

FEDERAL REGISTER

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(Part II begins on page 8939)

Agencies in this issue—

Agricultural Research Service
Agriculture Department
Commerce Department
Consumer and Marketing Service
Customs Bureau
Engineers Corps
Federal Aviation Agency
Federal Maritime Commission
Federal Power Commission
Federal Reserve System
Federal Trade Commission
Fiscal Service
Interstate Commerce Commission
Labor Department
Land Management Bureau
Public Health Service
Securities and Exchange Commission
Small Business Administration
Social Security Administration

Detailed list of Contents appears inside.



How To Find U.S. Statutes and U.S. Code Citations

[Revised Edition—1965]

This pamphlet contains typical legal references which require further citing. The official published volumes in which the citations may be found are shown alongside each reference—with suggestions as to the logical sequence to follow in using them. Additional finding aids, some especially useful in citing current legislation, also have been in-

cluded. Examples are furnished at pertinent points and a list of references, with descriptions, is carried at the end.

This revised edition contains illustrations of principal finding aids and reflects the changes made in the new master table of statutes set out in the 1964 edition of the United States Code.

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

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A cumulative guide is published separately at the end of each month. The guide lists the parts and sections affected by documents published since January 1, 1966, and specifies how they are affected.

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Title 9—ANIMALS AND ANIMAL PRODUCTS

Chapter I—Agricultural Research Service, Department of Agriculture

SUBCHAPTER C—INTERSTATE TRANSPORTATION OF ANIMALS AND POULTRY

PART 73—SCABIES IN CATTLE

Interstate Shipment of Undiseased Cattle From Quarantined Area

Pursuant to section 3 of the Act of March 3, 1905, 33 Stat. 1265, as amended, sections 4 and 5 of the Act of May 29, 1884, 23 Stat. 32, as amended, and sections 1 and 2 of the Act of February 2, 1903, 32 Stat. 791-792, as amended (21 U.S.C. 111-113, 120, 121, 125), § 73.5 of the regulations relating to scabies in cattle (9 CFR 73.5) is hereby amended to read as follows:

§ 73.5 Interstate shipment of undiseased cattle from quarantined area; when permitted.

Cattle of any herd in any quarantined area, which herd is not diseased with scabies, may be shipped, transported, or otherwise moved interstate for any purpose upon inspection by a Division inspector when accompanied by a certificate from such inspector showing the cattle to be free from such disease or exposure thereto. When it is determined by the Director of the Division that all cattle of all herds in any quarantined area have been inspected for scabies by a Division or State inspector, that all the infected or exposed herds have been identified, and that all the infected herds have been dipped twice, and all the exposed herds have been dipped once, in a permitted dip as prescribed in § 73.10, under supervision of a Division or Division-approved inspector, cattle of herds in such area which are not diseased with or exposed to scabies may be moved interstate in accordance with this section, without further Division inspection or certification, directly to a public stockyard where Division inspection is maintained or directly to a slaughtering plant where Federal Meat Inspection is maintained. Information may be obtained from a Division inspector whether a determination as required by this section is currently applicable to authorize such movement. Cattle moved interstate under this section shall not be diverted en route and must be accompanied by a waybill or similar document, or a statement signed by the owner or shipper of the cattle, stating: (a) That the cattle are not known to be infected with scabies or exposed thereto; (b) the destination of the cattle and the name and address of the consignee; (c) the purpose for which the cattle are to be

moved; (d) the number of the cattle; (e) the point from which the cattle are to be moved interstate; (f) that the cattle shall not be diverted en route; and (g) the name and address of the owner or shipper of the cattle.

(Sec. 3, 33 Stat. 1265, as amended, secs. 4, 5, 23 Stat. 32, as amended, secs. 1, 2, 32 Stat. 791-792, as amended; 21 U.S.C. 111-113, 120, 121, 125; 29 F.R. 16210, as amended, 30 F.R. 5799, as amended. Interpret or apply secs. 1, 2, 4, 33 Stat. 1264-1265, as amended; 21 U.S.C. 123, 124, 126)

The purpose of the amendment is to facilitate the interstate movement of undiseased cattle to certain public stockyards and slaughtering plants from quarantined areas where all cattle have been previously inspected, and other specified circumstances exist, by permitting such movement without additional Division inspection. It is believed this procedure will not endanger the health of other livestock inasmuch as such cattle will be subject to inspection under Federal supervision upon arrival at such public stockyards or slaughtering plants.

The amendment will not affect the right to move cattle interstate as authorized under other provisions of the regulations in 9 CFR Part 73 but will have the effect of further relieving the prohibition on such movement imposed by the scabies quarantine and should be made effective immediately to be of maximum benefit to persons subject to such prohibition. Accordingly, under section 4 of the Administrative Procedure Act (5 U.S.C. 1003), it is found upon good cause that notice and other public procedure with respect to the amendment are impracticable, and the amendment may be made effective less than 30 days after publication in the FEDERAL REGISTER.

Effective date. This amendment shall become effective upon publication in the FEDERAL REGISTER.

Done at Washington, D.C., this 22d day of June 1966.

R. J. ANDERSON,
Deputy Administrator,
Agricultural Research Service.

[F.R. Doc. 66-7062; Filed, June 27, 1966; 8:47 a.m.]

Title 33—NAVIGATION AND NAVIGABLE WATERS

Chapter II—Corps of Engineers, Department of the Army

PART 203—BRIDGE REGULATIONS Indian River Inlet, Del.

Pursuant to the provisions of section 5 of the River and Harbor Act of August

18, 1894 (28 Stat. 362; 33 U.S.C. 499), § 203.239 governing the operation of a drawbridge across Indian River Inlet, Del., is hereby revoked effective upon publication in the FEDERAL REGISTER, since the drawspan of the bridge has been removed, as follows:

§ 203.239 Indian River Inlet, Del.; State Highway Department bridge. [Revoked]

[Regs., June 11, 1966, 1507-32 (Indian River Inlet, Del.)-ENGOW-ON] (sec. 5, 28 Stat. 362; 33 U.S.C. 499)

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

[F.R. Doc. 66-7038; Filed, June 27, 1966; 8:45 a.m.]

PART 203—BRIDGE REGULATIONS

Ortega River, Fla.

Pursuant to the provisions of section 5 of the River and Harbor Act of August 18, 1894 (28 Stat. 362; 33 U.S.C. 499), § 203.431 is hereby amended changing the caption and revising paragraphs (a) and (d), effective 30 days after publication in the FEDERAL REGISTER, as follows:

§ 203.431 Ortega River, Fla.; Florida State Road Department bridge (Roosevelt Boulevard) near Jacksonville.

(a) Except as otherwise provided in paragraphs (b), (c), and (d) of this section, the owner of or agency controlling the bridge shall not be required to open the drawspan for the passage of vessels between 6:30 a.m. to 9:00 a.m., and between 3:30 p.m. and 5:00 p.m. except that during these closure periods the bridge shall be opened on the hour and half-hour to allow any accumulated vessels to pass.

(d) The draw shall be opened at any time for the passage of a vessel in an emergency caused by rough weather or otherwise to an extent sufficient to endanger life or property. Such an emergency shall be indicated by four blasts of a whistle, horn, or megaphone.

[Regs., June 7, 1966, Ortega River, Fla., ENGOW-ON] (Secs. 5, 28 Stat. 362; 33 U.S.C. 499)

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

[F.R. Doc. 66-7039; Filed, June 27, 1966; 8:45 a.m.]

Title 14—AERONAUTICS AND SPACE

Chapter I—Federal Aviation Agency

[Reg. Docket No. 7439; Amdt. 489]

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:

By amending the following instrument landing system procedures prescribed in § 97.17 to read:

ILS STANDARD INSTRUMENT APPROACH PROCEDURE

Bearings, headings, courses and radials are magnetic. Elevations and altitudes are in feet MSL. Ceilings are in feet above airport elevation. Distances are in nautical miles unless otherwise indicated, except visibilities which are in statute miles.

If an instrument approach procedure of the above type is conducted at the below named airport, it shall be in accordance with the following instrument approach procedure, unless an approach is conducted in accordance with a different procedure for such airport authorized by the Administrator of the Federal Aviation Agency. Initial approaches shall be made over specified routes. Minimum altitudes shall correspond with those established for en route operation in the particular area or as set forth below.

Transition		Course and distance	Minimum altitude (feet)	Condition	Ceiling and visibility minimums		
From—	To—				2-engine or less		More than 2-engine, more than 65 knots
					65 knots or less	More than 65 knots	
CLE RBN	Gilbert RBN	Direct	3000	T-dn**	300-1	300-1	200-1/2
CLE VOR	Louis Int (final)	Direct	3000	C-dn	400-1	500-1	500-1 1/2
Sharon Int	Louis Int (final)	Direct	3000	S-d-5R**%	200-1/2	200-1/2	200-1/2
Louis Int (11.8-mile DME Fix)	Gilbert RBN (final) (7-mile DME Fix)	Direct	2700	A-dn	600-2	600-2	600-2
Vermillion Int	Gilbert RBN	Via STG VOR R 309° and ILS 5R front crs.	3000				
Mentor Int	Gilbert RBN	Via CLE R 072° and ILS 5R front crs.	3000				

Radars available.

Procedure turn SE side of crs, 234° Outbnd, 054° Inbnd, 2700' within 10 miles of Gilbert RBN.

Crs and distance, Gilbert RBN to airport, 054°—6.8 miles.

Minimum altitude at glide slope interception Inbnd, 2700'.

Altitude of glide slope and distance to approach end of runway at OM, 1787'—3.5 miles; at MM, 966'—0.5 mile.

If visual contact not established upon descent to authorized landing minimums or if landing not accomplished, make left-climbing turn to 3000', intercept and proceed

Outbnd on Strongsville R 345° to Crib Int, hold SE, 1-minute right turns, 345° Inbnd.

CAUTION: Towers, 1971' approximately 6 miles ESE of airport. Pole, 818', 1175' out, 785' right of centerline, Runway 5R.

NOTE: DME indication at Gilbert RBN 7 miles, at OM, 3.7 miles. DME should not be used to determine aircraft position over MM, runway threshold, or runway touch-down point. DME located at glide slope site.

*400-1/2 required with glide slope inoperative. 400-1/2 authorized, except for 4-engine turbojet aircraft, with operative ALS.

**RV R, 2400' authorized Runway 5R.

%RV R, 2400', descent below 992' not authorized unless approach lights are visible.

City, Cleveland; State, Ohio; Airport name, Cleveland Hopkins International; Elev., 792'; Fac Class., ILS; Ident., I-CLE; Procedure No. ILS-5R, Amdt. 3; Eff. date, 2 July 66; Sup. Amdt. No. 2; Dated, 17 Apr. 65

Mentor Int	Stadium RBN (8.1-mile DME Fix)	Direct	3000	T-dn	300-1	300-1	200-1/2
Cleveland RBN	Stadium RBN	Direct	3000	C-d	700-1	700-1	700-1 1/2
Sharon Int	Stadium RBN	Via STG VOR R 183° and STG VOR R 036°.	3000	C-n	700-2	700-2	700-2
		Via CLE RBN	3000	S-d-23L	700-1	700-1	700-1
				S-n-23L	700-2	700-2	700-2
				A-dn	800-2	800-2	800-2
				If 4-mile Radar Fix (5.3-mile DME Fix) is received, the following minimums apply:			
				C-dn	400-1	500-1	500-1 1/2
				S-dn-23L*	400-1	400-1	400-1

Radars available.

Procedure turn N side of NE crs, 054° Outbnd, 234° Inbnd, 3000' within 10 miles of SUM RBN.

Minimum altitude over Stadium RBN on final approach crs, 3000'.

Crs and distance, Stadium RBN to airport, 234°—5.8 miles.

If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 6.8 miles after passing Stadium RBN or 4 miles after passing 4-mile Radar Fix (5.3-mile DME Fix), make right-climbing turn to 3000', proceed direct to Cleveland VOR, hold SW, 1-minute, right turns, 069° Inbnd.

NOTES: (1) No glide slope or markers. (2) Minimum altitude, 1500' after SUM RBN Inbnd until 4-mile Radar Fix (5.3-mile DME Fix) is received. (3) Four-mile Radar Fix not provided by ATIS unless weather is 700-2 or below.

CAUTION: TV towers, 1971' approximately 6 miles ESE of airport. DME indication at SUM 8.1 miles; at 4-mile Radar Fix—5.3 miles. DME should not be used to determine aircraft position over the runway threshold or touchdown point. DME located at glide slope site.

*400-1/2 authorized, except for turbojet aircraft, with operative high-intensity runway lights.

