and are consistent with present specific commodity rates within this area.

Item 0006—Foodstuffs, spices, and beverages, n.e.s., 9 cents per kg, minimum weight 200 kgs., San Jose tto Panama City.

Item 2199—Yarn, thread, and fibers, natural and synthetic; cloth, exclusively in bales, bolts or pieces, not further processed or manufactured, clothing and footwear, textile manufactures 40 cents per kg, minimum weight 45 kgs. Panama City to Curacao.

The Board, acting pursuant to sections 102, 204(a), and 412 of the act, does not find the subject agreement to be adverse to the public interest or in violation of the act, provided that approval thereof is conditioned as hereinafter ordered.

Accordingly, it is ordered, That Agreement C.A.B. 18504, R–2, be approved, provided that such approval shall not constitute approval of the specific commodity descriptions contained therein for purposes of tariff publication.

Any air carrier party to the agreement, or any interested person, may, within 15 days from the date of service of this order, submit statements in writing containing reasons deemed appropriate, together with supporting data, in support of or in opposition to the Board's action herein. An original and 19 copies of the statements should be filed with the Board's Docket Section. The Board may, upon consideration of any such statements filed, modify, or rescind its action herein by subsequent order.

This order will be published in the FEDERAL REGISTER.

By the Civil Aeronautics Board.

[SEAL] HAROLD R. SANDERSON, *Secretary.*

[F.R. Doc. 65–10015; Filed, Sept. 20, 1965; 8:50 a.m.]

FEDERAL COMMUNICATIONS COMMISSION

[Docket Nos. 15826, 15827; FCC 65M–1193]

KXYZ TELEVISION, INC., AND CREST BROADCASTING CO.

Order Regarding Procedural Dates

In re applications of KXYZ Television, Inc., Houston, Tex., Docket No. 15826, File No. BPCT–3220; Crest Broadcasting Co., Houston, Tex., Docket No. 15827, File No. BPCT–3302; for construction permit for new television broadcast station (Channel 26).

In implementation of agreements reached and rulings made at a hearing conference on September 14, 1965:

It is ordered, This 14th day of September 1965, that:

(1) On or before October 6, 1965, the applicants herein shall file with the Commission and hand deliver to every other party hereto and the Hearing Examiner:

(a) Any petition for leave to amend application, and attendant amendment, which in their judgment they are required or permitted to submit pursuant to any order or action of the Commission or any subordinate authority;

(b) A copy of any additional or supplemental hearing exhibit which, in their judgment, they are required or permitted to submit pursuant any order or action of the Commission or any subordinate authority;

(c) Any motion to strike all or any part of any heretofore received hearing exhibit which may have become appropriate by virtue of any order or action of the Commision or any subordinate authority;

(2) On or before October 11, 1965, the parties herein shall file with the Commission and hand deliver to every other

party hereto and the Hearings Examiner:

(a) Any opposition to any petition for leave to amend filed pursuant to (1)(a), supra;

(b) Any opposition on nonevidentiary grounds to any hearing exhibit submitted pursuant to (1)(b), supra (any objection on evidentiary grounds shall be heard at such time as the exhibit may be offered into evidence);

(c) Any opposition to any motion to strike submitted pursuant to (1)(c), supra;

(d) Notification of any witnesses, in addition to those previously named, they wish to be presented for cross-examination; and

(e) A list of any additional witnesses they propose to be offered in support of their direct case; and:

It is further ordered, That further hearing herein shall commence on October 18, 1965 at 10 a.m. in the offices of the Commission at Washington, D.C.

Released: September 15, 1965.

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

[F.R. Doc. 65-10019; Filed, Sept. 20, 1965; 8:50 a.m.]

[Docket No. 16125; FCC 65M-1194]

TINKER, INC.

Order Continuing Hearing

In the matter of revocation of the license of Tinker, Inc., for Standard Broadcast Station WEKY, Richmond, Ky.; Docket No. 16125.

It is ordered, This 14th day of September 1965, that the hearing in the above-entitled proceeding which heretofore was scheduled to commence September 30, 1965, in Washington, D.C., is hereby continued to November 15, 1965: *And, it is further ordered,* That the request made on the record by the Commission's Broadcast Bureau for field hearing in this proceeding is granted, and the place of hearing herein is changed from Washington, D.C., to Richmond, Ky.

Released: September 15, 1965.

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

[F.R. Doc. 65-10020; Filed, Sept. 20, 1965; 8:50 a.m.]

[Docket Nos. 16060, 16061; FCC 65M-1195]

CLAY COUNTY BROADCASTING CO. AND WILDERNESS ROAD BROADCASTING CO.

Order Continuing Hearing

In re applications of John E. White, Calvin C. Smith, Jack C. Hall and Cloyd Smith, d/b as Clay County Broadcasting Co., Manchester, Ky., Docket No. 16060, File No. BPH-4596; The Wilderness Road Broadcasting Co., Manchester, Ky., Docket No. 16061, File No. BPH-4655; for construction permits.

The Examiner being orally informed that a death in the family of counsel for Clay County Broadcasting Co. has made impossible his attendance at hearing on September 16, 1965; and

It appearing that all other parties to the proceeding have consented to the grant of continuance set forth below:

It is ordered, This 15th day of September, 1965, that hearing in this proceeding now scheduled for September 16, 1965, is continued to 10 a.m., October 1, 1965.

Released: September 15, 1965.

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

[F.R. Doc. 65-10021; Filed, Sept. 20, 1965; 8:50 a.m.]

[Docket No. 15941]

J. BOTTI ENTERPRISES

Notice of Place of Hearing

In the matter of J. Botti, d/b as J. Botti Enterprises, Redwood City, Calif., Docket No. 15941; order to show cause why the license for business radio station KEQ-728 should not be revoked.

The hearing on the above-entitled matter presently scheduled for Wednesday, October 13, 1965, will be held at 10 a.m., in Room 1329, Appraisers Building, 630 Sansome Street, San Francisco, Calif.

Dated: September 15, 1965.

Released: September 16, 1965.

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

[F.R. Doc. 65-10022; Filed, Sept. 20, 1965; 8:50 a.m.]

FEDERAL DEPOSIT INSURANCE CORPORATION

MONTPELIER SAVINGS BANK AND TRUST CO.

Notice of Application for Exemption From Certain Reporting Requirements

Pursuant to authority granted the Corporation under sections 12(h) and 12(i) of the Securities Exchange Act of 1934, as amended, notice is hereby given to all interested parties that the Montpelier Savings Bank and Trust Co., Montpelier, Vt., has applied to the Federal Deposit Insurance Corporation for exemption from certain provisions of that act. The bank has previously filed a registration statement with the Corporation pursuant to section 12(g) of the act, such registration statement becoming effective June 29, 1965. It now requests an exemption for the bank, its officers, directors, and certain controlling persons, from the reporting requirements of sections 13, 14(a), 14(c) and 16 of the act and the rules and regulations of the Corporation issued pursuant thereto.

Notice is hereby given interested persons will have opportunity to present their written views or comments on this application within 20 days following the date of publication of this notice in the FEDERAL REGISTER. Communications should be addressed to the Secretary, Federal Deposit Insurance Corporation, 550 17th Street NW., Washington, D.C., 20429.

Dated this 14th day of September 1965.

FEDERAL DEPOSIT INSURANCE CORPORATION,
[SEAL] E. F. DOWNEY,
Secretary.

[F.R. Doc. 65-10004; Filed, Sept. 20, 1965; 8:46 a.m.]

FEDERAL POWER COMMISSION

[Project No. 2537]

ALABAMA POWER CO.

Notice of Application for Preliminary Permit for Unconstructed Project

SEPTEMBER 14, 1965.

Public notice is hereby given that application has been filed under the Federal Power Act (16 U.S.C. 791a-825r) by Alabama Power Co. (correspondence to: Walter Bouldin, President, Alabama Power Co., 600 North 18th Street, Birmingham, Ala., 35203) for a preliminary permit for proposed Project No. 2537, to be known as the Crooked Creek Project, to be located on the Tallapoosa River and its tributary the Little Tallapoosa River, in the counties of Clay and Randolph, State of Alabama.

The unconstructed project would consist of: A dam of undetermined design, length and height; a spillway; a reservoir with undetermined pool elevation and length but which would provide additional flood control on the Tallapoosa and Alabama Rivers; and a powerhouse to contain generating units having a total capacity of about 135,000 kw.

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 November 3, 1965. The application is on file with the Commission for public inspection.

JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 65-9990; Filed, Sept. 20, 1965; 8:47 a.m.]

[Docket No. RP65-49 etc.]

ATLANTIC SEABOARD CORP. AND UNITED FUEL GAS CO.

Order Providing for Hearing, Suspending Proposed Revised Tariff, and Consolidating Proceedings

SEPTEMBER 14, 1965.

United Fuel Gas Co. (United Fuel) on July 20, 1965, tendered for filing Sixth Revised Volume No. 1 to its FPC Gas Tariff, with the request that it be per-

mitted to become effective as of September 15, 1965.

The proposed revised tariff would supersede the existing Fifth Revised Volume No. 1 of United Fuel's tariff and would make the following basic changes in rates, charges and classifications of service: (1) A new Winter Service (WS) Rate Schedule; a new Contract Demand Service—Partial Requirements (CDS–PR–1) Rate Schedule; new Emergency Service (ES) and Excess Gas Service (EX) Rate Schedules replacing the present Authorized Overrun Service (AOS) Rate Schedule; the elimination of the billing demand ratchet provisions in the CDS rate schedule; changes in rate design which result in increases in demand charges and decreases in commodity charges in the CDS rate schedule which are also reflected in the CDS–PR rate schedule; and the elimination of present restrictions on the use of gas for boiler fuel.

In support of its proposed tariff filing, United Fuel states that the revised rates, including the new Winter Service schedule, will effect an annual reduction to all customers amounting to $1,922,100 based upon estimated sales for the year 1966. The company claims that due to the workload in other proceedings, it was physically impossible for it to simultaneously file the supporting material required by § 154.63 of the Commission's regulations. Therefore, it filed only a revenue comparison for estimated sales in 1966. It urges that in view of the proposed rate reduction, such requirements are an unnecessary burden and requests the waiver of such data. The proposed filing includes a schedule of dates (concluding with October 29, 1965) upon which the company would provide the supporting material if required by the Commission. It also requests that the proposed tariff be not suspended, or in no event beyond October 31, 1965, in order that the proposed rate reduction may coincide with the initiation of annual storage deliveries under the WS schedule on November 1.

United Fuel further states, in effect, that its proposed filing of the restructured tariff is a primary component of the Columbia Gas System's projected plan for restructuring the tariffs not only of Atlantic Seaboard Corp. (Seaboard), which filed such revised tariff on March 31, 1965, but also of other affiliated companies to whom United Fuel provides substantial gas supplies. Moreover, the proposed restructured tariffs and the rate designs therein filed by such other affiliates will be influenced by the rate design of United Fuel's tariff as proposed herein.

Washington Gas Light Co. (Washington) on August 9, 1965, filed its comments upon the subject filing and based thereon requests that the proposed tariff be suspended and subjected to investigation and hearing. Baltimore Gas and Electric Co., on August 12, 1965, filed comments in support of the proposed filing "in the interest of lower charges to its consumers". Affiliated customers of United Fuel, Ohio Fuel Gas Co., Manufacturers Light & Heat Co., and Home Gas Co., on August 25, 1965, filed comments in support of the filing stating that they would file restructured tariffs, including new Winter Service rate schedules, and would pass on United Fuel's reduction effective November 1, 1965.[1]

The proposed tariff constitutes a major rate change in rate structure for which our regulations require the submittal of the data therein specified. Moreover, the proposed rates and charges have not been shown to be justified, and may be unjust, unreasonable, unduly discriminatory, preferential, or otherwise unlawful. To the extent it is indicated that the proposed rates and charges will result in rate reductions to jurisdictional customers, it appears unlikely such reductions would be effectuated prior to November 1, 1965. We, therefore, shall suspend the proposed filing until that date and direct United Fuel to supply the data and material required by § 154.63 of the regulations pursuant to the schedule contained in its filing.

In view of the fact that Seaboard purchases almost all of its gas from United Fuel, the impact of United Fuel's restructured tariff upon Seaboard's cost of service may result in substantially reducing and altering the relative levels of Seaboard's demand and commodity costs. It, therefore, appears appropriate to consolidate for hearing the proceedings of both companies involving their restructured tariffs as provided herein.

The new CDS–PR–1 rate schedule included in the proposed tariff is substantially similar to the PR rate schedules proposed by other Columbia System companies which have been suspended and consolidated for hearing in Atlantic Seaboard Corp., et al., Docket No. G–16401, et al. We will, therefore, provide that the tariff sheets which contain United Fuel's proposed PR rate schedule be made subject to hearing under Docket No. RP66–10 and be consolidated with the other PR proceedings, as to all issues other than rate level.

The Commission finds:

(1) It is necessary and proper in the public interest and to aid in the enforcement of the provisions of the Natural Gas Act that the Commission enter upon a hearing concerning the lawfulness of the rates, charges, classifications and services contained in United Fuel's FPC Gas Tariff, as proposed to be amended by Sixth Revised Volume No. 1, and that said proposed revised tariff be suspended and the use thereof deferred as hereinafter provided.

(2) It is necessary and proper in the public interest and to aid in the enforcement of the provisions of the Natural Gas Act that the proposed changes in rates and charges contained in United Fuel's Sixth Revised Volume No. 1, be made effective as hereinafter provided and that United Fuel be required to file a motion and an undertaking as hereinafter ordered and conditioned.

The Commission orders:

(A) Pursuant to the authority of the Natural Gas Act, particularly sections 4 and 15 thereunder, the Commission's rules of practice and procedure and the regulations under the Natural Gas Act (18 CFR Ch. I), a public hearing be held on a date fixed by notice from the Presiding Examiner as hereinafter provided, concerning the lawfulness of the rates, charges, classifications and services contained in United Fuel's FPC Gas Tariff, as proposed to be amended by Sixth Revised Volume No. 1.

(B) Pending such hearing and decision thereon, United Fuel's proposed revised tariff, identified in Paragraph (A) above, hereby is suspended and its use deferred until November 1, 1965: *Provided, however*, That, within twenty days from the date of this order, United Fuel shall file a motion as required by section 4(e) of the Natural Gas Act and concurrently execute and file with the Secretary of the Commission the agreement and undertaking described in Paragraph (E) below. Unless United Fuel is advised to the contrary within fifteen days after the date of filing such agreement and undertaking, the agreement and undertaking shall be deemed to have been accepted.

(C) Docket No. RP66–10 and the proceedings therein are hereby consolidated with the proceedings in Docket No. G–16401, et al., for the purposes of public hearings and decision on all issues other than rate level.

(D) United Fuel shall refund at such times and in such amounts to persons entitled thereto, and in such manner as may be required by final order of the Commission, the portion of rates and charges found by the Commission in this proceeding not justified, together with interest thereon at the rate of 7 percent per annum from the date of payment to United Fuel until refunded; shall bear all costs of any such refunding; shall keep accurate accounts in detail of all amounts received by reason of the tariff sheets made effective as of November 1, 1965, and each billing period, specifying by whom and in whose behalf such amounts were paid, and shall report (original and four copies) in writing and under oath, to the Commission, monthly, for each billing period and for each purchaser, the billing determinants of natural gas sales to such purchasers, and the revenues resulting therefrom as computed under the tariff sheets in effect immediately prior to November 1, 1965, and under the tariff sheets herein allowed to become effective, together with the differences in the revenues so computed.

(E) As a condition of this order, United Fuel shall execute and file in triplicate with the Secretary of this Commission, its written agreement and undertaking to comply with the terms of Paragraph (D) hereof, signed by a responsible officer of the corporation, evidenced by proper authority from the Board of Directors, and accompanied by a certificate showing service of copies thereof upon all purchasers under the tariff sheet involved as follows:

Agreement and Undertaking of United Fuel Gas Co. to comply with the terms and conditions of paragraph (D) of Federal Power Commission's order issued ----------, 1965, in Docket No. RP66–2.

[1] Manufacturers Light & Heat Co. and Home Gas Co., on August 31, 1965, and Kentucky Gas Transmission Co. and Ohio Fuel Gas Co., on September 1, 1965, tendered restructured tariffs in Docket Nos. RP66–5, RP66–6, RP66–7, and RP66–8, respectively.

In conformity with the requirements of the order issued _____, 1965, in Docket No. RP66-2, United Fuel Gas Co. hereby agrees and undertakes to comply with the terms and conditions of paragraph (D) of said order, and has caused this agreement and undertaking to be executed and sealed in its name by its officers, thereupon duly authorized in accordance with the terms of the resolution of its Board of Directors, a certified copy of which is appended hereto this _____ day of _____, 1965.

UNITED FUEL GAS CO.
By _____
President.

Attest:

_____
Secretary.

(F) If United Fuel shall, in conformity with the terms and conditions of its agreement and undertaking, make the refunds as may be required by order of the Commission in this proceeding, the undertaking shall be discharged; otherwise, it shall remain in full force and effect.

(G) Docket Nos. RP65-49 and RP66-2 are hereby consolidated for the purposes of public hearings and decision on matters and issues involved therein.

(H) Presiding Examiner Howell Purdue or any other officer designated by the Chief Examiner for that purpose (see Delegation of Authority, 18 CFR 3.5(d)) shall prescribe other relevant procedural matters not herein provided; preside at the prehearing conferences and at the hearing in this matter, and control the proceeding until the completed record is certified to the Commission, pursuant to the Commission's rules of practice and procedure, and as further provided by this order.

(I) United Fuel, the Commission Staff and interveners shall serve their direct testimony and exhibits in these consolidated proceedings upon the Presiding Examiner and all other parties as follows: United Fuel on or before October 29, 1965, Staff on or before January 28, 1966, and interveners on or before February 8, 1966.

(J) Pursuant to § 1.18 of the Commission's rules of practice and procedure, a prehearing conference before the Presiding Examiner shall commence at 10 a.m., e.d.t., on February 15, 1966, in a hearing room of the Federal Power Commission, 441 G Street NW., Washington, D.C., for the purpose of reaching such agreements as will expedite the determination herein, including, but not limited to, stipulation of facts, narrowing and defining of issues, and establishment of dates for service of rebuttal testimony and for cross-examination of all testimony.

(K) The cross-examination, when commenced, shall be continuous as to all witnesses to be presented, unless the Presiding Examiner finds that extraordinary circumstances preclude such procedure.

(L) Notices of intervention and petitions to intervene may be filed with the Federal Power Commission, Washington, D.C., 20426, in accordance with the Commission's rules of practice and procedure, §§ 1.8 and 1.37(f) (18 CFR 1.8 and 1.37(f)), on or before October 15, 1965.

By the Commission.

[SEAL] GORDON M. GRANT,
Acting Secretary.

[F.R. Doc. 65-9992; Filed, Sept. 20, 1965; 8:47 a.m.]

[Docket No. CP63-188]

CITIES SERVICE GAS CO.

Notice of Petition To Amend

SEPTEMBER 14, 1965.

Take notice that on September 7, 1965, Cities Service Gas Co. (Petitioner), Post Office Box 1995, Oklahoma City, Okla., 73101, filed in Docket No. CP63-188 a petition to amend the order of the Commission issued in said docket December 30, 1963, which order authorized Petitioner to clean out and plug old wells in the Webb Storage field located in Grant County, Oklahoma, and to drill, equip and connect some 40 new wells for storage injection and withdrawal. Also authorized was the construction and operation of a gathering system, a dehydration plant and a 26-inch pipeline to connect the 40 wells to Petitioner's Blackwell Compressor Station which Petitioner stated was to be used for input and withdrawal operations.

By the instant filing, Petitioner seeks amendment of said order by requesting authorization for the construction and operation of a 2,400 horsepower compressor station to be located within its new Webb Storage Field area. Petitioner states that the horsepower which it had anticipated would become available at its Blackwell Compressor Station due to a decline of available volumes of gas requiring compression at Blackwell has not materialized and that the proposed compressor station is required in order to compress the volumes now scheduled to be injected and withdrawn from its new storage reservoir. Petitioner further states that by installing the compressor unit in the storage field area construction costs will be saved since it can utilize a lighter weight pipe for the 10.5 miles of 26-inch injection and withdrawal pipeline previously certificated in Docket No. CP63-188.

The total estimated cost to construct the proposed facilities is $815,000, which would be financed with cash on hand. Petitioner states that the proposed construction would commence upon authorization from the Commission and operation would begin by April 30, 1966.

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 October 8, 1965.

JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 65-9993; Filed, Sept. 20, 1965; 8:47 a.m.]

[Docket No. G-15908, etc.]

CHEVRON OIL CO., WESTERN DIVISION

Order Amending Orders Issuing Certificates, Redesignating Proceedings, and Redesignating FPC Gas Rate Schedules

SEPTEMBER 8, 1965.

On July 12, 1965, Chevron Oil Co., Western Division, formerly California Oil Co., Western Division, filed a notice of change in name to advise the Commission that the name of the company had been changed effective July 1, 1965.

The Commission orders:

(A) The orders issuing certificates of public convenience and necessity to California Oil Co., Western Division, in Docket Nos. G-15908,[1] G-18030, CI60-333, CI64-1155, CI64-1498, and CI64-1532 are amended by changing the name of the certificate holder to Chevron Oil Co., Western Division, and in all other respects said orders shall remain in full force and effect.

(B) California Oil Co., Western Division, FPC Gas Rate Schedule Nos. 1 through 6 are redesignated as Chevron Oil Co., Western Division, FPC Gas Rate Schedule Nos. 1 through 6, respectively.

(C) The name of the respondent in the proceedings pending in Docket Nos. RI64-700 and RI66-23 is changed from California Oil Co., Western Division, to Chevron Oil Co., Western Division, and the proceedings are redesignated accordingly.

By the Commission.

[SEAL] JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 65-9994; Filed, Sept. 20, 1965; 8:47 a.m.]

[Docket No. CP66-68]

MIDDLEBORO, MASS., AND ALGONQUIN GAS TRANSMISSION CO.

Notice of Application

SEPTEMBER 14, 1965.