City, Cleveland; State, Ohio; Airport name, Cleveland Hopkins; Elev., 792'; Fac. Class., ILS; Ident., I-CLE; Procedure No. ILS-23L (back crs), Amdt. 1; Eff. date, 2 July 66; Sup. Amdt. No. Orig.; Dated, 21 Nov. 64

ILS STANDARD INSTRUMENT APPROACH PROCEDURE—Continued

Transition				Ceiling and visibility minimums			
From—	To—	Course and distance	Minimum altitude (feet)	Condition	2-engine or less		More than 2-engine, more than 65 knots
					65 knots or less	More than 65 knots	
Stonewall Int (11.9-mile DME Fix).....	LOM (final) (4.8-mile DME Fix).....	Direct.....	1600	T-dn*.....	300-1	300-1	200-1/2
		Direct.....	1600	C-dn.....	500-1	500-1	500-1 1/2
				S-dn-1R*.....	200-1/2	200-1/2	200-1/2
				A-dn.....	600-2	600-2	600-2

Radar available.
 Procedure turn W side of crs, 186° Outbnd, 006° Inbnd, 1600' within 10 miles. Procedure turn must be authorized by ATC.
 Minimum altitude at glide slope interception Inbnd, 1600'.
 Altitude of glide slope and distance to approach end of runway at OM, 1597'—4.6 miles; at MM, 515'—0.6 mile.
 If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 4.6 miles after passing LOM, proceed direct to Poolsville RBN. Hold N, 186° bearing Inbnd, 2800', 1-minute right turns.
 NOTE: DME should not be used to determine aircraft position over MM, runway threshold, or runway touchdown point. DME located at glide slope site.
 *RVR, 2000' authorized for 4-engine turbojets; RVR, 1800' authorized all other aircraft Runway 1R. Descent below 513' not authorized unless ALS visible.
 City, Washington, D.C.; Airport Name, Dulles International; Elev., 313'; Fac. Class., ILS; Ident., I-DIA; Procedure No. ILS-1R, Amdt. 4; Eff. date, 2 July 66; Sup. Amdt. No. 3; Dated, 14 May 66

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 June 13, 1966.

JAMES F. RUDOLPH,
 Acting Director, Flight Standards Service.

[F.R. Doc. 66-6643; Filed, June 27, 1966; 8:45 a.m.]

[Airspace Docket No. 65-SO-80]

PART 71—DESIGNATION OF FEDERAL AIRWAYS, CONTROLLED AIRSPACE, AND REPORTING POINTS
Alteration of Transition Areas and Control Zone, and Designation of Control Zone

On May 11, 1966, a notice of proposed rule making was published in the FEDERAL REGISTER (31 F.R. 6908) stating that the Federal Aviation Agency was considering amendments to Part 71 of the Federal Aviation Regulations that would alter the Charleston, S.C., and Myrtle Beach, S.C., transition areas, Myrtle Beach control zone, and designate a part-time control zone at the Crescent Beach/Myrtle Beach Airport.

Interested persons were afforded an opportunity to participate in the proposed rule making through the 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., August 18, 1966, as hereinafter set forth.

1. Section 71.171 (31 F.R. 2065) is amended as follows:

a. The Myrtle Beach, S.C., control zone is amended to read:

MYRTLE BEACH AFB, S.C.

Within a 5-mile radius of Myrtle Beach AFB (latitude 33°40'45" N., longitude 78°55'45" W.); within 2 miles each side of the Myrtle Beach TACAN 160° and 355° radials, extending from the 5-mile radius zone to 8 miles S and 8 miles N of the TACAN; within 2 miles each side of the 167° bearing from the Conway RBN, extending from the 5-mile radius zone to the RBN.

b. The following control zone is added:

CRESCENT BEACH/MYRTLE BEACH, S.C.

Within a 5-mile radius of Crescent Beach/Myrtle Beach Airport (latitude 33°48'40" N.,

longitude 78°43'30" W.); within 2 miles each side of the Myrtle Beach VORTAC 052° radial, extending from the 5-mile radius zone to 8 miles NE of the VORTAC; within 2 miles each side of the Myrtle Beach VORTAC 214° radial, extending from the 5-mile radius zone to 8 miles SW of the VORTAC. This control zone is effective during specific dates and/or times established in advance by a Notice to Airmen and continuously published in the Airman's Information Manual.

2. Section 71.181 (31 F.R. 2149) is amended as follows:

a. The Charleston, S.C., transition area is amended to read:

CHARLESTON, S.C.

That airspace extending upward from 700 feet above the surface within a 7-mile radius of the Charleston AFB/Municipal Airport (latitude 32°53'55" N., longitude 80°02'20" W.); within 8 miles SW and 5 miles NE of the Charleston ILS localizer NW course, extending from the OM to 12 miles NW of the OM; within 8 miles SW and 5 miles NE of the Charleston VORTAC 332° radial, extending from the VORTAC to 12 miles NW of the VORTAC; that airspace extending upward from 1,200 feet above the surface bounded by a line beginning at the INT of the SE boundary of V-3 and latitude 33°30'00" N., thence E to latitude 33°11'55" N., longitude 79°08'00" W., to latitude 32°58'30" N., longitude 79°18'00" W., to latitude 32°50'40" N., longitude 79°23'15" W., thence clockwise along the arc of a 38-mile radius circle centered on the Charleston VORTAC, to and W along a line 5 miles S of and parallel to the Charleston VORTAC 109° radial to a point 3 nmi E of the shoreline, thence SW along a line 3 nmi from the shoreline to latitude 32°29'30" N., longitude 80°12'00" W., thence to latitude 32°45'50" N., longitude 80°30'30" W., to latitude 32°44'00" N., longitude 80°43'25" W., thence to the INT of the SE boundary of V-3 and latitude 32°44'00" N., thence NE along the SE boundary of V-3 to the point of beginning; and that airspace extending upward from 1,700 feet MSL bounded on the E by B-437 on the S by the 1,200-foot floor portion of the Charleston transition area, and on the NW by the SE boundary of V-3, excluding the portion that

coincides with the Florence, S.C., transition area.

b. The Myrtle Beach, S.C., transition area is amended to read:

MYRTLE BEACH, S.C.

That airspace extending upward from 700 feet above the surface within a 7-mile radius of Myrtle Beach AFB (latitude 33°40'45" N., longitude 78°55'45" W.); within a 6-mile radius of Crescent Beach/Myrtle Beach Airport (latitude 33°48'40" N., longitude 78°43'30" W.); within 2 miles each side of the Myrtle Beach VORTAC 052° radial, extending from the 6-mile radius area to 8 miles NE of the VORTAC; within 2 miles each side of the Myrtle Beach VORTAC 214° radial, extending from the 6-mile radius area to 14 miles SW of the VORTAC; that airspace extending upward from 1,200 feet above the surface bounded by a line beginning at the INT of the E boundary of V-437E and a line 5 miles S of and parallel to the Florence, S.C., VORTAC 068° radial, thence E to latitude 34°18'40" N., longitude 79°11'00" W., thence along a line extending from latitude 34°18'40" N., longitude 79°11'00" W., through latitude 34°17'45" N., longitude 78°25'30" W., to the E boundary of V-213, to latitude 33°58'30" N., longitude 78°10'45" W., to latitude 33°40'10" N., longitude 78°40'15" W., thence clockwise along the arc of a 15-mile radius circle centered on the Myrtle Beach TACAN, to latitude 33°27'40" N., longitude 78°55'20" W., thence to latitude 33°19'40" N., longitude 79°02'10" W., to latitude 33°11'55" N., longitude 79°08'00" W., to latitude 33°20'00" N., longitude 79°39'20" W., thence N along the E boundary of V-437E to the point of beginning; and that airspace extending upward from 2,700 feet MSL bounded on the N by the arc of a 35-mile radius circle centered on Grannis Field, Fayetteville, N.C. (latitude 34°59'25" N., longitude 78°52'50" W.) on the E by the 2,700-foot MSL floor portion of the Goldsboro, N.C., transition area, on the S by the 1,200-foot floor portion of the Myrtle Beach transition area, on the W by V-437E and V-3E, excluding the portion that coincides with the Florence, S.C., transition area.

(Secs. 307(a), 1110, Federal Aviation Act of 1958; 49 U.S.C. 1348, 1510; E.O. 10854 (24 F.R. 9565))

Issued in Washington, D.C., on June 21, 1966.

T. McCORMACK,
Acting Chief, Airspace and
Air Traffic Rules Division.

[F.R. Doc. 66-7040; Filed, June 27, 1966;
8:45 a.m.]

[Airspace Docket No. 66-CE-30]

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

Alteration of Transition Area and Federal Airways

On April 29, 1966, a notice of proposed rule making was published in the FEDERAL REGISTER (31 F.R. 6514) stating that the Federal Aviation Agency proposed to alter controlled airspace in the Lincoln, Nebr., terminal area.

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

The Lincoln Airport coordinates recited in the notice of proposed rule making have been changed slightly in this final rule. Since this change is minor in nature and imposes no additional burden on anyone, it is being made in the rule without notice and public procedure.

In consideration of the foregoing, Part 71 of the Federal Aviation Regulations is amended, effective 0001 e.s.t., August 18, 1966, as hereinafter set forth.

(1) In § 71.181 (31 F.R. 2149), the Lincoln, Nebr., transition area is amended to read:

LINCOLN, NEBR.

That airspace extending upward from 700 feet above the surface within a 9-mile radius of the Lincoln Airport (latitude 41°50'55" N., longitude 96°45'05" W.) and within the area bounded by a line 5 miles west of and parallel to the Lincoln ILS localizer south course clockwise along a 17-mile arc centered on the Lincoln Airport to a line 2 miles east of and parallel to the Lincoln VORTAC 015° radial, within 5 miles west and 9 miles east of the Lincoln ILS localizer south course extending from the 9-mile radius to 13 miles south of the ILS OM; and that airspace extending upward from 1200 feet above the surface bounded on the east by longitude 96°23'00" W., on the south by the north edge of V-216, on the west by longitude 97°02'00" W., a 29-mile arc centered on the Lincoln Airport and a line 8 miles NW of and parallel to the Lincoln VORTAC 040° radial, and on the northeast by a 30-mile arc centered on the Lincoln VORTAC and the area within 6 miles S and 5 miles N of the Lincoln VORTAC 267° radial extending from the 29-mile arc to 34 miles W of the VORTAC.

(2) In § 71.123 (31 F.R. 2020), V-71 is amended by deleting from the text, "Via Int. of Pawnee City 334° and Raymond, Nebr. 146° radials; to Raymond", and substituting therefor, "Via Int. of Pawnee City 334° and Lincoln, Nebr., 146° radials; to Lincoln".

(3) In § 71.123 (31 F.R. 2026), V-138 is amended by deleting from the text, "Via Int. of Grand Island 099° and Ray-

mond, Nebr. 267° radials; Raymond; Int. of Raymond 040° and Neola, Iowa 251° radials; Neola; to Fort Dodge, Iowa", and substituting therefor, "Via Int. of Grand Island 099° and Lincoln, Nebr. 267° radials; Lincoln; Int. of Lincoln 040° and Neola, Iowa 251° radials; Neola; to Fort Dodge, Iowa".

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

Issued in Kansas City, Mo., on June 16, 1966.

DANIEL E. BARROW,
Acting Director, Central Region.

[F.R. Doc. 66-7041; Filed, June 27, 1966;
8:45 a.m.]

[Airspace Docket No. 66-EA-54]

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

Alteration of Control Zone

The Federal Aviation Agency is considering amending § 71.171 of Part 71 of the Federal Aviation Regulations so as to alter the Manchester, N.H., control zone (31 F.R. 2110 as amended 31 F.R. 6864).

The Manchester, N.H., control zone is presently effective from 0600 to 2300 hours, local time. Commencing on July 1, 1966, the Air Force will require 24-hour use of Grenier Field within the control zone. Therefore, the control zone will be changed to a full-time control zone until 0001 e.s.t., February 1, 1967, at which time it will revert to a 0600 to 2300 hours schedule.

For the reasons stated above, the Administrator finds that a situation exists requiring immediate action in the interest of safety and notice and public procedure hereon are contrary to the public interest and that good cause exists for making this amendment effective on less than 30 days notice.

Effective 0001 e.s.t. on July 1, 1966, § 71.171 of Part 71 of the Federal Aviation Regulations is amended by deleting in the Manchester, N.H., control zone the words "effective from 0600 to 2300 hours, local time, daily" and insert in lieu thereof a period followed by the words "On and after 0001 e.s.t., February 1, 1967, the zone will be effective from 0600 to 2300 hours, local time, daily."

(Sec. 307(a), Federal Aviation Act of 1958; 72 Stat. 749; 49 U.S.C. 1348)

Issued in Jamaica, N.Y., on June 20, 1966.

WAYNE HENDERSHOT,
Deputy Director,
Eastern Region.

[F.R. Doc. 66-7042; Filed, June 27, 1966;
8:45 a.m.]

[Airspace Docket No. 66-WE-24]

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

Designation of Control Zone

On April 28, 1966, a notice of proposed rule making was published in the FEDERAL

REGISTER (31 F.R. 6429) stating that the Federal Aviation Agency proposed to designate a control zone at Bremerton, Wash.

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

In consideration of the foregoing, Part 71 of the Federal Aviation Regulations is amended effective 0001 e.s.t., August 18, 1966, as hereinafter set forth:

In § 71.171 (31 F.R. 2065) the following control zone is added:

BREMERTON, WASH.