Take notice that on September 3, 1965, the town of Middleboro, Mass. (Applicant) filed in Docket No. CP66-68 an application pursuant to section 7(a) of the Natural Gas Act for an order of the Commission directing Algonquin Gas Transmission Co. (Respondent) to establish physical connection of its transportation facilities with the facilities proposed to be constructed by Applicant and to sell and deliver to Applicant volumes of natural gas for resale and distribution in Applicant, all as more fully set forth in the application which is on file with the Commission and open to public inspection.

The application states that natural gas used by Applicant is presently purchased from the Brockton Taunton Gas

[1] Certificate in this Docket was issued to the California Company, predecessor to California Oil Co., Western Division.

Co. (Brockton-Taunton), through a 39-year-old, 6-inch main under an existing contract dated June 20, 1955, subject to termination upon two years' notice. Brockton-Taunton purchases the gas delivered to Applicant from Respondent and conveys this gas about ten miles through its system to the point where it is delivered to Applicant. The application further states that due to the need of Applicant for greatly increased future requirements of gas at a lower rate, Applicant has notified Brockton-Taunton of its plans to seek a direct connection with the facilities of Respondent (located approximately four miles from Applicant's existing mains) to acquire its gas requirements.

Applicant states that under its existing contract with Brockton-Taunton it conveys gas through its mains to Brockton-Taunton for the latter's distribution system in the town of Lakeville, Mass. Under the new connection sought in the application, Applicant states that it plans to continue to supply Brockton-Taunton with gas for its Lakeville area under new contractual arrangements now under negotiation. In addition, Applicant contemplates that it will deliver gas to Brockton-Taunton from a new service main to be constructed by Applicant near South Bridgewater, for the service by Brockton-Taunton of its proposed customers in that area.

Specifically, Applicant seeks an interconnection with the main line of Respondent at a point approximately four miles southeast of Applicant, requiring construction by Applicant of an 8-inch main connecting with its existing 8-inch mains, together with regulators and odorizers. In addition Applicant proposes that Respondent construct a metering station and approximately 300 feet of lateral transmission line.

In conjunction with the new line and interconnection with Respondent sought in the application, Applicant proposes to construct certain additions to its present distribution system to serve new increased future loads. In particular Applicant proposes to enter into a contract with the Kelsey Ferguson Brick Co. to supply an initial 350 Mcf daily of contract demand on a firm basis commencing no later than October 1, 1966, for use in the new brick yard constructed in Applicant. The proposed contract is stated by Applicant to be subject to Applicant obtaining the direct connection and increased supply of gas sought in the application. A short extension from the proposed line to the brick yard is proposed in order to sell gas to Brockton-Taunton at the Bridgewater town line.

Applicant estimates that it will require 745 Mcf per day of firm gas from Respondent in the first year effective November 1, 1966 (service would commence April 1, 1966, with a firm volume of 360 Mcf per day increasing to 745 Mcf per day effective November 1, 1966), which is expected to increase to 790 Mcf per day by the third year. The annual requirements from Respondent are estimated to be 251,226 Mcf for the first year (calendar year 1967), increasing to 259,948 Mcf in the third year (calendar year 1969).

The estimated cost of the line and connecting facilities between Applicant's system and Respondent's pipeline is $198,981. The estimated cost of the extensions of Applicant's internal distribution system to serve the brick yard and Brockton-Taunton at the Bridgewater town line is $211,371. Applicant proposes to finance the project with Treasury funds on hand together with the issuance of a ten year general obligation bond issue in the amount of $200,000.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington, D.C., 20426, in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before October 8, 1965.

JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 65-9996; Filed, Sept. 20, 1965; 8:47 a.m.]

[Docket No. CP66-69]

MISSOURI EDISON CO. AND PANHANDLE EASTERN PIPE LINE CO.

Notice of Application

SEPTEMBER 14, 1965.

Take notice that on September 7, 1965, Missouri Edison Co. (Applicant), 123½ North Fourth Street, Louisiana, Mo., filed in Docket No. CP66-69 an application pursuant to section 7(a) of the Natural Gas Act for an order of the Commission directing Panhandle Eastern Pipe Line Co. (Respondent) to establish physical connection of its transportation facilities with the facilities proposed to be constructed by Applicant and to sell and deliver to Applicant volumes of natural gas for resale and distribution in 16 communities and rural areas of Northeast Missouri, all as more fully set forth in the application which is on file with the Commission and open to public inspection.

The names of the 16 communities Applicant proposes to serve are listed in the application as follows: Bellflower, Clarksville, Curryville, Elsberry, Foley, Hawk Point, High Hill, Jonesburg, Moscow Mills, Old Monroe, Troy, Truesdale, Warrenton, Wentzville, Winfield, and Wright City.

Applicant states that in order to provide service to these communities two initial connections with Panhandle are required, one would serve Clarksville, while the other would serve the other communities.

The estimated volume of natural gas necessary to meet annual and maximum daily requirements for the first 3 years of operation is 428,157 Mcf and 4,100 Mcf respectively.

Applicant states that it is now rendering natural gas service to consumers in Louisiana, Mo., and the area adjacent thereto and that Respondent is its sole supplier of natural gas.

Applicant proposes to start construction of the additions to its natural gas system, subject to the order prayed for, during the spring of 1966, with a substantial part thereof completed by the 1966-1967 heating season.

Applicant summarizes its estimated total cost of construction as follows:

Item	1st year	3d year	5th year
Transmission	$2,035,490	$2,035,490	$2,035,490
City gate stations	73,500	73,500	73,500
Distribution systems	865,985	865,985	865,985
Meters, regulators, and services	72,930	144,625	191,035
Total	3,047,905	3,119,600	3,166,010

Regulating stations required at the taps of Respondent's pipe line would be furnished by Respondent.

Applicant proposes to finance the proposed facilities from its treasury funds and proceeds from unsecured short term bank loans. Applicant states that it would subsequently fund the unsecured short term bank loans through the issue and sale of stock, mortgage bonds or other form of permanent financing, subject to approval by the Public Service Commission of Missouri.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington, D.C., 20426, in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before October 8, 1965.

JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 65-9997; Filed, Sept. 20, 1965; 8:47 a.m.]

[Docket No. CP65-196]

NORTHERN NATURAL GAS CO.

Order Setting Application for Hearing, Procedures for Exchange of Prepared Testimony, and Granting Interventions

SEPTEMBER 14, 1965.

On January 8, 1965, and April 23, 1965,[1] the Commission issued notices of the original and amended applications, respectively, filed by Northern Natural Gas Co. (Northern) on December 31, 1964, and April 19, 1965, pursuant to section 7(c) of the Natural Gas Act for a certificate of public convenience and necessity, authorizing the construction and operation of additional main-line and branch-line facilities to enable it to deliver 48,137 Mcf of contract demand to new and existing distributor customers. This additional volume would be used to serve 131 communities presently without natural gas service in Iowa, Nebraska, Minnesota, and Wisconsin.

Petitions to intervene were filed by the following companies on the dates indicated:

[1] On August 20, 1965, Northern filed a further supplement to its application, indicating that the village of Springfield, Nebr., which Northern seeks to serve through its Peoples Natural Gas division, has attempted to change distributors by issuing a franchise to Metropolitan Utilities District of Omaha and "purporting to revoke the franchise issued to Peoples". Northern states that if it is ultimately determined that MUD will be the distributor in Springfield, Northern will supply such volumes as requested by MUD subject to determination by Northern that MUD's estimates are reasonable and attainable.

Petitioner	Date filed
Iowa-Illinois Gas and Electric Co.	Jan. 25, 1965
Minnesota Valley Natural Gas Co.	Jan. 29, 1965
Iowa Electric Light and Power Co.	Feb. 1, 1965
St. Croix Valley Natural Gas Co., Inc.	Feb. 1, 1965
North Star Natural Gas Co. of Wisconsin, Inc.	Feb. 3, 1965
American Gas Co. of Wisconsin, Inc.	Feb. 4, 1965
Iowa Power and Light Co.	Feb. 4, 1965
Iowa Public Service Co.	Feb. 4, 1965
Wisconsin Power and Light Co.	Feb. 4, 1965
Milwaukee Gas Light Co.	Feb. 5, 1965
Cities of Onawa and Mapleton, Iowa [2]	Feb. 8, 1965
Great Plains Natural Gas Co.	Feb. 8, 1965
Madison Gas and Electric Co.	Feb. 10, 1965
Metropolitan Utilities District of Omaha	Feb. 8, 1965
Michigan Wisconsin Pipe Line Co.	Feb. 8, 1965
Midwest Natural Gas, Inc.	Feb. 8, 1965
Minneapolis Gas Co.	Feb. 8, 1965
Natural Gas, Inc.	Feb. 8, 1965
North Central Public Service Co.	Feb. 8, 1965
Northern States Power Co.	Feb. 8, 1965
Western Power & Gas Co.	Feb. 8, 1965
City of Viroqua	Feb. 19, 1965
Minn-Dak Fuel Association, Inc.	Mar. 4, 1965
Natrogas, Inc.	May 19, 1965
Elroy Gas, Inc.	May 20, 1965

The Public Service Commission of Wisconsin filed a notice of intervention on February 8, 1965.

By its further notice of application dated April 23, 1965, the Commission extended the filing date of protests or petitions to intervene to May 20, 1965.

On February 19, 1965, the city of Viroqua, a municipal corporation existing under the laws of the State of Wisconsin, filed a petition to intervene and be made a party to the above-entitled proceeding and submitted market data in support of municipal gas distribution in lieu of distribution by Midwest Natural Gas Co., as originally proposed by Northern. The system is to be financed by the sale of 5 percent revenue bonds of 30 years amortization. The Petitioner estimates its total requirement for the first year at 229,180 Mcf, the second year at 314,790 Mcf, and the third year 364,200 Mcf. The estimated peak day requirements are 524 Mcf for the first year, 831 Mcf for the second year, and 1,180 Mcf for the third year. It may be noted that the city of Viroqua has received from the Wisconsin Public Service Commission a certificate of authority to construct facilities and render natural gas service in Viroqua.

Minn-Dak Fuel Association, Inc. (Minn-Dak) filed a petition to intervene on March 4, 1965. The Petitioner submits that the application of Northern must be dismissed on various grounds, and urges the Commission to permit Petitioner's intervention "notwithstanding that the time provided in the Commission's notice for the filing of petitions to intervene has expired." Answers to the petition to intervene of Minn-Dak were filed on March 12, 1965, by Northern and Great Plains Natural Gas Co. on the ground that the petition is inexcusably late. However, in view of the fact that the filing of petitions to intervene was extended to May 20, 1965, by the Commission's further notice of application dated April 23, 1965, it is obvious that Minn-Dak's petition was filed within the time allowed.

The Commission finds:

(1) The above-described application of Northern Natural Gas Co. and the petitions to intervene which seek an allocation of gas supplies from Northern pursuant to section 7(a) of the Natural Gas Act, are related matters which should be heard on a consolidated record.

(2) It is desirable to allow the companies and associations which have filed petitions to intervene to become interveners in this proceeding in order that they may establish the facts and law from which the nature and validity of their alleged rights and interests may be determined and show what further action may be appropriate under the circumstances in the administration of the Natural Gas Act.