Within a 5-mile radius of the Kitsap County Airport (latitude 47°29'35" N., longitude 122°45'35" W.), and within 2 miles each side of the 209° bearing from the Kitsap RBN (latitude 47°29'48" N., longitude 122°45'36" W.), extending from the 5-mile radius zone to 8 miles SW of the RBN. This control zone will be effective during the time established in advance by a Notice to Airmen and continuously published in the Airman's Information Manual.

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

Issued in Los Angeles, Calif., on June 17, 1966.

JOSEPH H. TIPPETS,
Director, Western Region.

[F.R. Doc. 66-7043; Filed, June 27, 1966;
8:45 a.m.]

[Airspace Docket No. 66-EA-40]

PART 73—SPECIAL USE AIRSPACE

Alteration of Restricted Area

The purpose of this amendment is to reduce the ceiling of Restricted Area R-4106 at North Eastham, Mass.

The Department of the Navy has informed the Federal Aviation Agency that it no longer has an operational requirement for the airspace above 2,000 feet MSL within R-4106. Accordingly, action is taken herein to lower the ceiling of R-4106 to 2,000 feet MSL.

Since this amendment reduces the burden on the public, notice and public procedure hereon is unnecessary and this amendment may be made effective on less than 30 days notice.

In consideration of the foregoing, Part 73 of the Federal Aviation Regulations is amended, effective immediately, as hereinafter set forth.

In § 73.41 (31 F.R. 2317) Restricted Area R-4106 is amended by deleting from the text "designated altitudes. Surface to 3,000 feet MSL" and substituting therefor "Designated altitudes. Surface to 2,000 feet MSL".

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

Issued in Washington, D.C., on June 22, 1966.

WILLIAM E. MORGAN,
Acting Director,
Air Traffic Service.

[F.R. Doc. 66-7044; Filed, June 27, 1966;
8:45 a.m.]

[Airspace Docket No. 66-SO-48]

PART 73—SPECIAL USE AIRSPACE

**Revocation of Restricted Area/
Military Climb Corridor**

The purpose of this amendment to Part 73 is to revoke the Homestead Air Force Base, Fla., Restricted Area/Military Climb Corridor, R-2917.

A proposal to revoke R-2917 was received from the Department of the Air Force on June 10, 1966. The Air Force stated that the current procedures for departing interceptor aircraft use radar vectoring and a radar handoff from the FAA radar controller to the Air Defense Command intercept director. These procedures have provided excellent service with minimal delays. Further, the absence of established procedures for use of the climb corridor and reliance on the procedures outlined make it apparent that the originally stated requirements no longer justify assignment of special use airspace.

Since this restricted area/military climb corridor was designated solely for use of the military, revocation thereof will reduce the burden on the public. Therefore, notice and public procedure hereon are unnecessary and the amendment may be made effective in less than 30 days.

In consideration of the foregoing, Part 73 of the Federal Aviation Regulations is amended, effective immediately, as hereinafter set forth.

In § 73.29 (31 F.R. 2305), R-2917 Homestead AFB, Fla., Restricted Area/Military Climb Corridor is revoked.

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

Issued in Washington, D.C., on June 21, 1966.

WILLIAM E. MORGAN,
*Acting Director,
Air Traffic Service.*

[F.R. Doc. 66-7045; Filed, June 27, 1966; 8:45 a.m.]

[Docket Nos. 7438, 7172; Amdts. 25-9, 121-20]

PART 25—AIRWORTHINESS STANDARDS: TRANSPORT CATEGORY AIRPLANES

PART 121—CERTIFICATION AND OPERATIONS: DOMESTIC, FLAG, AND SUPPLEMENTAL AIR CARRIERS AND COMMERCIAL OPERATORS OF LARGE AIRCRAFT

Miscellaneous Amendments

Requirements for emergency evacuation ropes at certain exits and for megaphones aboard aircraft; postponement of effective dates for cockpit voice recorders and certain emergency lighting requirements; and miscellaneous amendments affecting emergency evacuation requirements.

The purpose of this amendment is to make certain changes in the emergency evacuation equipment requirements of Parts 25 and 121 of the Federal Aviation Regulations, to postpone the effective

date of some of these requirements, and to postpone the effective date of the requirement for cockpit voice recorders on large turbine engine powered airplanes.

The portions of this amendment relating to megaphones and emergency evacuation ropes are based on a notice of proposed rule making (Notice No. 66-13) issued on April 4, 1966, and published in the FEDERAL REGISTER on April 7, 1966 (31 F.R. 5495). The comments received in response to that notice generally concurred with the proposals contained therein. One comment, while agreeing that at times ropes from over wing exits can become entangled and impede evacuation, nevertheless felt that the Agency should require the use of ropes for all over wing exits for ditching purposes. The Agency believes that, pending completion of the current task force study discussed in Notice 66-13, both Parts 25 and 121 should be amended to restore the Part 25 requirement that existed before Amendment 25-1. Therefore, ropes or some other assisting means will be required at all exits more than 6 feet from the ground except over the wing exits. In addition, while the preamble to Notice 66-13 indicated that Part 25 would be amended to reinstate the requirement that existed before Amendment 25-1, the Agency believes that the 400-pound static load test and attachment requirements contained in that amendment should be retained. Therefore, for the reasons set forth in Notice 66-13, §§ 25.809(f) and 121.310(a) are amended to substantially reinstate the requirements for means to assist passengers in an emergency evacuation that existed before the adoption of Amendments 25-1 and 121-2, with the modifications mentioned above. In addition § 121.310(h) is amended to clarify the megaphone location requirement in Part 121.

Paragraph (b) (2) of § 121.310 requires that each passenger exit marking and locating sign required by paragraph (b) (1) "must have white letters 1 inch high on a red background 2 inches high, be self or electrically illuminated, and have a minimum luminescence (brightness) of at least 160 microlamberts." The Agency has discovered that in at least one airplane type the retrofitting necessary to comply with this requirement for over-the-wing exit signs would result in the placing of the sign at such an angle that part of the advantage gained by the larger sign is offset by decreased visibility. Accordingly, this section is amended to permit approval of a deviation from the 2 inch background requirement so that a slightly smaller but more effective sign could be approved where literal compliance would be impractical. Since the Agency still believes that the required exit marking signs are necessary it will approve deviations only where it can be shown that strict compliance with the requirement is impractical, and where the proposed configuration provides at least an equivalent level of safety.

A large number of Part 121 operators planned to comply with this exit mark-

ing and locating sign requirement by installing radioactive signs. The Agency has been informed by the airlines that because of the large number of orders placed with a few vendors, the vendors will be unable to deliver all the equipment in time to make installations before the July 1 compliance date. Therefore, since numerous airplanes will not be retrofitted by July 1 and would have to be grounded thereafter, the Agency believes that a postponement until September 15, 1966, is warranted. For the interim period the requirements of § 121.309(g) are being extended.

In establishing the original minimum brightness level for exit marking signs in §§ 25.811(d) and 121.310(b) (2) the Agency recognized that radioactive signs deteriorate. Therefore, while a minimum brightness level of 100 microlamberts was considered adequate for safe operations, the Agency established an installation minimum of 160 microlamberts. It was intended that this would be an adequate "manufacturing" minimum that would allow for a reasonable lifespan before a sign would deteriorate to a point where it would become inadequate and require replacement. However, since the 160 microlambert figure was specified in both Parts 25 and 121 without further qualification, this intent was not carried out. Therefore, § 121.310 (b) (2) is being amended to make it clear that all retrofit and replacement signs must be manufactured to the minimum specified in FAR Part 25. This figure (160 microlamberts) reflects present state of the art deterioration factors and insures that the signs installed in new aircraft and those purchased for retrofitting or replacement will have a reasonable lifespan. However, since the Agency considers a brightness level below 100 microlamberts inadequate for safety, Part 121 is being amended to require replacement of a sign that deteriorates below this level. Since the basic purpose of the 160 microlambert figure is to insure a reasonable useful life before deterioration to the 100 microlambert level, the Agency would also consider as meeting an equivalent level of safety under Part 25, a sign manufactured to an initial brightness level below 160 microlamberts but with a useful life (i.e., above the 100 microlambert level) at least equal to the useful life of signs presently being manufactured to or above the 160 microlambert level.

Section 121.310(c) (2) requires that after June 30, 1966, each passenger-carrying airplane must have a source of light, independent of the main lighting system, to provide enough general lighting in the passenger cabin so that the average illumination, when measured at 40 inch intervals at seat armrest height on the centerline of the main passenger aisle, is at least 0.05 foot-candles. Prior to the adoption of this requirement, the Agency-industry task force had found that the general emergency lighting in several of the then newer turbine engine powered airplanes was of a desirable minimum level and in fact met the 0.05 foot-candle requirement. Based on

these findings the Part 121 operators owning these aircraft types did not arrange for any retrofitting to meet the general illumination requirements. Within the past several weeks it was discovered that due to a combination of lighting deterioration (aging), and the soiling of cabin interiors this requirement is no longer met by these airplanes. While the affected airplane manufacturers immediately started preparing the engineering data to accomplish the necessary changes, the required installations cannot be accomplished before July 1, 1966. For the foregoing reasons, the Agency is postponing the compliance date of § 121.310 (c) and (d) from July 1, 1966, to September 15, 1966. For the interim period the requirements of § 121.309(h) are being extended.

While these extensions should allow sufficient time for the necessary retrofitting, the Agency realizes that the changes required to bring all of the affected airplanes up to the general lighting minimum of § 121.310(c) (2) and to obtain the necessary signs to comply with paragraph (b) could cause a problem for some operators with large fleets. Therefore, a provision is included whereby such an operator can obtain a further extension, not beyond December 1, 1966, from the FAA Air Carrier District Office charged with the overall inspection of its operations.

On June 26, 1964, the Agency adopted amendments to former Civil Air Regulations Parts 40, 41, and 42 (29 F.R. 8401) requiring each air carrier and commercial operator to install a cockpit voice recorder on each large turbine engine powered airplane to be operated under those parts after July 1, 1966. This requirement was recodified as § 121.359 of the Federal Aviation Regulations. Until recently, it appeared that the airlines would meet the compliance date. However, several airlines found that their recorder installations had to be modified to fully meet the requirement of § 25.1457 (d) (2) that an automatic means be provided to stop each erasure feature from functioning at the instant of crash impact. The airlines affected petitioned the Agency for exemptions in order to avoid the grounding of airplanes after July 1, 1966, while the modifications were being made. In addition, recently several airlines discovered that one model voice recorder failed after from 30 to 70 hours of operation. The manufacturer of the affected recorder has corrected this problem. However, those voice recorders already delivered will have to be returned to the factory for repair and the manufacturer indicates that, despite its efforts to accomplish this work on an expedited basis, it will require at least 60 days after the July 1 compliance date to complete this work. Therefore, in order to provide the additional time necessary to accomplish the work required to correct these problems, the Agency is postponing the compliance date in § 121.359 for large turbine engine powered airplanes from July 1, 1966, to September 15, 1966. A provision similar to that dis-

cussed above is included to permit extensions beyond September 15, but not beyond December 1, 1966, where an operator is able to show that for reasons beyond its control it is unable to comply by the earlier date.

Interested persons have been afforded an opportunity to participate in that portion of this amendment relating to emergency evacuation ropes and megaphone requirements, and due consideration has been given to all relevant matter presented. The portion of this amendment not proposed in Notice 66-13 imposes no additional burden on any person and in view of the imminence of the effective date of the affected sections, I find that notice and public procedure thereon are impractical, and that good cause exists for making this amendment effective on less than 30 day's notice.

In consideration of the foregoing, Parts 25 and 121 of the Federal Aviation Regulations are amended as follows, effective June 30, 1966.

1. Paragraph (f) of § 25.809 is amended to read as follows:

§ 25.809 Emergency exit arrangement.

(f) Each landplane emergency exit (other than over the wing) more than 6 feet from the ground with the airplane on the ground and the landing gear extended must have an approved means to assist the occupants in descending to the ground. The assisting means for a floor level passenger emergency exit must be a slide, or an equivalent approved device. If the assisting means is a rope or an approved device equivalent to a rope, it must be—

(1) Attached to the fuselage structure at or above the top of the emergency exit opening, or, for a device at a pilot's emergency exit window, at another approved location if the stowed device, or its attachment, would reduce the pilot's view in flight; and

(2) Able (with its attachment) to withstand a 400-pound static load.

§ 121.309 [Amended]

2. Paragraphs (f), (g), and (h) of § 121.309 are amended by striking out in each paragraph the date "July 1, 1966" and inserting the date "September 15, 1966" in place thereof and § 121.319 is amended by striking out the word "No" and inserting the words "Until September 15, 1966, no" in place thereof.

§ 121.310 [Amended]

3. Section 121.310 is amended—

(a) By amending paragraph (a) to read as follows:

(a) Means for emergency evacuation. After September 15, 1966, each passenger-carrying landplane emergency exit (other than over the wing) more than 6 feet from the ground with the airplane on the ground and the landing gear extended must have an approved means to assist the occupants in descending to the ground. The assisting means for a floor level emergency exit must be a slide or equivalent approved device suitable for rapid evacua-

tion of passengers. During flight the slide, or equivalent approved device, must be kept readily accessible for immediate installation and use. This paragraph does not apply to the rear window emergency exit of DC-3 airplanes operated with no more than 35 occupants including crewmembers and, no more than four exits authorized for passenger use.

(b) By amending the opening sentence of paragraphs (b), (c), and (d) by striking out in each paragraph the date "June 30, 1966" and inserting the date "September 15, 1966" in place thereof; and by amending subparagraph (2) of paragraph (b) to read as follows:

(2) Each passenger emergency exit marking and each locating sign must have white letters 1 inch high on a red background 2 inches high, be self or electrically illuminated, and must be manufactured to meet the requirements of § 25.811(d) of this chapter. No sign may continue to be used if its luminescence (brightness) decreases below 100 microlamberts. The colors may be reversed if it increases the emergency illumination of the passenger compartment. However, the Administrator may authorize deviation from the 2 inch background requirements if he finds that special circumstances exist that make compliance impractical and that the proposed deviation provides an equivalent level of safety.

(c) By amending subparagraphs (1) and (2) of paragraph (h) to read as follows:

(1) One megaphone on each airplane with a seating capacity of more than 60 and less than 100 passengers, at the most rearward location in the passenger cabin where it would be readily accessible to a normal flight attendant seat.

(2) Two megaphones on each airplane with a seating capacity of more than 99 passengers, one installed at the forward end and the other at the most rearward location in the passenger cabin where it would be readily accessible to a normal flight attendant seat.

(4) By adding a new subparagraph (i) to read as follows:

(i) Extension of compliance date. Notwithstanding paragraphs (b) and (c) of this section, a certificate holder may obtain an extension for compliance with the requirements stated therein beyond September 15, 1966, but not beyond December 1, 1966, from the FAA Air Carrier District Office charged with the overall inspection of its operations, if it shows that due to circumstances beyond its control it cannot comply by the earlier date.

4. Paragraph (a) of § 121.359 is amended by striking out the date "June 30, 1966," and by inserting the date "September 15, 1966," in place thereof and by adding a flush sentence at the end thereof to read as follows:

§ 121.359 Cockpit voice recorders.

(a) * * *

A certificate holder may obtain an extension for compliance with the requirements of this paragraph for turbine

engine powered airplanes beyond September 15, 1966, but not beyond December 1, 1966, from the FAA Air Carrier District Office charged with the overall inspection of its operations, if it shows that due to circumstances beyond its control it cannot comply by the earlier date.

(Secs. 313(a), 601, 603, 604, Federal Aviation Act of 1958 (49 U.S.C. 1354, 1421, 1423, 1424))

Issued in Washington, D.C., on June 23, 1966.

WILLIAM F. MCKEE,
Administrator.

[F.R. Doc. 66-7119; Filed, June 27, 1966; 8:48 a.m.]

[Docket No. 7395; Amdts. 61-21, 63-4, 65-8]

PART 61—CERTIFICATION: PILOTS AND FLIGHT INSTRUCTORS

PART 63—CERTIFICATION: FLIGHT CREWMEMBERS OTHER THAN PILOTS

PART 65—CERTIFICATION: AIRMEN OTHER THAN FLIGHT CREWMEMBERS

Prerequisites for Written Tests; Postponement of Effective Date

On May 27, 1966 (31 F.R. 7609), the Agency published amendments to Parts 61, 63, and 65 of the Federal Aviation Regulations to remove from the airman certification regulations all requirements that applicants for airman certificates meet aeronautical experience requirements before taking the prescribed written tests, and to remove the requirement that an applicant for an airline transport pilot certificate must meet the general eligibility requirements (other than age) before taking the written test. The amendments were to become effective on June 26, 1966.

The amendments did not make any substantive changes in the requirements for any airman certificate. Their intent was to provide more flexibility in the order in which certain parts of the airman tests could be taken by applicants. The Agency had determined, in conformity with its policy of providing the best possible service to the public, and in order to reduce the required extent of applicants travel for certification purposes that the showing of technical qualifying experience is necessary only before the prescribed oral, practical, or flight test required.

Since the publication of the amendments, the Agency has received several communications from certificated schools and airmen indicating that there may have been some misunderstanding of their effect on the character of airman standards. Although no specific examples have been furnished to show that the amendments would result in the lowering of substantive standards, the comments appeared to express apprehension that such might be the result.

In view of this possible misunderstanding, the Agency has determined that an extension of their effective date would be

in the public interest to allow for the furnishing of any specific examples of possible adverse effect of the amendments on the quality of airmen certification.

In view of the imminence of the effective date of the subject amendments, I find that notice and public procedure hereon are impracticable, and that good cause exists for making this amendment effective on less than 30 days notice.

In consideration of the foregoing, the effective date of Amendments 61-21, 63-4, and 65-8 is changed from June 26, 1966, to August 15, 1966.

(Secs. 313(a) and 601 of the Federal Aviation Act of 1958; 49 U.S.C. 1354(a) and 1421)

Issued in Washington, D.C., on June 24, 1966.

WILLIAM F. MCKEE,
Administrator.

[F.R. Doc. 66-7140; Filed, June 27, 1966; 9:51 a.m.]

Title 16—COMMERCIAL PRACTICES

Chapter I—Federal Trade Commission

PART 15—ADMINISTRATIVE OPINIONS AND RULINGS

Functional Discount to "Premium" Book Jobbers

§ 15.67 Functional discount to "premium" book jobbers.

(a) The Federal Trade Commission has advised a publisher of soft cover books that its proposed plan—if implemented as outlined—to grant an extra discount to "premium jobbers" would not violate the law.

(b) The publisher distributes its books through retailers, wholesalers, and book jobbers, and grants identical discounts to the latter two who are in competition with each other.

(c) According to the plan as submitted to the Commission, the publisher proposes to grant an extra discount to all premium jobbers who sell books to institutional customers (savings banks, insurance companies, industrial corporations, etc.) for use as promotion pieces, premiums, or prizes on a giveaway basis. To the extent that any premium jobber also sells to the regular trade in competition with other wholesalers and retailers, the publisher will either refuse to fill orders or grant only a normal wholesale discount.

(d) The proposed extra discount, the Commission advised, "is obviously functional in nature" and while the Clayton Act, as amended by the Robinson-Patman Act, "does not mention functional pricing the Commission has held that a seller is not forbidden to sell at different prices to buyers in different functional classes provided that injury as contemplated in the law does not result * * *. Applying the law to the

facts presented by this request, it would appear that the granting of the extra discount to the premium jobbers would not result in a violation of law if the facts are exactly as represented * * * and if the proposal is implemented precisely as outlined."

(e) The "discount must be granted only for those sales made to the institutional customers described who use the books as giveaways and not for resale" and the "discount must be made available" to all customers of the publisher who in fact compete with each other in the resale of the publisher's books to institutional accounts, the Commission continued.

(f) It cautioned, however, that if the publisher should classify "certain distributors or wholesalers as premium jobbers and permits no one else to sell to the institutional customers, which could be accomplished by granting the extra discount only to those so classified, a serious question could be raised if the so-called premium jobbers also sell to regular retailers in competition with other wholesalers."

(38 Stat. 717, as amended; 15 U.S.C. 41-58; 49 Stat. 1526; 15 U.S.C. 13, as amended)

Issued: June 27, 1966.

By direction of the Commission.

[SEAL] JOSEPH W. SHEA,
Secretary.

[F.R. Doc. 66-6996; Filed, June 27, 1966; 8:45 a.m.]

PART 15—ADMINISTRATIVE OPINIONS AND RULINGS

Clearance Given for Use of Pseudonym for Doctor's Real Name on Radio Programs

§ 15.68 Clearance given for use of pseudonym for doctor's real name on radio programs.

(a) The Federal Trade Commission has issued an advisory opinion that it would not object to the use of a pseudonym in lieu of the doctor's real name on radio programs under the following circumstances.

(b) The requesting party proposes to produce two radio feature programs offering medical advice to be written and supervised by licensed physicians whose ethics prohibit the use of their real names. Both programs will be sponsored commercially but the commercials will be separated distinctly and clearly from the medical advice being given, and there will be no endorsement, express or implied, of the product by the doctor.

(38 Stat. 717, as amended; 15 U.S.C. 41-58)

Issued: June 27, 1966.

By direction of the Commission.

[SEAL] JOSEPH W. SHEA,
Secretary.

[F.R. Doc. 66-6997; Filed, June 27, 1966; 8:45 a.m.]

Title 31—MONEY AND FINANCE: TREASURY

Chapter II—Fiscal Service, Department of the Treasury

SUBCHAPTER B—BUREAU OF THE PUBLIC DEBT

PART 315—REGULATIONS GOVERNING U.S. SAVINGS BONDS

Miscellaneous Amendments

Correction

In F.R. Doc. 66-5893, appearing at page 7680 of the issue for Saturday, May 28, 1966, the following corrections are made:

1. The text of § 315.7(b)(4) which precedes the first example should read as follows:

(4) *Trustees or life tenants under wills, deeds of trust, agreements, or similar instruments.* A bond may be registered in the name and title of the trustee (or trustees) of a duly constituted trust estate, or in the name of a life tenant, followed by an adequate identifying reference to the authority governing the trust or life tenancy. Examples:

2. In the first example under § 315.7(b)(4)(ii), the number reading "12-345678" should read "12-3456789".

Title 43—PUBLIC LANDS: INTERIOR

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

SUBCHAPTER E—FOREST MANAGEMENT (5000)

[Circular 2209]

PART 5400—FOREST PRODUCTS DISPOSALS; GENERAL

PART 5430—PRESALE PREPARATION, ADVERTISEMENT AND CONTRACT PREPARATION

PART 5440—SALES ADMINISTRATION

Miscellaneous Amendments

On pages 4805 and 4806 of the FEDERAL REGISTER of March 22, 1966, there was published a notice of proposed rule making involving amendments of Parts 5400, 5430, and 5440. Interested parties were given 30 days in which to submit written comments, suggestions, or objections regarding the proposed regulations. After consideration of the comments received interpretive language was added to § 5443.1 *Time*; and §§ 5437.1(b) *Bonding requirements* and 5441.2(c)(2) *Payment* were liberalized to provide the timber sale purchaser with the option of electing to cut against the increased performance bond during the life of the contract. The amendments as proposed are hereby adopted subject to the following changes:

1. The third sentence of paragraph (b) of § 5437.1 is revised to read "The adjusted bond must be approved by the au-

thorized officer in writing prior to cutting any timber under the adjusted bond."

2. The second sentence of paragraph (c)(2) of § 5441.2 is revised to read, "If cutting is permitted before payment as provided by § 5437.1(b) of this chapter, payment by installment shall be made prior to the skidding, yarding, or removal of the timber sold."

3. The following sentence is added after the first sentence in § 5443.1, "Market fluctuations are not cause for consideration of contract extensions."

Effective date. The effect of these amendments will be to relax existing regulations and provide for a clearer interpretation of them. Accordingly, as it is in the best public interest to make these amendments effective with the contracting period beginning with the fiscal year, these amendments will become effective July 1, 1966, except as to sales of timber advertised prior thereto.

Final rules read as set forth below.

JOHN A. CARVER, Jr.,
Under Secretary of the Interior.

JUNE 23, 1966.

Subpart 5400—Forest Product Disposals; General

1. Section 5400.0-5 is amended by clarifying the wording of paragraphs (a) and (f) and the deletion of the paragraph defining "Logging unit" to read as follows:

§ 5400.0-5 Definitions.

Except as the context may otherwise indicate, as the terms are used in Parts 5410-5450 of this chapter and in contracts issued thereunder:

(a) "Bureau" means the Bureau of Land Management, Department of the Interior.

(b) "Director" means the Director of the Bureau of Land Management.

(c) "Authorized Officer" means an employee of the Bureau of Land Management, to whom has been delegated the authority to take action.

(d) "O. and C. Lands" means the Revested Oregon and California Railroad and Reconveyed Coos Bay Wagon Road Grant Lands and other lands administered by the Bureau of Land Management under the provisions of the Act of August 28, 1937 (50 Stat. 874).

(e) "Public Lands" means the public domain and its surface resources under the jurisdiction of the Bureau of Land Management and lands from which the vegetative resources may be sold in accordance with the provisions of § 5400.0-3(a)(2)(ii).

(f) "Timber" means standing trees, downed trees or logs which are capable of being measured in board feet.

(g) "Other vegetative resources" means all vegetative material which cannot be measured in units of board feet of timber.

(h) "Set-aside" means a designation of timber for sale which is limited to bidding by small business concerns as defined by the Small Business Administration in its regulations (13 CFR Part

121) under the authority of section 15 of the Small Business Act of July 18, 1958 (72 Stat. 384).

(i) "Third party scaling" means the measurement of logs by a scaling organization, other than a Government agency, approved by the Bureau.

(j) "Sale value" means the contract value of the stumpage sold under the contract.