The Commission orders:

(A) The above-named Petitioners are hereby permitted to become Interveners in these proceedings subject to the rules and regulations of the Commission: *Provided, however,* That the participation of such Interveners shall be limited to matters affecting asserted rights and interests as specifically set forth in said petitions for leave to intervene; *and provided, further,* That the admission of such Interveners shall not be construed as recognition by the Commission that any of them might be aggrieved because of any order or orders of the Commission entered in this proceeding.

(B) The Applicant and Interveners supporting its application, who intend to present evidence, shall file with the Commission and serve on all parties and the Commission's staff, on or before October 12, 1965, the proposed evidence comprising their cases-in-chief, including prepared testimony of witnesses and exhibits. Interveners protesting the application and staff of the Commission shall file their prepared testimony and exhibits on or before October 26, 1965.

(C) A public hearing on the issues presented by the application of Northern Natural Gas Co. and Interveners seeking an allocation of gas supplies from Northern Natural Gas Co. will be held in a Hearing Room of the Federal Power Commission, 441 G Street NW., Washington, D.C., commencing at 10 a.m. e.s.t., November 10, 1965.

By the Commission.

[SEAL] GORDON M. GRANT, *Acting Secretary.*

[F.R. Doc. 65-9998; Filed, Sept. 20, 1965; 8:47 a.m.]

[2] Petitioners are municipal corporations desirous of obtaining supplies of natural gas from Northern for distribution in their respective communities. Petitioners request an order, pursuant to section 7(a) of the Natural Gas Act, directing Northern to initiate natural gas service and also request participation in the proceeding. By its amendment filed on Apr. 19, 1965, Northern now requests authority to deliver natural gas to its Peoples Natural Gas division for distribution of gas in the community of Onawa.

[Docket No. G-5993, etc.]

YUCCA PETROLEUM CO.

Order Amending Orders Issuing Certificates and Redesignating Proceeding

SEPTEMBER 13, 1965.

On December 20, 1962, Yucca Petroleum Co., formerly Baker & Taylor Drilling Co., filed a notice of change in name to advise the Commission that the name of the company had been changed by amendment of its corporate charter on March 30, 1962.

The FPC gas rate schedules of Baker & Taylor Drilling Co. have heretofore been redesignated as those of Yucca Petroleum Co.

The Commission orders:

(A) The orders issuing certificates of public convenience and necessity to Baker & Taylor Drilling Co. in Docket Nos. G-5993, G-10039, G-13810, G-20040, and CI60-708 are amended by changing the name of the certificate holder to Yucca Petroleum Co., and in all other respects said orders shall remain in full force and effect.

(B) The name of the Applicant in the proceeding pending in Docket No. G-18995 is changed from Baker & Taylor Drilling Co. to Yucca Petroleum Co., and the proceeding is redesignated accordingly.

By the Commission.

[SEAL] GORDON M. GRANT, *Acting Secretary.*

[F.R. Doc. 65-9999; Filed, Sept. 20, 1965; 8:48 a.m.]

FEDERAL RESERVE SYSTEM

ASSOCIATED BANCORPORATION

Order for Hearing

In the matter of the application of Associated Bancorporation, Milwaukee, Wis., pursuant to section 3 of the Bank Holding Company Act of 1956 (Docket No. BHC-74).

On July 1, 1965, there was published in the FEDERAL REGISTER (30 F.R. 8423), a notice of receipt by the Board of Governors of an application, pursuant to section 3(a)(1) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a)(1)), by Associated Bancorporation, Milwaukee, Wis., for the Board's prior approval of action whereby Applicant would become a bank holding company through the acquisition of a minimum of 80 percent of the voting shares of Milwaukee Western Bank, Milwaukee, and Menomonee Falls Bank, Menomonee Falls, both of Wisconsin.

It appears to the Board that it is appropriate in the public interest that a hearing be held with respect to this application. Accordingly,

It is hereby ordered, That, pursuant to § 222.7(a) of the Board's Regulation Y (12 CFR § 222.7(a)), promulgated under the Bank Holding Company Act of 1956, a public hearing with respect to this application be held, commencing November 9, 1965, at 10 a.m., at the Federal

Reserve Bank of Chicago, Fifth Floor, 230 South La Salle Street, Chicago, Ill., before a duly designated hearing examiner, said hearing to be conducted in accordance with the Board's rules of practice for formal hearings (12 CFR Part 263).

It is further ordered, That the following matters will be the subject of consideration at said hearing, without prejudice to the designation of additional, related matters and questions upon further examination:

(1) the financial history and condition of the company and the banks concerned;

(2) their prospects;

(3) the character of their management;

(4) the convenience, needs, and welfare of the communities and area concerned; and

(5) whether or not the effect of the proposed acquisition would be to create a bank holding company system the size or extent of which would exceed limits consistent with adequate and sound banking, the public interest and the preservation of competition in the field of banking.

It is further ordered, That any person desiring to give testimony, present evidence, or otherwise participate in these proceedings should file with the Secretary, Board of Governors of the Federal Reserve System, Washington, D.C., 20551, on or before October 15, 1965, a written request containing a statement of the nature of the petitioner's interest in the proceedings, the extent of the participation desired, a summary of the matters concerning which petitioner wishes to give testimony or submit evidence, and the names and identity of the witnesses who propose to appear. Requests will be presented to the designated hearing examiner for his determination, and persons submitting them will be notified of his decision.

Dated at Washington, D.C., this 17th day of September 1965.

By order of the Board of Governors.

[SEAL] MERRITT SHERMAN,
Secretary.

[F.R. Doc. 65-10116; Filed, Sept. 20, 1965; 11:56 a.m.]

OFFICE OF EMERGENCY PLANNING

LOUISIANA

Notice of Major Disaster

Pursuant to the authority vested in me by the President under Executive Order 10427 of January 16, 1953, Executive Order 10737 of October 29, 1957, and Executive Order 11051 of September 27, 1962 (18 F.R. 407, 22 F.R. 8799, 27 F.R. 9683); Reorganization Plan No. 1 of 1958, Public Law 85-763, and Public Law 87-296; by virtue of the act of September 30, 1950, entitled "An Act to authorize Federal assistance to States and local governments in major disasters, and for other purposes" (42 U.S.C. 1855-1855g), as amended; notice is hereby given of a declaration of "major disaster" by the President in his letter dated September 10, 1965, reading in part as follows:

I have determined that the damage in various areas of Louisiana adversely affected by Hurricane Betsy is of sufficient severity and magnitude to warrant disaster assistance by the Federal Government to supplement State and local efforts.

I do hereby determine the following areas in the State of Louisiana to have been adversely affected by the catastrophe declared a major disaster by the President in his declaration of September 10, 1965:

The Parishes of:

Acadia.	Pointe Coupee.
Ascension.	Rapides.
Assumption.	Richland.
Avoyelles.	Saint Bernard.
Caldwell.	Saint Charles.
Catahoula.	Saint Helena.
East Baton Rouge.	Saint James.
East Feliciana.	Saint John the Baptist.
Franklin.	Saint Landry.
Iberia.	Saint Martin.
Iberville.	Saint Mary.
Jefferson.	Saint Tammany.
Lafayette.	Tangipahoa.
Lafourche.	Terrebonne.
Livingston.	Washington.
Orleans.	West Baton Rouge.
Ouachita.	West Feliciana.
Plaquemines.	

Dated: September 15, 1965.

FRANKLIN B. DRYDEN,
Deputy Director,
Office of Emergency Planning.

[F.R. Doc. 65-10025; Filed, Sept. 20, 1965; 8:51 a.m.]

DEPARTMENT OF LABOR

Wage and Hour Division

CERTIFICATES AUTHORIZING EMPLOYMENT OF FULL-TIME STUDENTS WORKING OUTSIDE OF SCHOOL HOURS IN RETAIL OR SERVICE ESTABLISHMENTS AT SPECIAL MINIMUM WAGES

Notice is hereby given that pursuant to section 14 of the Fair Labor Standards Act of 1938 (52 Stat. 1060, as amended, 29 U.S.C. 201 et seq.), the regulation on employment of full-time students (29 CFR Part 519), and Administrative Order No. 579 (28 F.R. 11524), the establishments listed in this notice have been issued special certificates authorizing the employment of full-time students working outside of school hours at hourly wage rates lower than the minimum wage rates otherwise applicable under section 6 of the act. The effective and expiration dates are from September 3, 1965, to September 2, 1966, except as otherwise indicated. Pursuant to § 519.6 (b) of the regulation, the minimum certificate rates are not less than 85 percent of the minimum applicable under section 6 of the act.

The following certificates were issued pursuant to paragraphs (c) and (g) of § 519.6 of 29 CFR Part 519, providing for an allowance not to exceed the proportion of the total number of hours worked by full-time students at rates below $1 an hour to the total number of hours worked by all employees in the establishment during the base period, or 10 percent, whichever is less, in occupations of the same general classes in which the establishment employed full-time students at wages below $1 an hour in the base period.

Adams Drug Co., Inc., drug stores; No. 15, Cranston, R.I.; No. 10, Providence, R.I.; No. 16, Wakefield, R.I.; No. 7, Warren, R.I.

Archer Avenue Big Store, Inc., department store; 4187 South Archer Avenue, Chicago, Ill.; 9-7-65 to 9-6-66.

The Baby Shop, Inc., apparel store; 404 Main Street, Evansville, Ind.

Ball Stores, Inc., department store; 400 South Walnut, Muncie, Ind.

Blair Super Market, food store; 3533 Jonesboro Road, Hapeville, Ga.

Boulevard Food Store, food store; 1021 Nebraska Street, Sioux City, Iowa.

Byck Brothers & Co., apparel store; 532 South Fourth Street, Louisville, Ky.; 9-3-65 to 8-31-66.

H. S. Cohen Co., Inc., apparel store; Shelby, N.C.

W. T. Grant Co., variety stores: No. 702, Alma, Mich.; 207 South Burdick Street, Kalamazoo, Mich.; 1143 East Lexington Avenue, High Point, N.C.; No. 3203, Elyria, Ohio; No. 677, Middletown, Ohio; No. 573, Mount Pleasant, Pa.; 1130 Perry Highway, Pittsburgh, Pa.; No. 436, Houston, Tex.

Hoffman's Inc., apparel store; 200 Union Street, Lynn, Mass.

Kenley's Super Markets, Inc., food store; 1107 South Tenth Street, Noblesville, Ind.

Klaus Department Store, Inc., department store; 2865 Milwaukee Avenue, Chicago, Ill.

Kohls, Inc., food store; West Sycamore Street, Columbus Grove, Ohio.