Subpart 5433—Bids and Awards of Contract

2. Section 5433.1 is amended by deleting paragraph (b) from § 5433.1 and incorporating it in § 5436.1; § 5433.1 will then read as follows:

§ 5433.1 Qualification of bidders and purchasers.

A bidder or purchaser for the sale of timber must be (a) an individual who is a citizen of the United States, (b) a partnership composed wholly of such citizens, or (c) an unincorporated association composed wholly of such citizens, or (d) a corporation authorized to transact business in the states in which the timber is located. A bidder must also have submitted a deposit in advance, as required by § 5433.2. To qualify for bidding to purchase set-aside timber, the bidder must accompany his deposit with a self-certification statement that he is qualified as a small business concern as defined by the Small Business Administration (13 CFR Part 121).

Subpart 5436—Contract Forms

3. Section 5436.1 is amended by the addition of paragraph (b) requiring a bidder to notify the authorized officer of his intent to apply for an SBA road construction loan, and is intended to facilitate action on the loan application rather than being a bid qualification. As so amended § 5436.1 reads as follows:

§ 5436.1 Provisions.

(a) All sales shall be made on contract forms approved by the Director. The authorized officer may include additional provisions in the contract to cover conditions peculiar to the sale area, such as road construction, logging methods, silvicultural practices, reforestation, snag felling, slash disposal, fire prevention, fire control, and protection of improvements, watersheds, and recreational values. Such additional provisions shall be made available for inspection by prospective bidders during the advertising period.

(b) Where a timber sale notice provides that the successful bidder may use a Small Business Administration road construction loan, and the bidder has reason to believe that he qualifies for such road construction loan under SBA regulations (13 CFR Part 121), the bidder shall submit to the authorized officer a statement of his intention to file with SBA for such SBA road construction loan. The purpose of the filing is to facilitate action by the Authorized officer and the Small Business Administration on the loan application.

Subpart 5437—Performance Bonds

4. Section 5437.1 is amended by rewording paragraph (b) to delete reference to a logging unit and permit cutting of timber against the increase in value of the minimum performance bond. It will also permit payment for timber so cut in the regular installment manner. As amended § 5437.1(b) reads as follows:

§ 5437.1 Requirements.

(b) The authorized officer may permit the cutting of timber before payment of the second or subsequent installments as provided in this paragraph. The purchaser must increase the minimum performance bond required by paragraph (a) of this section by an amount equal to one or more installment payments. The adjusted bond must be approved by the authorized officer in writing prior to cutting any timber under the adjusted bond. The unenhanced value of timber allowed to be cut in advance of payment is limited to the amount of the increase over and above the minimum performance bond required by paragraph (a) of this section and in no event shall the unenhanced value of the timber cut exceed 50 percent of the total contract purchase price. The increased amount of the bond shall be used to assure payment for such timber. Timber cut pursuant to this paragraph may be paid by installments. Upon payment, the increased amount of the bond may be applied to other timber sold under the contract to permit its cutting in advance of payment.

Subpart 5441—Contract Performance

5. Section 5441.2 is amended to conform to the provisions of 5437.1 by rewording paragraph (c) (2) to require installment payment prior to removal of timber cut against the bond. Paragraph (d) is reworded to require payment in full prior to expiration of the time for cutting and removal. As so amended, § 5441.2 (c) (2) and (d) read as follows:

§ 5441.2 Payment.

(c) * * * * *

(2) Payment in advance of skidding, yarding or removal. The first installment shall be paid in the same manner as provided in subparagraph (1) of this paragraph. If cutting is permitted before payment, as provided by § 5437.1 (b) of this chapter, payment by installment shall be made prior to the skidding, yarding, or removal of the timber sold. Each subsequent installment shall be due and payable without notice when the sale value of the timber skidded, yarded or removed equals the sum of all the payments minus the first installment.

(d) The total amount of the contract purchase price must be paid prior to expiration of the time for cutting and removal under the contract. For a cruise sale the purchaser shall not be entitled to a refund even though the amount of timber cut, removed, or designated for cutting may be less than the estimated

total volume shown in the contract. For a scale sale, if it is determined after all designated timber has been cut and measured that the total payments made under the contract exceed the total sale value of the timber measured, such excess shall be refunded to the purchaser within 60 days after such determination is made.

Subpart 5443—Extension of Contracts

6. Section 5443.1 is amended to permit receipt of application for contract extension prior to the expiration of the time for cutting and removal. As amended § 5443.1 reads as follows:

§ 5443.1 Time.

If the purchaser shows that his delay in cutting or removal was due to causes beyond his control and without his fault or negligence, the authorized officer may grant an extension of time, not to exceed one year, upon written request of the purchaser. Market fluctuations are not cause for consideration of contract extensions. Additional extensions may be granted upon written request of the purchaser. Written requests for extension must be received prior to the expiration of the time for cutting and removal. No extension may be granted without reappraisal as provided in § 5443.2.

7. Section 5443.2(b) is amended to permit the authorized officer to waive the payment in full requirement as a condition of granting a contract extension. As so amended § 5443.2(b) reads as follows:

§ 5443.2 Reappraisal.

(b) For a cruise sale the timber sold remaining on the contract area shall be reappraised for the purpose of computing the reappraised total purchase price. The reappraised total purchase price shall not be less than the total purchase price established by the contract or last extension. The authorized officer may require that the reappraised total purchase price shall be paid in advance as a condition of granting an extension.

[F.R. Doc. 66-7077; Filed, June 27, 1966; 8:48 a.m.]

Title 46—SHIPPING

Chapter IV—Federal Maritime Commission

SUBCHAPTER B—REGULATIONS AFFECTING MARITIME CARRIERS AND RELATED ACTIVITIES

[General Order 18; Amdt. 2]

PART 537—CONFERENCE AGREEMENT PROVISIONS RELATING TO CONCERTED ACTIVITIES

Resubmission of Current Agreements

Take notice that the Federal Maritime Commission has amended its Part 537 of Title 46 CFR, Conference Agreement Provisions Relating to Concerted Activities, to provide that modifications to

agreements made to comply with Part 537 shall be filed with the Commission on or before September 1, 1966, instead of July 1, 1966, as specified in Amendment 1 to the original order.

Therefore, pursuant to sections 15, 21, and 43 of the Shipping Act, 1916 (75 Stat. 763-4; 39 Stat. 736; 75 Stat. 766), Title 46 CFR, is hereby amended as follows:

In § 537.10(a) strike the date "July 1, 1966," and substitute therefor "September 1, 1966."

By the Commission.

[SEAL]

THOMAS LIST,
Secretary.

[F.R. Doc. 66-7094; Filed, June 27, 1966; 8:48 a.m.]

Title 48—TRADE AGREEMENTS AND ADJUSTMENT ASSISTANCE PROGRAMS

**Chapter IV—Department of Labor
PART 411—ADJUSTMENT ASSISTANCE FOR WORKERS AFTER CERTIFICATION**

Inequality and Disqualification; Correction

The document revising Part 411 of Chapter IV of Title 48 of the Code of Federal Regulations, published in the FEDERAL REGISTER on April 5, 1966, at 31 F.R. 5355, is corrected by changing the reference in paragraph 1 from "(e)" to "(f)" and by changing the designation of the paragraph in § 411.5 therein amended from "(e)" to "(f)", effective immediately.

Signed at Washington, D.C., this 16th day of June 1966.

W. WILLARD WIRTZ,
Secretary of Labor.

[F.R. Doc. 66-7055; Filed, June 27, 1966; 8:46 a.m.]

Title 49—TRANSPORTATION

Chapter I—Interstate Commerce Commission

**SUBCHAPTER B—CARRIERS BY MOTOR VEHICLE
[Ex Parte No. MC-19]**

PART 176—TRANSPORTATION OF HOUSEHOLD GOODS IN INTERSTATE OR FOREIGN COMMERCE

Practices of Motor Common Carriers of Household Goods

At a general session of the Interstate Commerce Commission, held at its office in Washington, D.C., on the 13th day of June, A.D. 1966.

It appearing, that a notice of proposed rulemaking, dated July 15, 1957, and published at 22 F.R. 6065 on August 1, 1957, was issued in the above-entitled proceeding, contemplating modification

of section 176.1 (49 CFR 176.1) of the regulations established in 17 M.C.C. 467, regarding the operations of motor common carriers of household goods;

It further appearing, that on June 19, 1961, the Commission made and filed its report and order in the above-entitled proceeding (86 M.C.C. 293), adopting certain additions to section 176.1 of said regulations, which report and order was vacated by the U.S. District Court for the Southern District of California in Civil Action No. 1108-61-HW, Movers Conference of America v. United States, by judgment entered April 2, 1962 (205 F. Supp. 82);

It further appearing, that on May 6, 1964, the Commission made and filed its report on further consideration and order in the above-entitled proceeding (95 M.C.C. 252), modifying the additions to section 176.1 of said regulations, which report and order was vacated by the said district court by judgment entered January 3, 1966, modified, upon stipulation of the parties, by judgment entered June 7, 1966.

And it further appearing, that upon further consideration of the record in the above-entitled proceeding, of the rules and regulations heretofore prescribed herein, of the representations filed pursuant to said notice of proposed rule-making, and of the above-cited district court's decisions and orders; and good cause appearing therefor;

It is ordered, That the order of May 6, 1964, be, and it is hereby, vacated and set aside, and that the above-entitled proceeding be, and it is hereby, reopened for further consideration;

It is further ordered, That § 176.1 of the said regulations be, and it is hereby, revised to read as follows:

§ 176.1 Definitions.

As used in this part:

(a) *Household goods.* The term "household goods" means (1) personal effects and property used or to be used in a dwelling when a part of the equipment or supply of such dwelling; (2) furniture, fixtures, equipment, and the property of stores, offices, museums, institutions, hospitals, or other establishments, when a part of the stock, equipment, or supply of such stores, offices, museums, institutions, hospitals, or other establishments; and (3) articles, including objects of art, displays, and exhibits, which because of their unusual nature or value require the specialized handling and equipment usually employed in moving household goods.

(b) *Interpretation of the definition in paragraph (a) of this section.* Subparagraph (1) of paragraph (a) of this section shall not be construed to include property moving from a factory or store, except such property as the householder has purchased with intent to use in his dwelling and which is transported at the request of, and the transportation charges paid to the carrier by, the householder. Subparagraph (2) of paragraph (a) of this section shall not be construed to include the stock-in-trade of any establishment, whether consignor or

consignee, other than used furniture and used fixtures, except when transported as an incident to the removal of the establishment, or a portion thereof, from one location to another. Subparagraph (3) of paragraph (a) of this section shall not be construed to include any article, whether crated or uncrated, which does not, because of its unusual nature or value, require the specialized handling and equipment usually employed in moving household goods.

(c) *Other terms.* Where any other terms used in the regulations in this part are defined in section 203(a) of Part II of the Interstate Commerce Act, such definition shall be controlling. Where terms are used in the regulations in this part which are neither defined herein nor in said section 203(a), they shall have the ordinary, practical meaning of such terms.

It is further ordered, That the rule herein prescribed be, and it is hereby, set to become effective August 1, 1966.

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

(49 Stat. 546, as amended; 49 U.S.C. 304. Interpret or apply 49 Stat. 558, as amended; 49 U.S.C. 316; 49 Stat. 560, as amended; 49 U.S.C. 317)

By the Commission.

[SEAL] H. NEIL GARSON,
Secretary.

[F.R. Doc. 66-7071; Filed, June 27, 1966;
8:47 a.m.]

[Ex Parte No. MC-19; Ex Parte No. MC-61;
Released Rates Order No. MC-505]

MOTOR COMMON CARRIERS OF HOUSEHOLD GOODS

The following amendments are made to Parts 176 and 187 of Chapter I of Title 49 of the Code of Federal Regulations:

PART 176—GOODS IN INTERSTATE OR FOREIGN COMMERCE

Ex Parte No. MC-19, Practices of Motor Common Carriers of Household Goods; Ex Parte No. MC-61; Released Rates of Motor Common Carriers of Household Goods:

At a general session of the interstate commerce commission, held at its office in Washington, D.C., on the 7th day of June 1966.