S. S. Kresge Co., variety stores: 1025 Main Street, Bridgeport, Conn.; No. 247, Hamden, Conn.; No. 149, Meriden, Conn.; 440 Main Street, Middletown, Conn.; No. 33, New Haven, Conn.; No. 651, New London, Conn.; No. 590, Waterbury, Conn.; No. 341, Washington, D.C.; No. 725, Miami, Fla.; No. 730, Miami, Fla.; 4390 Sixth Street South, Saint Petersburg, Fla.; No. 81, Aurora South, Ill.; No. 690, Champaign, Ill.; No. 236, Chicago, Ill.; No. 253, Chicago, Ill.; No. 305, Chicago, Ill.; No. 480, Chicago, Ill.; No. 594, Chicago, Ill.; No. 641, Decatur, Ill.; No. 413, Freeport, Ill.; No. 207, Harrisburg, Ill.; No. 130, Joliet, Ill.; 162 East Court Street, Kankakee, Ill.; No. 161, Oak Lawn, Ill.; No. 463, Oak Lawn, Ill.; No. 482, Pekin, Ill.; No. 242, Peoria, Ill.; No. 98, Quincy, Ill.; No. 656, Skokie, Ill.; No. 237, Elkhart, Ind.; No. 647, Evansville, Ind.; No. 568, Fort Wayne, Ind.; No. 462, Gary, Ind.; No. 618, Gary, Ind.; No. 258, Indianapolis, Ind.; No. 583, Indianapolis, Ind.; No. 589, Kokomo, Ind.; No. 31, Lafayette, Ind.; 102-112 North Third Street, Lafayette, Ind.; No. 167, Logansport, Ind.; No. 251, New Castle, Ind.; No. 84, Richmond, Ind.; No. 101, South Bend, Ind.; No. 117, Terre Haute, Ind.; 624 Madison Avenue, Covington, Ky. (9-3-65 to 8-31-66); No. 79, Lexington, Ky. (9-3-65 to 8-31-66); No. 457, Louisville, Ky. (9-3-65 to 8-31-66); 5320 South Third Street, Louisville, Ky. (9-3-65 to 8-31-66); 100 East Main Street, Owensboro, Ky. (9-3-65 to 8-31-66); No. 648, Pleasure Ridge Park, Ky. (9-3-65 to 8-31-66); 3301 Veterans Highway, Metairie, La.; No. 60, Lewiston, Maine; No. 409, Boston, Mass.; No. 532, Boston, Mass.; No. 63, Brockton, Mass.; No. 653, Cambridge, Mass.; No. 192, Fall River, Mass.; 439 Main Street, Fitchburg, Mass.; No. 110, Lowell, Mass.; No. 294, Lynn, Mass.; No. 184, New Bedford, Mass.; No. 470, Peabody, Mass.; No. 255, Quincy, Mass.; No. 26, Springfield, Mass.; No. 399, Worcester, Mass.; No. 605, Allen Park, Mich.; No. 453, Clawson, Mich.; No. 580, Dearborn, Mich.; No. 290, Detroit, Mich.; No. 521, Detroit, Mich.; No. 507, Escanaba, Mich.;

No. 365, Highland Park, Mich.; No. 405, Inkster, Mich.; No. 403, Iron Mountain, Mich.; No. 70, Lansing, Mich.; No. 685, Lincoln Park, Mich.; No. 535, Mount Clemens, Mich. (9–7–65 to 9–6–66); No. 677, Rochester, Mich.; No. 266, Mankato, Minn.; No. 393, Richfield, Minn.; No. 168, Saint Cloud, Minn.; No. 381, Chillicothe, Ohio; No. 638, Cincinnati, Ohio; No. 376, Cleveland, Ohio (9–28–65 to 9–27–66); No. 406, Lorain, Ohio; No. 203, Milford, Ohio; No. 150, Portsmouth, Ohio; No. 606, South Euclid, Ohio; No. 646, Toledo, Ohio; No. 674, Warren, Ohio; No. 228, Willowick, Ohio; No. 588, Youngstown, Ohio; No. 639, Baden, Pa.; No. 308, Camp Hill, Pa.; No. 615, Harrisburg, Pa.; No. 45, Providence, R.I.; 47 Church Street, Burlington, Vt.; No. 342, Danville, Va. (9–3–65 to 8–31–66); No. 633, Falls Church, Va. (9–3–65 to 8–31–66); No. 612, Lynchburg, Va. (9–3–65 to 8–31–66); No. 439, Norfolk, Va. (9–3–65 to 8–31–66); No. 4548, Petersburg, Va. (9–3–65 to 8–31–66); No. 425, Bluefield, W. Va. (9–3–65 to 8–31–66); No. 4549, Charleston, W. Va. (9–3–65 to 8–31–66); 209 Capitol Street, Charleston, W. Va. (9–3–65 to 8–31–66); No. 91, Huntington, W. Va. (9–3–65 to 8–31–66); No. 611, Fond Du Lac, Wis.; No. 162, Madison, Wis.; No. 617, Milwaukee, Wis.; No. 637, Milwaukee, Wis.; No. 493, Wausau, Wis.

S. H. Kress and Co., variety stores: 1106 Noble Street, Anniston, Ala.; 1912 Second Avenue, Bessemer, Ala.; 101 West Main Street, Dothan, Ala.; 107 South Washington Street, Huntsville, Ala.; 115 Dauphin Street, Mobile, Ala.; 39 Dexter Avenue, Montgomery, Ala.; 3008–27th Street, North Birmingham, Ala.; 305 South Wilson Avenue, Prichard, Ala.; 121 Broad Street, Selma, Ala.; 2223 Broad Street, Tuscaloosa, Ala.; 328 Main Street, Pine Bluff, Ark.; 540 Main Street, Grand Junction, Colo.; 6108–14th Street, West, Bradenton, Fla.; 500 Duval Street, Key West, Fla.; 64 East Flagler Street, Miami, Fla.; 9–15 South Palafox Street, Pensacola, Fla.; 475 Central Avenue, Saint Petersburg, Fla.; 1442 Main Street, Sarasota, Fla.; 811 Franklin Street, Tampa, Fla.; 400 Clematis Street, West Palm Beach, Fla.; 1624 East Broadway, Ybor City, Fla.; 121 Washington Street, Albany, Ga.; 118 Jackson Street, Americus, Ga.; 50 Broad Street, Atlanta, Ga.; 832 Broad Street, Augusta, Ga.; 1505 Newcastle Street, Brunswick, Ga.; 1117 Broad Street, Columbus, Ga.; 137 Main Street, LaGrange, Ga.; 620 Cherry Street, Macon, Ga.; 120 West Broughton Street, Savannah, Ga.; 101–105 North Patterson Street, Valdosta, Ga.; 306 Mary Street, Waycross, Ga.; 15 South Main Street, Fort Scott, Kans.; 111 North Main Street, Hutchinson, Kans.; 7 South Jefferson Street, Iola, Kans.; 619 North Broadway, Pittsburg, Kans.; 224 East Douglas Avenue, Wichita, Kans.; 1102 Third Street, Alexandria, La.; 439 Third Street, Baton Rouge, La.; 923 Canal Street, New Orleans, La.; 316 Texas Street, Shreveport, La.; 500 Main Street, Hattiesburg, Miss.; 402 Central Avenue, Laurel, Miss.; 2214–16 Fifth Street, Meridian, Miss.; 329 South Main Street, Carthage, Mo.; 215 East High Street, Jefferson City, Mo.; 343 Springfield Avenue, Summit, N.J. (9–3–65 to 8–31–66); 414 Central, Albuquerque, N. Mex.; 19 Patton Avenue, Asheville, N.C.; 101 South Tryon Street, Charlotte, N.C.; 101 West Main Street, Durham, N.C.; 206 South Elm Street, Greensboro, N.C.; 141 South Main Street, High Point, N.C.; 307 Middle Street, New Bern, N.C.; 162 South Main Street, Rocky Mount, N.C.; 11 North Front Street, Wilmington, N.C.; 5 West Fourth Street, Winston-Salem, N.C.; 119 West Main, Ardmore, Okla.; 325 Chickasha Avenue, Chickasha, Okla.; 129 West Main Street, Enid, Okla.; 324 "C" Avenue, Lawton, Okla.; 104 East Grand Avenue, McAlester, Okla.; 109–113 North Second, Muskogee, Okla.; 218 West Main Street, Oklahoma City, Okla.; 105 East Grand Avenue, Ponca City, Okla.; 109 East Main, Shawnee, Okla.; 218 South Main, Tulsa, Okla.; 281 King Street, Charleston, S.C.; 1508 Main Street, Columbia, S.C.; 117 W. Evans Street, Florence, S.C.; 27–31 South Main Street, Greenville, S.C.; 311–313 Main Street, Greenwood, S.C.; 301 Russell Street, Orangeburg, S.C.; 115 South Main Street, Spartanburg, S.C.; 49 South Main Street, Sumter, S.C.; 628 State Street, Bristol, Tenn. (9–3–65 to 8–31–66); 822 Market Street, Chattanooga, Tenn. (9–3–65 to 8–31–66); 423 Elk Avenue, Elizabethton, Tenn. (9–3–65 to 8–31–66); 243 East Main Street, Johnson City, Tenn. (9–3–65 to 8–31–66); 220 Broad Street, Kingsport, Tenn. (9–3–65 to 8–31–66); 417 South Gay Street, Knoxville, Tenn. (9–3–65 to 8–31–66); 700 Polk Street, Amarillo, Tex.; 501 Pearl Street, Beaumont, Tex.; 1031 East Elizabeth Street, Brownsville, Tex.; 1404 Elm Street, Dallas, Tex.; 206 West Jefferson, Dallas, Tex.; 230 Main Street, Eagle Pass, Tex.; 311 North Mesa, El Paso, Tex.; 201 West California Street, Gainesville, Tex.; 2506 Lee Street, Greenville, Tex.; 124 East Jackson Street, Harlingen, Tex.; 6704 Harrisburg Boulevard, Houston, Tex.; 16 Lamar Avenue, Paris, Tex.; 625 Procter Street, Port Arthur, Tex.; 315 East Houston Street, San Antonio, Tex.; 101 North Flores Street, San Antonio, Tex.; 110 North Travis Street, Sherman, Tex.; 116–118 West Broad Street, Texarkana, Tex.; 114 West Erwin Street, Tyler, Tex.; 101 South College Street, Waxahachie, Tex.; 808 Indiana Street, Wichita Falls, Tex.; 29 West Campbell Avenue, Roanoke, Va. (9–3–65 to 8–31–66).

The Mart, Inc., apparel store; 180 Main Street, Paterson, N.J.; 9–3–65 to 8–31–66.

May Sons, Inc., apparel stores: 3160 North Lincoln Avenue, Chicago, Ill.; 4113 West Madison Street, Chicago, Ill., 871 East 63d Street, Chicago, Ill.