It appearing that on April 30, 1964, the Commission entered an order amending, renumbering, and revising Part 176, Transportation of Household Goods in Interstate or Foreign Commerce (49 CFR 176) and directed that the rules and regulations promulgated therein become effective on July 10, 1964;

It further appearing that on April 30, 1964, the Commission entered Released Rates Order No. MC-505 on the record made in Ex Parte No. MC-61, Released Rates of Motor Common Carriers of Household Goods, and directed that Released Rates Order Nos. MC-2-B of April

21, 1953, MC-309 of March 28, 1950, MC-330 of May 22, 1951, MC-362 of May 24, 1954, and MC-429 of September 26, 1958, be rescinded effective July 10, 1964;

It further appearing that the proceedings in Ex Parte No. MC-19, Practices of Motor Common Carriers of Household Goods, and Ex Parte No. MC-61, Released Rates of Motor Common Carriers of Household Goods were ordered discontinued;

It further appearing that by order dated June 26, 1964, the Commission directed its two orders of April 30, 1964, in Ex Parte Nos. MC-19 and MC-61 to be modified so as to postpone their effective dates from July 10, 1964, to November 10, 1964;

It further appearing that in response to petitions of various parties for limited reconsideration, the proceedings were reopened, and that Released Rates Order No. MC-505 entered in Ex Parte No. MC-61, and the regulations prescribed in our order dated April 30, 1964, entered in Ex Parte No. MC-19, were revised by orders dated October 9, 1964, entered in the respective proceedings;

It further appearing that on appeal of our orders dated April 30, and October 9, 1964, the Court set aside, in part, these orders, and remanded the proceedings to the Commission, whereupon by order of September 7, 1965, we vacated these orders, and reopened the proceedings for further consideration;

And it further appearing that the Commission, on the date hereof, has made and filed its report herein setting forth the basis for its conclusions and findings therein, which report and the prior reports in 17 M.C.C. 467, 47 M.C.C. 119, 48 M.C.C. 247, 53 M.C.C. 177, 71 M.C.C. 113, 95 M.C.C. 138, and 96 M.C.C. 196, are hereby referred to and made a part hereof;

It is ordered, That the following sections of Part 176, be and they are hereby, revised and modified so as to read as set forth in the order entered herein on October 9, 1964 (96 M.C.C. 202) (29 F.R. 15289), and are set forth below:

Sections 176.3(c), 176.7, 176.8, §176.9(b) and (c) are revoked and §176.9(d) is renumbered as §176.9(b), §176.10(a) and (c), §176.10(d) is renumbered as §176.10(f), new rules numbered §176.10(d), (e), and (g) are added, §176.12, except as amended hereinafter, and a new rule numbered §176.14 is added.

It is further ordered, That the paragraphs of §176.12 entitled "Transportation rates and released values" and "Carrier Responsibility for Loss and Damage" be, and they are hereby, amended to read as set forth below.

Amend §176.3(c) to read as follows:

§ 176.3 Determination of weights.

(c) *Driver's weight certificate.* Whenever weights are required to be obtained pursuant to these rules, the carrier shall cause to be executed a weight certificate for each shipment, in the form specified below, at the time the last necessary weight is obtained, and the original or a copy of such certificate shall be carried in the vehicle transporting the

shipment and shall be displayed upon request of the party paying the carrier's charges. The original or a true copy of such certificate shall be maintained by the carrier as part of its record of shipment.

DRIVER'S WEIGHT CERTIFICATE

Date _____

Name of carrier _____

Vehicle identification _____

Name of shipper _____

Origin of shipment _____

Destination of shipment _____

Gross weight of loaded vehicle without the crew thereon _____ pounds.

Tare weight of vehicle without the crew thereon, including full fuel tank and all necessary pads, chains, dollies, hand trucks, and other equipment _____ pounds.

Net weight of the shipment _____ pounds.

The above gross and tare weights were obtained at scales—

Gross: _____

(Name of scale owner) _____

(Location) _____

Tare: _____

(Name of scale owner) _____

(Location) _____

as shown by attached weight ticket(s) prepared by the weighmaster.

(Attach only gross weight ticket if tare weight is obtained from a weight ticket on shipments listed below.)

List of shipments, if any, on vehicle at time above weights were obtained:

Shipper	Net Weight
_____	_____
_____	_____
_____	_____

I certify the above entries are true and correct.

(Driver's signature)

2. Amend §§ 176.7 and 176.8 to read as follows:

§ 176.7 Selling of insurance to shippers prohibited.

No such common carrier or any employee, agent, or representative thereof, shall sell, or offer to sell, or procure for any shipper, any kind of insurance, under any type of policy, covering loss or damage to a shipment or shipments of household goods to be transported in interstate or foreign commerce by such carrier, but this section shall not preclude such a carrier from procuring in its own name insurance covering its liability for such loss or damage.

§ 176.8 Receipt or bill of lading; information thereon.

(a) *Issuance of a receipt or bill of lading.* No such common carrier shall issue a receipt or bill of lading for household goods to be transported in interstate or foreign commerce prior to receiving such household goods for such transportation; but common carriers must issue such receipt or bill of lading when such household goods are received.

(b) *Information required on receipt or bill of lading.* Whenever a receipt or

bill of lading is issued in compliance with paragraph (a) of this section, the carrier shall cause to be included therein the following information:

(1) The name of the motor carrier (not the agent's name) which will transport the shipment; if shipment is to be interlined, the names of the connecting carriers provided they are known when the shipment is received.

(2) The name, address, and telephone number of the office of the carrier that should be contacted in relation to the shipment, should there be a need for such contact.

(3) The name, address, and telephone number of a person to whom notification provided for in paragraph (c) of this section shall be given, except when this cannot be obtained from the shipper.

(4) The preferred delivery date or the period of time within which delivery of the shipment may be expected to be made at destination.

(c) *Notification of delay in delivery.* Whenever a carrier is unable to make delivery of a shipment of household goods on the date or during the period specified in the receipt or bill of lading, the carrier shall notify the shipper, or person designated by the shipper, by telegram or telephone, at the carrier's expense, of the date on which delivery of the shipment will be made; such notification to be given not less than 24 hours prior to the date or during the period shown on the receipt or bill of lading except when the circumstances causing the delay occur at a later time, in which case the notice shall be given as soon as possible but in no event more than 24 hours after the occurrence: *Provided*, That the requirement of this paragraph shall not apply where the carrier is unable to obtain from the shipper an address or telephone number for such notification.

3. In § 176.9, paragraph (b) *Insurance policy* and paragraph (c) *Advertisement of insurance* are revoked and paragraph (d) *Filing tariffs and evidence of insurance prerequisite to advertising that "all loads are insured"* is renumbered as paragraph (b).

4. In § 176.10, amend paragraphs (a) and (c), redesignate paragraph (d) as paragraph (f), and add new paragraphs (d), (e), and (g). The amended and added paragraphs read as follows:

§ 176.10 Estimates of charges.

(a) *Estimates by the carrier.* Whenever an estimate of the charges for a proposed service shall be given by a carrier to a prospective shipper of household goods, the estimate shall be made only after a visual inspection of the goods by the estimator. Such estimate shall be in the form¹ hereinafter set forth, and across the top of each form there shall be imprinted, in red letters not less than one-half inch high, the words "Estimated Cost of Services." The form shall be fully executed as appropriate in each case in accordance with the instructions therein. The original or a true legible copy of each estimate form prepared in accordance with this paragraph shall be

¹ Form filed as part of F.R. Doc. 64-11608.

delivered to the shipper; and a copy thereof shall be maintained by the carrier as part of its record of shipment. The shipper shall not be permitted or required to sign the "Estimated Cost of Services" form.

(c) *Specific request of shipper for notification.* Whenever the shipper specifically requests notification of the actual weight and charges on a shipment, the carrier shall comply with such request immediately upon determining the actual weight and charges, by telephone or telegraph if so requested. Such notification shall be at the carrier's expense in instances in which notification would be required under paragraph (d) of this section and in all other instances unless the carrier provides in its tariff that the actual cost of such notification shall be collected from the shipper. Such notification shall be made no later than 24 hours prior to the time the shipment is offered for delivery except where the shipment is in transit less than 24 hours.

(d) *Notification to shipper where charges exceed estimate.* Whenever actual charges on any shipment exceed by more than 10 percent or \$25, whichever is greater, any estimate of charges given by the carrier to the shipper, immediately upon determining the actual charges, the carrier shall notify the shipper of the amount thereof by telegram or telephone at the carrier's expense. Such notice shall be made no later than 24 hours prior to the time the shipment is offered for delivery, except where the shipment is in transit less than 24 hours; *Provided*, That this paragraph shall not apply (1) where credit is to be extended by the carrier, and (2) where the shipper has not supplied, upon request by the carrier, an address or telephone number at which the communication would be received.

(e) *Report of underestimates.* Every motor common carrier of household goods shall file each month with the Interstate Commerce Commission, Washington, D.C., 20423, a report of all instances during the preceding month where the actual charges for services rendered exceeded the estimates of such charges by 10 percent or more, with an explanation of reasons for the variances.

(g) *Order for services shall not show charges or estimates.* There shall not be shown on any form in the nature of a "Moving Order" or "Order for Service" which may be used by carriers of household goods any charges or estimates of charges nor any reference to any estimate of charges given to the shipper.

5. Amend § 176.12 to read as follows:
§ 176.12 Information for prospective shippers.

(a) *Summary of information.* During the course of the first interview with every prospective shipper, every carrier of household goods shall cause to be given to the prospective shipper a summary of information in the form specified below. Such summary shall be

printed on one sheet in not less than eight-point bold or full-faced type, and shall contain only the heading "Important notice to shippers of household goods" and the information shown below under that heading. The carrier's name, address, and telephone number may be shown on the sheet if that is desired. If no personal interview is had with a shipper, the carrier shall cause such summary to be mailed to the shipper on or prior to the day on which the order for service is placed. The carrier shall make an appropriate notation on the receipt or bill or lading that such summary has been furnished.

IMPORTANT NOTICE TO SHIPPERS OF HOUSEHOLD GOODS

The Interstate Commerce Commission requires that this notice and accompanying general information be furnished to all prospective shippers of household goods in interstate or foreign commerce.

Estimates. Carriers cannot determine exactly what your move will cost you until all packing has been completed and the goods are loaded on a vehicle and weighed. They make estimates to try to approximate the cost for you. To get a reasonably accurate estimate you must show the estimator everything you intend to ship. An estimate is not a bid nor a contract, and choosing the carrier submitting the lowest estimate will not assure you the lowest cost move. Regardless of any estimate, the actual weight of your goods and the actual amount of packing and other services performed by the carrier will determine the final amount you must pay for your moving. All estimates are now required to be in writing. Do not accept any verbal approximation of the charges.

Carrier responsibility for loss and damage. At its lowest rates, the carrier's responsibility for loss or damage caused by it is limited to 60 cents per pound per article for the actual weight of each lost or damaged article. Many articles are worth more than this, and some are worth a great deal more. If you wish to be paid full value for lost or damaged items, you must declare a lump sum value and pay an extra charge depending upon the value you declare. The charge is 50 cents for each \$100 of value declared. The carrier will then be fully liable up to the amount you declare, for loss or damage to any articles unless due to an excepted cause as provided in its tariff.

If you declare a lump sum value but your declaration is for a total value less than \$1.25 for each pound of weight in the shipment, your declaration will be automatically increased to the latter amount in order to protect both you and the carrier from an excessive underestimate.

Notification of charges and delay. The carrier is required to notify you by telegram or telephone of any delays in delivery. Also of the amount of the charges if you request it or if they exceed the estimate by more than 10 percent or \$25 whichever is greater. Be sure to give the carrier an address or telephone number where such messages can be sent.

Packing. Many articles must be packed in barrels, cartons, or crates so that they can be handled safely. Wardrobes are usually supplied for garments. There is a charge per container for these services. You may do your own packing. However, the carrier is not responsible for damage resulting from faulty packing you perform. The carrier will unpack containers it has packed, if you wish, but not those you have packed. Be sure mechanisms of refrigerators, washers, etc., are serviced to prevent damage during movement.

Payment and delivery. The carrier will require payment in cash, money order, or

certified check before unloading your goods unless credit arrangements were made beforehand. Be prepared in case the actual charges demanded at this time are greater than what was estimated.

Lost or damage articles. Be sure to check your goods as they are delivered. Note any lost articles or damage on the receipt which you will sign upon completion of the delivery. If other loss or damage is discovered later, notify the carrier immediately. A claim can be filed later.

Additional information. More detailed information is provided in a general information statement which the carrier must provide when you place an order for service.

(b) **Statement of general information.** Whenever the carrier receives an order for service, written or orally, it shall furnish the shipper immediately a printed statement, in not less than eight-point type, containing the information set forth below. Such statement in every instance shall be placed in the hands of the shipper prior to the time the goods are loaded. The carrier shall make an appropriate notation on the receipt or bill of lading that such statement has been furnished.

GENERAL INFORMATION FOR SHIPPERS OF HOUSEHOLD GOODS

This statement is of importance to you as a shipper of household goods and is being furnished by the carrier pursuant to a requirement of the Interstate Commerce Commission. It relates to the transportation of household goods, in interstate or foreign commerce by motor carriers frequently called "Movers" but here called carriers. Some carriers perform the transportation themselves. Others act as agents for the carriers which do the actual hauling. In some instances, the transportation is arranged by brokers. You should be sure to obtain the complete and correct name, home address, and telephone number of the carrier which is to transport your shipment, and keep that carrier informed as to how and where you may be reached at all times until the shipment is delivered. Before completing arrangements for the shipment of your household goods, all of the information herein should be considered carefully by you.

Estimates. Regardless of any prior estimate received, for the carriage of your shipment, you will be obligated to pay transportation charges and other charges computed in accordance with tariffs filed by the carrier with the Interstate Commerce Commission. The total charges which you must pay may be more, or less, than the estimate received from the carrier, and as explained under "Payment of charges—freight bill," the charges generally must be in cash or by money order or certified check at the time of delivery. Having additional funds on hand when the van arrives at destination can spare you considerable difficulty.