McCrory-McLellan-Green Stores, variety stores: No. 600, Huntsville, Ala.; No. 287, Clearwater, Fla.; No. 1003, Coral Gables, Fla.; No. 112, DeLand, Fla.; No. 130, Fort Myers, Fla.; No. 95, Jacksonville, Fla.; No. 97, Lakeland, Fla.; No. 259, Leesburg, Fla. (9–8–65 to 9–7–66); No. 61, Orlando, Fla.; No. 282, Panama City, Fla.; No. 171, Saint Petersburg, Fla. (9–8–65 to 9–7–66); No. 329, Titusville, Fla.; No. 244, Winter Haven, Fla.; No. 159, Bainbridge, Ga.; No. 213, Columbus, Ga.; No. 428, Dalton, Ga.; No. 423, Dublin, Ga. (9–1–65 to 8–31–66); No. 412, Gainesville, Ga.; No. 433, Griffin, Ga.; No. 209, Valdosta, Ga.; No. 303, Waycross, Ga.; No. 195, Indianapolis, Ind.; No. 460, Cedar Rapids, Iowa; No. 569, Fort Dodge, Iowa; No. 560, Mason City, Iowa; No. 568, Kansas City, Kans.; No. 470, Topeka, Kans.; No. 705, Winfield, Kans.; No. 1204, Lexington, Ky. (9–3–65 to 8–31–66); No. 298, Lafayette, La.; No. 506, Ypsilanti, Mich.; No. 466, Saint Paul, Minn.; No. 1056, Saint Paul, Minn.; No. 1034, Manasquan, N.J. (9–7–65 to 9–6–66); No. 565, Albuquerque, N. Mex.; No. 700, Albemarle, N.C.; No. 406, Concord, N.C.; No. 1123, Durham, N.C.; No. 479, Goldsboro, N.C.; No. 1140, Kinston, N.C.; No. 699, New Bern, N.C.; No. 576, Raleigh, N.C.; No. 1141, Reidsville, N.C.; No. 426, Rocky Mount, N.C.; No. 402, Washington, N.C.; No. 1045, Wilmington, N.C.; No. 1065, Dayton, Ohio; No. 684, Delaware, Ohio; No. 26, East Liverpool, Ohio; No. 167, Pottstown, Pa.; No. 132, Columbia, S.C.; No. 1203, Columbia, S.C.; No. 1108, Greenville, S.C.; No. 133, Gaffney, S.C.; No. 1120, Memphis, Tenn. (9–8–65 to 9–7–66); 363–395 West Jefferson Boulevard, Dallas, Tex.; No. 530, Marshall, Tex.; 301 Alamo Plaza, San Antonio, Tex. (9–8–65 to 9–2–66); No. 1117, Alexandria, Va. (9–3–65 to 8–31–66); No. 138, Charlottesville, Va. (9–3–65 to 8–31–66); No. 505, Roanoke, Va. (9–3–65 to 8–31–66); No. 47, Winchester, Va. (9–3–65 to 8–31–66); No. 1133, Charleston, W. Va. (9–3–65 to 8–31–66); No. 451, LaCrosse, Wis. (9–8–65 to 9–7–66); No. 454, Marshfield, Wis. (9–8–65 to 9–7–66).

S. P. McRae Co., Inc., department stores: 200 West Capitol Street, Jackson, Miss.; 95 Ellis Avenue, Jackson, Miss.; 353 Meadowbrook Road, Jackson, Miss.

G. C. Murphy Co., variety stores: 134 Church Street, Naugatuck, Conn.; 69–71 Main Street, Torrington, Conn.; No. 433, Anna, Ill. (12–18–65 to 12–17–66); No. 251, Berwyn, Ill.; No. 439, Effingham, Ill.; No. 112, Pontiac, Ill.; No. 113, Streator, Ill.; No. 461, Aurora, Ind.; No. 101, Brazil, Ind.; No. 99, Clinton, Ind.; No. 81, Columbus, Ind.; No. 423, Crawfordsville, Ind.; No. 407, Decatur, Ind.; No. 404, Elwood, Ind.; No. 103, Fort Wayne, Ind.; No. 412, Franklin, Ind.; No. 417, Goshen, Ind.; No. 119, Greencastle, Ind.; No. 223, Greensburg, Ind.; No. 403, Hartford City, Ind.; No. 425, Huntingburg, Ind.; 3928 Meadows Drive, Indianapolis, Ind.; No. 430, Madison, Ind.; No. 411, Noblesville, Ind.; No. 420, Princeton, Ind.; No. 443, Salem, Ind.; No. 72, Seymour, Ind.; No. 105, Shelbyville, Ind.; No. 114, Washington, Ind.; No. 275, Milwaukee, Wis.

Nelsner Brothers, Inc., variety stores: No. 81, Dubuque, Iowa; No. 83, Sioux City, Iowa; No. 59, Saint Louis, Mo.; No. 70, Omaha, Nebr.; No. 127, East Paterson, N.J. (9–3–65 to 8–31–66); No. 106, Irvington, N.J. (9–3–65 to 8–31–66); No. 149, Middletown, N.J. (9–3–65 to 8–31–66); No. 163, Paramus, N.J. (9–3–65 to 8–31–66); No. 170, El Paso, Tex.

J. J. Newberry Co., variety stores: 441 Main Street, Coshocton, Ohio; 320 East Overland Street, El Paso, Tex.; 910–16 Caroline Street, Fredericksburg, Va. (9–3–65 to 8–31–66); 104–106 East Main Street, Salem, Va. (9–3–65 to 8–31–66); 404 West Main Street, Waynesboro, Va. (9–3–65 to 8–31–66); 145 North Loudoun Street, Winchester, Va. (9–3–65 to 8–31–66).

The New York Store, department store; 238–244 High Street, Pottstown, Pa.

Ramey Super Market, food store; No. 3, Springfield, Mo.

Raylass Department Store, department store; Corner Main and Davis Streets, Burlington, N.C.

Richard's Variety Store, variety store; 202 East Main Street, Houma, La.

Rose's Stores, Inc., variety stores: No. 80, Milledgeville, Ga.; No. 75, Thomasville, Ga.; No. 102, Warner Robins, Ga.; No. 108, Elkin, N.C.; No. 132, Greensboro, N.C.; No. 29, North Wilkesboro, N.C.; No. 139, Wilmington, N.C.; No. 76, Camden, S.C.; No. 148, Columbia, S.C.; No. 36, Georgetown, S.C.; No. 42, Hartsville, S.C.; No. 48, Newberry, S.C.; No. 49, Union, S.C.

Roth Brothers Co., department store; 1321–27 Tower Avenue, Superior Wis.

Smathers Market, food store; 118 Main Street, Canton, N.C.; (9–7–65 to 9–6–66).

Sterling Stores Co., Inc., variety stores: 187 East Main Street, Batesville, Ark.; 106–110 North Market Street, Benton, Ark.; 130 West Main Street, Blytheville, Ark.; 109–111 North Vine Street, Harrison, Ark.; 636 West Main Street, Jacksonville, Ark.; Capitol Avenue and Center Streets, Little Rock, Ark.; 106–108 North Washington Street, Magnolia, Ark.; 2627 Pike Avenue, North Little Rock, Ark.; 106 East Hale Street, Osceola, Ark.; 208–212 Main Street, Russellville, Ark.; 117–119 North Spring Street, Searcy, Ark.; 2240 Lamar Avenue, Memphis, Tenn.; (9–3–65 to 8–31–66).

T. G. & Y. Stores Co., variety stores: No. 127, Kansas City, Kans.; No. 119, Wichita, Kans.; No. 132, Kansas City, Mo.; No. 301, Saint Joseph, Mo.; No. 6, Clinton, Okla.; No. 45, Del City, Okla.; No. 38, El Reno, Okla.; No. 37, Midwest City, Okla.; No. 57, Muskogee, Okla.; 220 West Commerce, Oklahoma City, Okla.; No. 56, Oklahoma City, Okla.; No. 64, Oklahoma City, Okla.; No. 69, Oklahoma City, Okla.; No. 73, Oklahoma City, Okla.; No. 35, Ponca City, Okla.; No. 53, Shawnee, Okla.; No. 67, Tulsa, Okla.; No. 68, Tulsa, Okla., No. 252, Garland, Tex.; No. 113, Wichita Falls, Tex.

F. W. Woolworth Co., variety store; 165 Market Street, Newark, N.J.; (9–3–65 to 8–31–66).

Wrights Shopping Center, food store; 422 East Fourth Avenue, Mesa, Ariz.

A. B. Wyckoff Inc., department store; 564 Main Street, Stroudsburg, Pa.

The following certificates were issued to establishments coming into existence after May 1, 1960, under paragraphs (c), (d), (g), and (h) of § 519.6 of 29 CFR, Part 519. The certificates permit the employment of full-time students at rates of not less than 85 percent of the minimum applicable under section 6 of the act in the classes of occupations listed, and provide for limitations on the percentage of full-time student hours of employment at rates below the applicable statutory minimum to total hours of employment of all employees. The percentage limitations vary from month to month between the minimum and maximum figures indicated.

Adams Drug Co., Inc., drug stores for the occupation of sales clerk; No. 35, Cranston, R.I. (between 5.4 percent and 10 percent); No. 26, Providence, R.I. (between 0.0 percent and 10 percent); No. 28, Woonsocket, R.I. (10 percent for each month).

Bill Crook's Bi-Rite Food Center, food store; 2919 Dickerson Road, Nashville, Tenn.; sack boys, stock clerks; between 8.2 percent and 10 percent; 8-30-65 to 8-29-66.

Cooke's Food Store, food store; 17 Broad Street, Cleveland, Tenn.; bag boys, carry-out boys; between 9.3 percent and 9.7 percent; 9-3-65 to 8-31-66.

Falls Super Market, Inc., food store; 405 South Mill Street, Redwood Falls, Minn.; carry-out, stock clerks; between 7.3 percent and 10 percent.

W. T. Grant Co., variety stores for the occupations of sales clerk, stock clerk, clerical, cashier: No. 708, Taylor, Mich. (between 2.7 percent and 8.6 percent); 5321 36th Avenue North, Minneapolis, Minn. (between 1.8 percent and 10 percent); 3520 Edgemont Avenue, Brookhaven, Chester, Pa. (10 percent for each month); No. 1077, Newton Square, Pa. (10 percent for each month); No. 235, Shamokin Dam, Pa. (between 5.0 percent and 10 percent); 311 Maple Avenue, Vienna, Va. (between 4.2 percent and 10 percent).

King Drug Co., drug store; 242 Taunton Avenue, East Providence, R.I.; sales clerk; between 5.2 percent and 10 percent.

Kohls, Inc., food store; South Oak Street, Ottawa, Ohio; carry-out; between 4.4 percent and 8.2 percent.

S. S. Kresge Co., variety stores for the occupation of sales clerk: No. 772 Birmingham, Ala. (between 3.0 percent and 10 percent, 9-1-65 to 8-31-66); No. 508, Danbury, Conn. (10 percent for each month); No. 173, Milford, Conn. (10 percent for each month); 183 Main Street, New Britain, Conn. (10 percent for each month); West Main Street, Waterbury, Conn. (10 percent for each month); No. 4562, Chicago, Ill. (10 percent for each month); 755 West Golf Road, Des Plaines, Ill. (10 percent for each month); No. 4523, La Salle, Ill. (between 5.3 percent and 10 percent, 9-7-65 to 9-6-66); No. 25, Markham, Ill. (10 percent for each month); No. 455, Springfield, Ill. (10 percent for each month); No. 4014, Kokomo, Ind. (10 percent for each month); No. 4008, Lafayette, Ind. (between 7.4 percent and 10 percent); No. 466, Miahawaka, Ind. (10 percent for each month, 9-7-65 to 9-6-66); No. 597, Richmond, Ind. (10 percent for each month); No. 312, Speedway, Ind. (10 percent for each month); 607 Wabash Avenue, Terre Haute, Ind. (10 percent for each month, 9-8-65 to 9-7-66); No. 112, Paducah, Ky. (between 1.2 percent and 10 percent, 9-3-65 to 8-31-66); No. 450, Braintree, Mass. (10 percent for each month); No. 504, Alpana, Mich. (between 6.2 percent and 10 percent, 9-7-65 to 9-6-66); No. 4516, Detroit, Mich. (10 percent for each month); 216 South Washington Avenue, Lansing, Mich. (10 percent for each month, 9-1-65 to 8-31-66); No. 667, Roseville, Mich. (10 percent for each month); 6200 State Road, Saginaw, Mich. (10 percent for each month); No. 323, Rochester, Minn. (10 percent for each month); No. 771, Billings, Mont. (10 percent for each month); 6025 Pineville Road, Charlotte, N.C. (between 9.0 percent and 10 percent); No. 386, Lancaster, Pa. (10 percent for each month); No. 779, Spartanburg, S.C. (between 6.7 percent and 10 percent); No. 4050, Johnson City, Tenn. (between 2.1 percent and 10 percent, 9-3-65 to 8-31-66); 2747 Duniven Circle, Amarillo, Tex. (between 0.2 percent and 6.8 percent); No. 748, Dallas, Tex. (between 0.2 percent and 10 percent); No. 761, Fort Worth, Tex. (between 7.2 percent and 10 percent); No. 4017, Houston, Tex. (between 3.1 percent and 10 percent, 8-23-65 to 8-22-66); No. 729, Orange, Tex. (between 1.5 percent and 7.4 percent); No. 196, Alexandria, Va. (10 percent for each month, 9-3-65 to 8-31-66); No. 4062, Danville, Va. (10 percent for each month, 9-3-65 to 8-31-66); 1257 Jefferson Davis Boulevard, Fredericksburg, Va. (10 percent for each month, 10-7-65 to 9-30-66); No. 561, Winchester, Va. (between 4.2 percent and 10 percent, 9-3-65 to 8-31-66).

S. H. Kress and Co., variety stores for the occupations of sales clerk, stock clerk, except as otherwise indicated: 3501 Philips Highway, Jacksonville, Fla. (sales clerk, between 6.8 percent and 10 percent); 1999 Aloma Avenue, Winter Park, Fla. (between 0.8 percent and 9.6 percent); Canton Pike, Hopkinsville, Ky. (sales clerk, between 0.0 percent and 10 percent, 9-3-65 to 8-31-66); 36 West Landis Avenue, Vineland, N.J. (sales clerk, 10 percent for each month, 9-3-65 to 8-31-66); 38th and Cache Road, Lawton, Okla. (sales clerk, between 5.6 percent and 10 percent); 403 Southwest 25th Street, Oklahoma City, Okla. (sales clerk, between 0.0 percent and 10 percent); Guignard Drive, Sumter, S.C. (between 2.7 percent and 10 percent); Fort Hill Village Shopping Center, Lynchburg, Va. (between 1.8 percent and 10 percent, 9-3-65 to 8-31-66); No. 357, Warrenton, Va. (sales clerk, between 6.0 percent and 10 percent, 9-3-65 to 8-31-66).

Kuhn's Variety Store, variety store; Waldron Street and Public Square, Corinth, Miss.; sales clerk, stock clerk, clerical; between 8.3 percent and 10 percent.

Margie Bridals, Inc., apparel store; 2313 West 95th Street, Chicago, Ill.; checkwriter; between 0.2 percent and 10 percent; 9-14-65 to 9-13-66.

McCrory-McLellan-Green Stores, variety stores for the occupations of sales clerk, stock clerk, clerical, except as otherwise indicated: No. 3501, Northport, Ala. (sales clerk, stock clerk, between 6.6 percent and 10 percent); No. 350, Deerfield Beach, Fla. (sales clerk, clerical, 10 percent for each month); No. 342, Fort Myers, Fla. (between 6.4 percent and 10 percent).

Neisner Brothers, Inc., variety stores for the occupations of sales clerk, stock clerk, clerical, except as otherwise indicated: No. 188, Brandon, Fla. (sales clerk, stock clerk, between 4.3 percent and 8.8 percent); No. 189, Stuart, Fla. (between 9.8 percent and 10 percent); No. 204, Burlington, Iowa (between 4.3 percent and 10 percent); No. 168, Spencer, Iowa (sales clerk, stock clerk, between 4.3 percent and 10 percent); No. 142, Trenton, N.J. (sales clerk, stock clerk, 10 percent for each month, 9-3-65 to 8-31-66).

Rose's Stores, Inc., variety stores for the occupations of sales clerk, stock clerk, clerical, checker, except as otherwise indicated: No. 152, Greensboro, N.C. (between 6.8 percent and 10 percent); No. 150, Columbia, S.C. (sales clerk, stock clerk, between 6.0 percent and 10 percent); No. 67, North Augusta, S.C. (between 6.4 percent and 10 percent); No. 101, Spartanburg, S.C. (10 percent for each month);

Sterling Stores Co., Inc., variety store; University Avenue and Markham Street, Little Rock, Ark.; sales clerk, stock clerk, janitorial; 10 percent for each month.

T. G. & Y. Stores Co., variety stores for the occupations of sales clerk, stock clerk, clerical, except as otherwise indicated: No. 285, Albuquerque, N. Mex. (10 percent for month); No. 28, Duncan, Okla. (10 percent for each month); No. 65, Enid, Okla. (10 percent for each month); No. 30, Midwest City, Okla. (10 percent for each month); No. 89, Moore, Okla. (10 percent for each month); No. 401, Tulsa, Okla. (10 percent for each month); No. 102, Dumas, Tex. (sales clerk, cashier, 10 percent for each month).

Each certificate has been issued upon the representations of the employer which, among other things, were that employment of full-time students at special minimum rates is necessary to prevent curtailment of opportunities for employment, and the hiring of full-time students at special minimum rates will not tend to displace full-time employees. The certificates may be annulled or withdrawn, as indicated therein, in the manner provided in Part 528 of Title 29 of the Code of Federal Regulations. Any person aggrieved by the issuance of any of these certificates may seek a review or reconsideration thereof within 15 days after publication of this notice in the FEDERAL REGISTER pursuant to the provisions of 29 CFR 519.9.

Signed at Washington, D.C., this 13th day of September 1965.

ROBERT G. GRONEWALD,
Authorized Representative, of the Administrator.

[F.R. Doc. 65-10024; Filed, Sept. 20, 1965; 8:51 a.m.]

INTERSTATE COMMERCE COMMISSION

FOURTH SECTION APPLICATION FOR RELIEF

SEPTEMBER 16, 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. 40027—*Silica Sand from and to Points in Southern Territory.* Filed by O. W. South, Jr., agent (No. A4770), for interested rail carriers. Rates on silica sand, in carloads, on shipments returned from original destinations in official (including Illinois), southern, southwestern, western trunk-line and Canadian territories, to original points of shipment in southern territory.

Grounds for relief—Carrier competition.

Tariff—Supplement 188 to Southern Freight Association, agent, tariff I.C.C. S-146.

By the Commission.

[SEAL] H. NEIL GARSON,
Secretary.

[F.R. Doc. 65-10008; Filed, Sept. 20, 1965; 8:48 a.m.]

[Section 5a Application 70; Amdt. 5]

WESTERN MOTOR TARIFF BUREAU, INC.

Amendment of Agreement

SEPTEMBER 16, 1965.

The Commission is in receipt of an application in the above-entitled and numbered proceeding for approval of amendments to the agreement therein approved under the provisions of section 5a of the Interstate Commerce Act.

Filed September 10, 1965, by:

W. J. KNOELL, Attorney-in-Fact, Post Office Box 3244, Huntington Park, Calif.

Amendments involved: Change the rules of procedure so as to (1) provide for segmentation of standing rate committees, (2) permit the selection of two additional vice-chairmen of such committees, and (3) make definite provisions for designation of the officers of the general rate committee.

The application may be inspected at the office of the Commission in Washington, D.C.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 20 days from the date of this notice. As provided by the general rules of practice of the Commission, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing.

By the Commission, Division 2.

[SEAL] H. NEIL GARSON, *Secretary.*

[F.R. Doc. 65-10009; Filed, Sept. 20, 1965; 8:48 a.m.]

[Notice 47]

FINANCE APPLICATIONS

SEPTEMBER 16, 1965.

The following publications are governed by the Interstate Commerce Commission's general requirements governing notice of filing of applications under sections 20a except (12) and 214 of the Interstate Commerce Act. The Commission's order of May 20, 1964, providing for such publication of notice, was published in the FEDERAL REGISTER, issue of July 31, 1964 (29 F.R. 11126), and became effective October 1, 1964.

All hearings and prehearing conferences, if any, will be called at 9:30 a.m., U.S. standard time unless otherwise specified.

F.D. No. 23804—By application filed September 13, 1965, Central Freight Lines, Inc., 303 South 12th Street, Waco, Tex., seeks authority under section 214 of the Interstate Commerce Act to issue a long-term note in an amount not exceeding $950,000, secured by mortgage on real property. Applicant's attorney: W. W. Callan, Jr., Vice President, Post Office Box 238, Waco, Tex. Protests must be filed no later than 15 days from date of publication in the FEDERAL REGISTER.

F.D. No. 23809—By application filed September 16, 1965, Atlantic Coast Line Railroad Co., 500 Water Street, Jacksonville, Fla., 32202, seeks authority under section 20a of the Interstate Commerce Act to assume obligation and liability in respect of $5,685,000 aggregate principal amount of its Serial Equipment Trust Certificates, Series Z. Applicant's attorneys: F. J. Primosch, Secretary and Assistant Vice President, Atlantic Coast Line Railroad Co., 220 East 42d Street, New York, N.Y., 10017, and Leonard G. Anderson, General Solicitor, Atlantic Coast Line Railroad Co., 500 Water Street, Jacksonville, Fla., 32202. Protests must be filed no later than 15 days from date of publication in the FEDERAL REGISTER.

F.D. No. 23806—By application filed September 14, 1965, Pacific Intermountain Express Co., Post Office Box 958, 1417 Clay Street, Oakland, Calif., 94604, seeks authority under section 214 of the Interstate Commerce Act to issue (1) not more than 382,294 shares of its authorized but unissued common stock; (2) Certificates of Contingent Interest evidencing shares (not more than 19,114) in an escrow fund composed of applicant's stock with constitutes a part of the stock proposed to be issued; and assume certain liabilities of All States Freight, Inc. Applicant's attorneys: Daxid Axelrod, 39 South La Salle Street, Room 600, Chicago, Ill., Paul T. Wolf, 14 Montgomery Street, San Francisco, Calif., and W. S. Pilling, Post Office Box 958, 1417 Clay Street, Oakland, Calif., 94604. Protests must be filed no later than 15 days from date of publication in the FEDERAL REGISTER. NOTE: This application is directly related to MC-F-9212.

By the Commission.

[SEAL] H. NEIL GARSON, *Secretary.*

[F.R. Doc. 65-10010; Filed, Sept. 20, 1965; 8:48 a.m.]

[Notice 49]

MOTOR CARRIER TEMPORARY AUTHORITY APPLICATIONS

SEPTEMBER 16, 1965.