Tariffs. These are publications, in book form, containing the rates, charges, and rules of the carriers. The tariffs of all carriers are not the same, but all of them are open to public inspection and may be examined at the carrier's office. All tariffs contain rules and regulations, and those in the tariff of the carrier serving you must be applied in determining the charges on your shipment. Among the rules and regulations normally appearing in published tariffs will be found special provisions applicable to "Shipments picked up or delivered at more than one place"; "Packing and marking"; "Diversion of shipments en route"; and "Additional services", the charges for which are called accessorial charges, and which include services such as packing, unpacking, the furnishing of boxes or other containers, and

carrying pianos up or down steps. The tariff of the carrier serving you will also probably have rules relating to the subjects which follow.

Preparing articles for shipment. Some articles such as stoves, refrigerators, and washing machines may require disconnection and usually require special servicing to protect their mechanisms during movement. It is your responsibility to have this done. Some carriers upon your request will arrange to have this servicing done at your expense. You should arrange to take down all blinds, draperies, window cornices, mirrors, and other items attached to the walls, and to take up carpets which are tacked down. The charge for such service is not included in the transportation charge and will be performed by the carrier only at an extra per-hour charge. Under no circumstances should you pack jewelry, money, or valuable papers with your other belongings, or pack any matches, inflammables, or other dangerous articles.

Transportation rates and released values. Rates are stated in amounts per hundred pounds, depending upon the distance involved. The carrier's charges also vary according to the released or declared value of the shipment. The carrier's tariff provides that as its lowest rates the carrier's responsibility for loss or damage caused by it is limited to 60 cents per pound per article for the actual weight of each lost or damaged article. Many articles are worth more than this, and some are worth a great deal more. If you wish to be paid full value for lost or damaged items, you must declare a lump sum value and pay an extra charge depending upon the value you declare. The charge is 50 cents for each \$100 of value declared. The carrier will then be fully liable up to the amount you declare, for loss or damage to any articles unless due to an excepted cause as provided in its tariff.

If you declare a lump sum value but your declaration is for a total value less than \$1.25 for each pound of weight in the shipment, your declaration will be automatically increased to the latter amount in order to protect both you and the carrier from an excessive underestimate.

Weights. The transportation charges will be determined on the basis of the weight of your shipment. Ordinarily, the carrier will weigh its empty or partially loaded vehicle prior to the loading of your goods. After loading, it will again weigh the vehicle and determine the weight of your shipment. If your shipment weighs less than 1,000 pounds, the carrier may weigh it prior to loading.

If you so request, the carrier will notify you by telegraph or telephone of the weight of your shipment and the charges as soon as the weight has been determined. This may or may not be at your expense. However, where it develops that the actual charges exceed by more than 10 percent or \$25, whichever is greater, an estimate of charges given to you by the carrier, the carrier is required to notify you immediately of the amount of the actual charges, by telegraph or telephone at the carrier's expense.

If you question the weight reported by the carrier, you may request that the shipment be reweighed prior to delivery. Reweighing will be accompanied only where it is practicable to do so. An extra charge may be made for reweighing, but only if the difference between the two net weights obtained does not exceed 100 pounds (if your shipment weighs 5,000 pounds or less) or does not exceed 2 percent of the lower net weight (if your shipment weighs more than 5,000 pounds). The lower of the two net weights must be used in determining the charges.

Exclusive use of the vehicle. If you do not desire to have the goods belonging to someone else transported with your shipment, you may direct the carrier to grant you the

exclusive use of the vehicle. In such event, however, the charges will probably be much greater.

Expedited service. Carriers are not ordinarily required to make delivery on a certain date or within a definite period of time, but only within a reasonable time. However, their tariffs generally contain a rule to the effect that, upon request of the shipper, goods weighing more than a designated weight—usually 5,000 pounds—will be delivered on or before the date specified by the shipper. Such expedited service on shipments weighing less than that amount usually may be obtained only by paying charges based on 5,000 pounds.

Preferred delivery date—delay. Unless expedited service is to be rendered, as mentioned just above, the carrier is not obligated to deliver your goods on any particular day, but only to deliver within a reasonable time. However, when the goods are loaded, the carrier must specify on the bill of lading the delivery date (or period) which you prefer. If the carrier finds that it cannot deliver by that date it is required to notify you by telegraph or telephone at least 24 hours in advance if that is possible, or as soon thereafter as possible.

Small shipments. If your shipment weighs less than the minimum weight prescribed in the carrier's tariff, it will be subject to the minimum charge provided therein. If your shipment weighs substantially less than the minimum weight prescribed by the carrier, you should give consideration to the possibility that it may be shipped more reasonably by other means of transportation, even considering the expense of crating.

Storage in transit. If you desire your household goods to be stored in transit, and delivered at a later date, you may usually obtain such service upon specific request. The length of time a shipment may be stored in transit is limited by the carrier's tariff, and additional charges are normally made for such service. At the end of the designated storage-in-transit period, and in the absence of final delivery instructions, the shipment will be placed in permanent storage, and the carrier's liability in respect thereof will cease. Any further service must be made the subject of a separate contract with the warehouseman. If you do not specifically request storage-in-transit from the carrier, but arrange with someone other than the carrier to pick up your goods for storage, you will be required to pay such other person for such service. Some warehouses make separate charges for checking goods out of storage, and collect dock charges from carriers for the space occupied by their vehicles while being loaded. Such charges are passed on to the shipper.

Bill of lading. Before your shipment leaves point of origin, you should obtain from the carrier a bill of lading or receipt, signed by you and the carrier. Be sure that this shows the carrier's name and address and the telephone number at which you can reach the carrier; an address and telephone number furnished by you to which the carrier can send messages regarding your shipment; the location to which your goods are moving; the date of loading and the preferred date of delivery; and the declared or released valuation of the goods.

Payment of charges—freight bill. Unless you have made arrangements beforehand for credit, the carrier will require payment in cash or by money order or certified check, before unloading. Be prepared with sufficient funds to pay the actual charges, which may be greater than what was estimated.

When paying charges, you should obtain a receipt for the amount paid setting forth the gross and tare weights of the vehicle; the net weight of your shipment; the mileage; and the applicable rate per 100 pounds; and the

charges for transportation, additional protection, and any accessorial services performed. Such receipt is called a freight bill or expense bill.

Loss or damage. In the event of loss or damage to the shipment be sure you describe such loss or damage by making notations on the carrier's inventory of articles or delivery receipt. If the driver should refuse to permit you to make such notations, you should immediately report the circumstances and the condition of the articles in writing to the home office of the carrier. The notations made at the time of delivery does not constitute filing a claim in writing. The notation is made to support a claim to be filed later. If loss or damage did occur, you should then immediately address a letter to the home office of the carrier and describe the loss and damage. List the articles separately and show the weight of each damaged article, if you declared a released value of 60 cents per pound per article. Obtain and present to the carrier itemized estimates of cost of necessary repairs or replacement. Give the date of your move, the origin and destination of the shipment, and the carrier's order number.

All claims for loss or damage must be filed with the carrier, in writing. The carrier is required to acknowledge claims within 30 days and to either pay, decline, or make a firm compromise settlement offer within 120 days of receipt. If some reason beyond the carrier's control delays action on your claim for a longer time, the carrier is required to notify you then as to its status and each 30 days thereafter until final action is taken.

The Interstate Commerce Commission has no authority to compel carriers to settle claims for loss or damage and will not undertake to determine whether the basis for, or the amount of, such claims is proper, nor will it attempt to determine the carrier liable for such loss or damage. If the carrier will not voluntarily pay such claims, the shipper may contact the Interstate Commerce Commission for the name of the insurance company providing the required cargo insurance. The insurance company may be willing to settle a claim even if the carrier is not. The shipper may also commence a suit in a court of law. The names of the carrier's agents for service of process in each State may be obtained by writing the Interstate Commerce Commission, Washington, D.C., 20423.

6. Add a new rule numbered § 176.14 to read as follows:

§ 176.14 Claims for loss or damage.

(a) **Acknowledgment of claims.** Every common carrier of household goods which receives a written claim for loss of or damage to property transported by it shall acknowledge receipt of such claim in writing to the claimant within 30 calendar days after its receipt by the carrier or the carrier's agent. The carrier shall at the time such claim is received, cause the date of receipt to be recorded on the claim.

(b) **Handling by carrier.** Every such carrier which receives a written claim for loss or damage to household goods transported by it shall pay, decline, or make a firm compromise settlement offer in writing to the claimant within 120 days after receipt of the claim by the carrier or its agent; *Provided*, That, if for reasons beyond the control of the carrier the claim cannot be processed and disposed of within 120 days after the receipt thereof, the carrier shall at that time and the expiration of each succeeding thirty-day period while the claim remains pending,

advise the claimant in writing of the status of the claim and the reasons for the delay in making final disposition thereof, and send a copy of such letter to the District Supervisor, Interstate Commerce Commission, Bureau of Motor Carriers, of the area in which the carrier has its principal place of business.

(c) **Register of loss and damage claims.** Every common carrier of household goods shall maintain a freight claim register, showing for each cargo loss and damage claim received, the claim number, date, and amount; the waybill or expense bill number and date; name of claimant; kind of commodity; date claim was paid; total amount paid; or date claim was disallowed and reasons; amount of salvage recovered, if any; amounts reimbursed by insurance companies, connecting carriers, or others, and the amount absorbed by the carriers. Each claim received shall be entered in the register and should be supported by the complete file of claim papers. However, if the claim papers are retained by insurance companies, connecting carriers, or others, the carrier's records should contain an acknowledgment from the party retaining the claim file that the papers are in its possession.

It is further ordered, That the rules herein prescribed and the released rates order attached hereto, be, and they are hereby, prescribed to become effective on September 30, 1966, and will apply only on household goods removed from the shipper's premises on and after the effective date.

It is further ordered, That these proceedings in Ex Parte No. MC-19, Practices of Motor Common Carrier of Household Goods, and Ex Parte No. MC-61, Released Rates of Motor Common Carriers of Household Goods, be, and they are hereby, discontinued.

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

(Secs. 204, 216, 217, 219, 220, 223, 49 Stat. 546, as amended, 558, as amended, 560, as amended, 563, as amended, 565 as amended; 49 U.S.C. 304, 316, 317, 319, 320, 323.)

PART 187—FREIGHT RATE TARIFFS, SCHEDULES, AND CLASSIFICATIONS

Released Rates Order No. MC-505, Released Rates of Motor Common Carriers of Household Goods:

At a general session of the Interstate Commerce Commission, held at its office in Washington, D.C., on the 7th day of June 1966.

Upon further consideration of the record in Ex Parte No. MC-61, Released Rates of Motor Common Carriers of Household Goods, the Commission, on the date hereof, has made and filed its report herein setting forth the basis for its conclusions and findings therein, which report is hereby referred to and made a part hereof:

It is ordered, That § 187.201 (49 CFR 187.201) be, and it is hereby, amended to read as follows:

§ 187.201 Released rates on household goods.

(a) *Establishment authorized; rate bases.* Subject to the conditions specified in succeeding paragraphs of this section, each motor common carrier authorized to perform the specialized service of a household goods carrier be, and it is

Released values and liability limitations	Transportation rate basis	Storage in transit rate basis
Released to a value not exceeding 60 cents per pound per article for the actual weight of any article or articles in a shipment.	Base transportation rate	Base storage rate.
Released to a declared lump sum value for an entire shipment. However, if the value declared is less than \$1.25 times the actual weight (in pounds) of the shipment, such declaration will be ineffective, and the shipment will be deemed instead to have been released to a declared lump sum value equal to \$1.25 times the actual total weight (in pounds) of the shipment.	Base transportation rate plus a valuation charge of 60 cents for each \$100, or fraction thereof, of the released value of the entire shipment.	110 percent of the base storage rate for the first 60-day period of storage. Thereafter, 100 percent of the base storage rate for each storage period of 30 days, or fraction thereof.

No rule of coresponsibility may be employed to reduce the liability of the carrier for loss, damage, or delay to the property. The total parts comprising any article knocked down or taken apart for handling or loading shall constitute one article for the purpose of determining the carrier's liability as provided above.

(b) *Changes in rates or released valuations.* Changes may be made in the rates or charges established under the authority of this order but the released values provided in this section may not be decreased, nor may the value charges as specified in this section be increased without specific authority of the Commission.

(c) *Statement on bills of lading.* The bill of lading issued for any shipment accepted for transportation and storage at released rates and charges established and maintained under authority of this order, shall have printed in distinctive color in boldface, type on the face thereof a statement reading as follows:

Unless the shipper expressly releases the shipment to a value of 60 cents per pound per article, the carrier's maximum liability for loss and damage shall be either the lump sum value declared by the shipper or an amount equal to \$1.25 for each pound of weight in the shipment, whichever is greater.

The release of value must be entered in the following form directly below and immediately following the foregoing statement, and must be completed only by the person signing it.