The following are notices of filing of applications for temporary authority under section 210a(a) of the Interstate Commerce Act provided for under the new rules in Ex Parte No. MC 67 (49 CFR Part 240), published in the FEDERAL REGISTER, issue of April 27, 1965, effective July 1, 1965. These rules provide that protests to the granting of an application must be filed with the field official named in the FEDERAL REGISTER publication, within 15 calendar days after the date notice of the filing of the application is published in the FEDERAL REGISTER. One copy of such protests must be served on the applicant, or its authorized representative, if any, and the protests must certify that such service has been made. The protest must be specific as the service which such protestant can and will offer, and must consist of a signed original and six (6) copies.

A copy of the application is on file, and can be examined, at the Office of the Secretary, Interstate Commerce Commission, Washington, D.C., and also in the field office to which protests are to be transmitted.

MOTOR CARRIERS OF PROPERTY

No. MC 42537 (Sub-No. 31 TA), filed September 13, 1965. Applicant: CASSENS TRANSPORT COMPANY, Post Office Box 473, Edwardsville, Ill. Applicant's representative: Smith and Smith, Suite 511, Fidelity Building, Indianapolis, Ind., 46204. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Automobiles*, in initial movements, from Belvidere, Ill., to points in Illinois, Indiana, Iowa, Kentucky, Michigan, Minnesota, Missouri, Tennessee, and Wisconsin, for 180 days. Supporting shipper: Chrysler Corp., Post Office Box 1976, Detroit, Mich., 48231. Send protests to: Harold Joliff, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, Room 476, 325 West Adams Street, Springfield, Ill., 62704.

No. MC 59531 (Sub-No. 91 TA), filed September 13, 1965. Applicant: ESTATE OF HARRY E. STEWART, PETER P. STEWART, HENRY EXALL, JR., PETER STEWART TRUST A-E, WALDO E. STEWART TRUST 1-5, and IAN, INC., a partnership, doing business as AUTO CONVOY CO., 3020 Haskell Avenue, Dallas, Tex., 75223. Applicant's representative: Reagan Sayers, Century Life Building, Fort Worth, Tex. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Automobiles* and *Trucks*, from Amarillo, Tex., to points in New Mexico; the following counties in Colorado: Mineral, Archuleta, Rio Grande, Conejos, Pueblo, Alamosa, Costilla, Huerfano, Crowley, Kiowa, Otero, Bent, Prowers, Los Animas, and Baca; and the following counties in Kansas: Stanton, Grant, Haskell, Gray, Ford, Kiowa, Pratt, Kingman, Sedgwick, Butler, Elk, Wilson, Neosho, Edwards, Crawford, Stevens, Seward, Meade, Clark, Comanche, Barber, Harper Sumner, Cowley, Chautauqua, Montgomery, Labette, Cherokee, Morton, Hamilton, Kearny, Finney, Hodgeman, Pawnee, Stafford, Reno, Harvey, Greenwood, Woodson, Allen, Bourbon, Greeley, Wichita, Scott, Lane, Ness, Rush, Barton, Rice, McPherson, Marion, Chase, Lyon, Coffey, Anderson, and Linn. (2) *Tractors* (farm type), with or without attachments, from Amarillo, Tex., to points in Texas, Oklahoma, and New Mexico, and to the above named counties in Colorado and Kansas, for 180 days. Supporting shipper: Ford Motor Co., Dearborn, Mich. Send protests to: E. K. Willis, Jr., District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, 513 Thomas Building, 1314 Wood, Dallas, Tex., 75202.

No. MC 88161 (Sub-No. 71 TA), filed September 13, 1965. Applicant: IN-

LAND TRANSPORTATION CO., INC., 6737 Corson Avenue South, Seattle, Wash., 98108. Applicant's representative: Stephen A. Cole (same address as above). Authority sought to operate as a *comon carrier*, by motor vehicle, over irregular routes, transporting: *Planer shavings*, in bulk, from Boise Cascade Corp.'s lumber mills at Yakima, Wash., and Emmett, Idaho, to Boise Cascade Corp.'s particle board plant at Baum, Oreg. (near Island City, Oreg.), for 180 days. Supporting shipper: Boise Cascade Corp., Post Office Box 40, Boise, Idaho (attention: Traffic Dept.). Send protests to: E. J. Casey, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, 6130 Arcade Building, Seattle, Wash., 98101.

No. MC 110686 (Sub-No. 27 TA), filed September 13, 1965. Applicant: McCORMICK DRAY LINE, INC., Avis, Pa., 17721. Applicant's representative: J. S. Griffith, Avis, Pa. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Steel tubing*, from Sebewaing, Mich., to Montoursville, Pa., for 180 days. Supporting shippers: Met-Fab, Inc., Post Office Box 417, Williamsport, Pa.; Acme Roll Forming Co., 812 North Beck Street, Sebewaing, Mich. Send protests to: Kenneth R. Davis, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, 309 U.S. Post Office Building, Scranton, Pa.

No. MC 111401 (Sub-No. 177 TA), filed September 13, 1965. Applicant: GROENDYKE TRANSPORT, INC., Post Office Box 632, 2510 Rock Island Boulevard, Enid, Okla. Applicant's representative: Victor R. Comstock, 2510 Rock Island Boulevard, Enid, Okla. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Meats, meat products, meat byproducts* and *articles distributed by meat packinghouses*, from Garden City, Kans., to points in Arkansas, Colorado, Missouri, Nebraska, New Mexico, Oklahoma, and Texas, for 180 days. Supporting shipper: Producers Packing Co., John H. Dohogne, General Manager, Box 957, Garden City, Kans., 67846. Send protests to: C. L. Phillips, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, Room 350, 210 Northwest Sixth, Oklahoma City, Okla., 73102.

No. MC 116791 (Sub-No. 18 TA) filed September 13, 1965. Applicant: LEONARD R. GREEN, doing business as FARMERS ELEVATOR, Kensington, Minn., 56343. Applicant's representative: A. R. Fowler, 2288 University Avenue, St. Paul, Minn., 55114. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Alfalfa*, ground and pressed into cubes or pellets, in bulk, from West Fargo, N. Dak., to Duluth, Minn., and Superior, Wis., for 180 days. Supporting shipper: West Fargo Pelleting, Inc., Box 386, West Fargo, N. Dak. Send protests to: C. H. Bergquist, District Supervisor, Bureau of Operations & Compliance, Interstate Commerce Commission, 448 Federal Building and U.S. Courthouse, 110 South Fourth Street, Minneapolis, Minn., 55401.

No. MC 124154 (Sub-No. 17 TA) filed September 14, 1965. Applicant: W. D. WINGATE, doing business as WINGATE TRUCKING COMPANY, 1004 21st Avenue, Albany, Ga., 31705. Applicant's representative: W. D. Wingate, Post Office Box 1372, Albany, Ga. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Wooden bobbins*, from the ports of entry between the United States and Canada, near North Troy, Lincoln, Groton, and Chelsea, Vt., to Monticello, Ga., and Greenville, S.C., for 180 days. Supporting shipper: Monticello Bobbin Co., Post Office Drawer 230, Monticello, Ga. Send protests to: District Supervisor George H. Fauss, Jr., Bureau of Operations and Compliance, Interstate Commerce Commission, Post Office Box 4969, Jacksonville, Fla., 32201.

No. MC 125285 (Sub-No. 3 TA) filed September 13, 1965. Applicant: SKYLINE EXPRESS, INC., 3101 West First Street, Duluth, Minn., 55806. Applicant's representative: Ernest L. Newville, President, 3101 West First Street, Duluth, Minn., 55806. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Self-propelled snowsleds, parts, accessories, and attachments thereof*, in straight or mixed truckloads, from points of entry between the United States and Canada at or near Rouses Point, and Champlain, N.Y., to Duluth, Minn., for 180 days. Supporting shipper: Halvorson Equipment, Inc., 390 Lake Avenue South, Duluth, Minn., 55802. Send protests to: A. E. Rathert, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, 448 Federal Building and U. S. Courthouse, 110 South Fourth Street, Minneapolis, Minn., 55401.

No. MC 127562 TA, filed September 13, 1965. Applicant: JAMES H. SMARTT, 12795 Kentucky, Detroit, Mich., 48238. Applicant's representative: Clark, Klein, Winter, Parsons & Prewitt, 2850 Penobscot Building, Detroit, Mich., 48226. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Waste paper*, from Detroit, Mich., to Gypsum, Ohio, for 180 days. Supporting shipper: Jefferson Waste Material Co., 11733 Russell Street, Detroit, Mich., 48203. Send protests to: Gerald J. Davis, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, 1110 Broderick Tower, 10 Witherell, Detroit, Mich., 48226.

MOTOR CARRIERS OF PASSENGERS

No. MC 33705 (Sub-No. 3 TA), filed September 13, 1965. Applicant: KELSO-OCEAN BEACH STAGE LINE, 3114 Columbia Heights Road, Longview, Wash., 98632. Applicant's representative: Howard Olsen (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Passengers, baggage, bus express, and newspapers*, between Longview and Kelso, Wash., and Rainier, Oreg., for 180 days. Supporting shippers: Longview Chamber of Commerce, 1563 Olympia Way, Longview, Wash.; Kelso Chamber of Commerce, 1407 Allen, Post Office Box 58, Kelso, Wash., Mr. Louis Kyllo, Broadway Hotel and Bus Depot, Longview, Wash. Send protests to: S. P. Martin, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, 538 Pittock Block, Portland, Oreg., 97205.

No. MC 124852 (Sub-No. 3 TA), filed September 13, 1965. Applicant: INLAND MOTOR LINES, INC., 356 North Rock Island Avenue, Wichita, Kans., 67202. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Passengers and their baggage, express and newspapers*, in the same vehicle, from Enid, Okla., to Arnett, Okla., over Highway 60 to the State line, return by same route, serving all intermediate points, for 180 days. Supporting shippers: There are 23 supporting statements that may be examined at the Interstate Commerce Commission in Washington, D.C. Send protests to: M. E. Taylor, District Supervisor, Bureau of Operations, Interstate Commerce Commission, 906 Schweiter Building, Wichita, Kans., 67202.

No. MC 127542 TA (CORRECTION), filed September 2, 1965, published FEDERAL REGISTER, issue of September 10, 1965, and republished as corrected this issue. Applicant: SUBURBAN TRANSIT CORP., 750 Somerset Street, New Brunswick, N.J. Applicant's representative: Michael J. Marzano, 17 Academy Street, Newark, N.J., 07102. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Passengers and their baggage*, in the same vehicle with passengers, between New York, N.Y., and Philadelphia, Pa., on the one hand, and, on the other, the site of Rossmoor Leisure World, N.J., a residential community in Monroe Township, N.J., under a continuing contract with Leisure World Foundation, for 150 days. NOTE: The purpose of this correction is to show that applicant seeks to operate as a *contract* carrier in lieu of a *control* carrier as previously published, in error. This notice also shows the correct spelling of applicant's representative. Supporting shipper: Leisure World Foundation, Rossmoor Leisure World, N.J., Monroe Township, N.J. Send protests to: Robert S. H. Vance, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, 1060 Broad Street, Newark, N.J., 07102.

By the Commission.

[SEAL] H. NEIL GARSON, *Secretary*.

[F.R. Doc. 65-10011; Filed, Sept. 20, 1965; 8:48 a.m.]

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