The shipment will move subject to the rules and conditions of the carrier's tariff. Shipper hereby releases the entire shipment to a value not exceeding-----

(To be completed by the person signing below)

NOTICE: The shipper signing this contract must insert in the space above, in his own handwriting, either his declaration of the actual value of the shipment, or the words, "60 cents per pound per article." Otherwise, the shipment will be deemed released to a

hereby, authorized to establish and maintain by filing and posting in the manner required by the Interstate Commerce Act, commodity rates for the transportation in interstate or foreign commerce, and charges for accessorial services in connection therewith, of household goods, as defined by the Commission, said rates and charges to be applicable only when the value of the property as declared by the shipper in writing, or agreed upon in writing as the released value thereof is as follows:

maximum value equal to \$1.25 times the weight of the shipment in pounds.

(Shipper)

(Date)

(d) *Statement in tariffs.* Tariffs containing rates or charges established under authority of this order shall specifically provide the carrier's maximum liability for loss of or damage to property shall be the lump sum value declared or an amount equal to \$1.25 times the weight of the shipment in pounds, whichever is greater, unless the shipper expressly releases the shipment to a value of 60 cents per pound per article, in which case the carrier's liability shall not exceed that value. Tariffs shall provide that in the event shipper does not declare a lump sum value or release the shipment to a value of 60 cents per pound per article the shipment will be deemed released to a lump sum value equal to \$1.25 times the total weight of the shipment (in pounds). No rule of coresponsibility may be employed. Such tariffs shall show the following notation:

Rates or charges herein based on released value have been authorized by the Interstate Commerce Commission in Released Rates Order No. ----- of ----- subject to complaint or suspension.

(e) *Limitation of authority.* This section does not constitute authority for the establishment of released rates or charges on any description of traffic other than herein specifically indicated, nor on traffic originating in an adjacent foreign country destined to points in the United States.

(f) *Lawfulness of rates.* The Commission does not hereby approve the lawfulness, except under sections 20(11) and 219 of the Interstate Commerce Act, of any rate or charge which may be filed under authority of this section.

It is further ordered, That Released Rates Orders Nos. MC-2-B of April 21,

1953, MC-309 of March 28, 1950, MC-330 of May 22, 1951, MC-362 of May 24, and MC-429 of September 26, 1958, be and they are hereby, rescinded as of the date this order is to become effective.

(Sec. 204, 49 Stat. 546, as amended, 49 U.S.C. 304, interpret or apply sec. 219, as amended, 220, as amended; 49 U.S.C. 319, 20).

By the Commission.

[SEAL]

H. NEIL GARSON,
Secretary.

[F.R. Doc. 66-7073; Filed, June 27, 1966; 8:48 a.m.]

[Ex Parte No. MC-40]

PART 193—PARTS AND ACCESSORIES NECESSARY FOR SAFE OPERATION

Emergency Equipment on All Power Units

At a session of the Interstate Commerce Commission, Motor Carrier Safety Board, held at its office in Washington, D.C., on the 14th day of June 1966.

The matter of parts and accessories necessary for safe operation under the Motor Carrier Safety Regulations, prescribed by order of April 14, 1952, is amended, being under consideration; and

It appearing, that continuing study of accident experience, observations by our staff, and expressions of many informed persons concerned with highway safety, support the need for improved and more effective warning devices to be carried on vehicles for use in event of breakdown or other stopping on or near the traveled portion of highways; that some time will be required for determination of appropriate performance standards for such improved devices, and that in the interim period optional use of a device extensively used in European countries and in some Canadian provinces should be authorized in addition to presently authorized devices.

It appearing, that representations have been made to the Commission to the effect that a traffic hazard warning device in the form of an equilateral triangle with red reflective surfaces affords to drivers a more meaningful indication of a hazard than currently authorized devices; that such triangular devices have been authorized for use in certain countries other than the United States, and some Canadian provinces and, consequently, are recognized as warning devices internationally; and that such triangular devices, made to afford reflective capabilities not less than the reflective requirements of present regulations may properly be authorized for optional use at least until such time as more adequate standards for hazard warning devices are promulgated and adopted after prescribed rule making procedures;

It further appearing, that pursuant to section 4(a) of the Administrative Procedure Act (60 Stat. 237, 5 U.S.C. 1003) for good cause it is found that notice of proposed rule making is unnecessary;

Upon consideration of the record and good cause appearing therefor;

It is ordered, That paragraph (i), and subparagraphs (1) and (2) thereof, of § 193.95 of Title 49, Code of Federal Regulations be, and they are hereby amended to read as follows:

§ 193.95 Emergency equipment on all power units.

On every bus, truck, truck-tractor, and every driven vehicle in driveway-tow-away operation, there shall be:

(i) *Requirements for red emergency reflectors.* Each red emergency reflector, whether triangular or of other design, shall conform to the following requirements:

(1) *Reflecting surfaces required.* Each reflector shall either be composed of not less than two approximately parallel reflecting elements on each side, front and back, or be an equilateral triangle, with one point upward, with sides not less than 18 inches in length and not less than 2 inches in width, with reflecting surfaces on each leg of the triangle, front and back. The area within the sides of the triangle shall be open.

(2) *Reflecting surfaces, candlepower.* The aggregate candlepower output of all the reflecting elements or surfaces in one direction shall not be less than 12 when tested in a perpendicular position with observation at one-third degree when tested as specified for Class A reflex reflectors in the Photometric Test contained in the SAE Recommended Practice¹ "Reflex Reflectors."

(Sec. 204, 49 Stat. 546, as amended; 49 U.S.C. 304)

It is further ordered, That this order shall become effective June 30, 1966, and shall continue in effect until further order of the Commission.

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

By the Commission, Motor Carrier Safety Board.

[SEAL] H. NEIL GARSON,
Secretary.

[F.R. Doc. 66-7072; Filed, June 27, 1966; 8:48 a.m.]

Title 7—AGRICULTURE

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

[Lemon Reg. 219, Amdt. 1]

PART 910—LEMONS GROWN IN CALIFORNIA AND ARIZONA

Limitation of Handling

Findings. (1) Pursuant to the marketing agreement, as amended, and Or-

¹ See footnote 1 to § 193.24(c).

der 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 recommendation 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.

(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 restriction on the handling of lemons grown in California and Arizona.

Order, as amended. The provisions in paragraph (b) (1) (ii) of § 910.519 (Lemon Reg. 219, 31 F.R. 8538) are hereby amended to read as follows:

§ 910.519 Lemon Regulation 219.

- (b) *Order.* (1) * * *
- (ii) District 2: 381,300 cartons.

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

Dated: June 23, 1966.

FLOYD F. HEDLUND,
Director, Fruit and Vegetable
Division, Consumer and Mar-
keting Service.

[F.R. Doc. 66-7064; Filed, June 27, 1966; 8:47 a.m.]

[Pear Reg. 1]

PART 917—FRESH PEARS, PLUMS, AND PEACHES GROWN IN CALIFORNIA

Limitation of Shipments

§ 917.389 Pear Regulation 1.

(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 917, as amended (7 CFR Part 917, 30 F.R. 15990), regulating the handling of fresh pears, plums, and peaches grown in California, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674), and upon the basis of the recommendations of the Pear Commodity Committee, established under the aforesaid amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of shipments of pears,

as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable, unnecessary, and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this section until 30 days after publication thereof in the FEDERAL REGISTER (5 U.S.C. 1001-1011) in that, as hereinafter set forth, the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient; a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective as hereinafter set forth. The recommendation and supporting information for regulation during the period specified herein were promptly submitted to the Department after an open meeting of the Pear Commodity Committee on June 22, 1966; such meeting was held to consider recommendations for regulation, after giving due notice of such meeting, and interested persons were afforded an opportunity to submit their views at this meeting; information concerning the committee's recommendation for regulation, including the effective time recommended, has been disseminated among handlers of such pears; shipments of the current crop of such pears are expected to begin on or about the effective date hereof; this section should be applicable to all such shipments in order to effectuate the declared policy of the act; the provisions of this section are identical with the aforesaid recommendations of the committee; and compliance with this section will not require any special preparation on the part of person subject thereto which cannot be completed by the effective time hereof.

(b) *Order.* (1) During the period beginning at 12:01 a.m., P.s.t., June 29, 1966, and ending at 12:01 a.m., P.s.t., January 1, 1967, no handler shall ship:

(i) Any box or other container of pears of the Bartlett, Max-Red, or Rosired varieties unless (a) all such pears grade at least U.S. No. 2 and (b) at least 85 percent, by count, of such pears grade at least U.S. No. 1;

(ii) Any box or other container of pears of the Bartlett, Max-Red, or Rosired varieties unless such pears are of a size not smaller than the size known commercially as size 165: *Provided*, That a handler may ship, during any day from any shipping point, a quantity of such pears which are smaller than the size known commercially as size 165 if (a) such smaller pears are not smaller than the size known commercially as size 180 and (b) the quantity of such smaller pears shipped from such shipping point does not, at the end of any day during the aforesaid period, exceed 5.27 percent of such handler's total shipments of such pears, shipped from the same shipping point, which are not smaller than the size known commercially as size 165; or

(iii) Any box or other container of pears of any variety unless such box or

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other container is stamped or otherwise marked, in plain sight and in plain letters, on one outside end with the name of the variety, if known, or when the variety is not known, the words "unknown variety."

(2) *Definitions.* (i) Terms used in the amended marketing agreement and order shall, when used herein, have the same meaning as is given to the respective term in said amended marketing agreement and order.

(ii) "Size known commercially as size 165" means a size of pear that will pack a standard pear box, packed in accordance with the specifications of a standard pack, with 165 pears and with the 22 smallest pears weighing not less than 5¾ pounds.

(iii) "Size known commercially as size 180" means a size of pear that will pack a standard pear box, packed in accordance with the specifications of a stand-

ard pack, with 5 tiers, each tier having 6 rows with 6 pears in each row, and with the 21 smallest pears weighing not less than 5 pounds.

(iv) "Standard pear box" means the container so designated in section 828.3 of the Agricultural Code of California.

(v) "U.S. No. 1," "U.S. No. 2," and "standard pack" shall have the same meaning as when used in the U.S. Standards for Pears (Summer and Fall), 7 CFR 51.1260-51.1280.

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

Dated: June 27, 1966.

FLOYD F. HEDLUND,
*Director, Fruit and Vegetable
Division, Consumer and Mar-
keting Service.*

[F.R. Doc. 66-7177; Filed, June 27, 1966;
11:42 a.m.]

Proposed Rule Making

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Public Health Service

[42 CFR Part 73]

BIOLOGICAL PRODUCTS

Notice of Proposed Rule Making

Correction

In F.R. Doc. 66-6750 appearing in the issue for Tuesday, June 21, 1966, at page 8594, the following changes should be made:

1. In § 73.116(e), the second sentence should read "In addition the label or a package enclosure shall include the identification and source of the virus or viruses contained in the vaccine, the tissue medium on which the virus or viruses were propagated, stabilizers and preservatives, if any, and the type and calculated maximum amount of antibiotics."

2. In § 73.140, the paragraph designated "(e)" should read "(c)". Also in the paragraph following the designated paragraph (c), 5th sentence, the word "evidence" should read "evidences", and in the last sentence, the word "systems" should read "system".

FEDERAL AVIATION AGENCY

[14 CFR Part 71]

[Airspace Docket No. 66-CE-31]

FEDERAL AIRWAYS

Proposed Alteration

The Federal Aviation Agency is considering amendments to Part 71 of the Federal Aviation Regulations that would realign V-170 from the Worthington, Minn., VOR via the Fairmont, Minn., VOR to the Mankato, Minn., VOR, and realign V-219 from the Sioux City, Iowa, VOR via the Fairmont VOR to the Mankato VOR. In addition, it is proposed to designate the floors of these segments at 1,200 feet above the surface (AGL).

The proposed realignment of V-219 would provide better access to Spencer, Iowa, and Fairmont airports and would permit V-219 to be designated via the alignment of V-170 from Fairmont to Mankato. The alteration of V-170 would involve only a minor change in alignment as it is presently aligned over the Fairmont airport. The floors of 1,200 feet above the surface for these segments are required for climb from the airports to the minimum en route altitudes.

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, Central Region, Attention: Chief, Air Traffic Division, Federal Aviation Agency, Federal Building, 601 East 12th Street, Kansas City, Mo., 64106. All communications received within 45 days after publication of this notice in the FEDERAL REGISTER will be considered before action is taken on the proposed amendment. The proposal 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.

These amendments are proposed under the authority of section 307(a) of the Federal Aviation Act of 1958 (49 U.S.C. 1348).

Issued in Washington, D.C., on June 21, 1966.

T. McCORMACK,
Acting Chief, Airspace and
Air Traffic Rules Division.

[F.R. Doc. 66-7046; Filed, June 27, 1966; 8:45 a.m.]

[14 CFR Part 71]

[Airspace Docket No. 65-PC-3]

FEDERAL AIRWAYS, TRANSITION AREA, AND CONTROL ZONE

Proposed Alterations and Designation

The Federal Aviation Agency is considering amendments to Part 71 of the Federal Regulations that would alter the controlled airspace in Hawaii as follows:

1. V-5 would be realigned from the Kona VORTAC to the intersection of the Kona 338° True (327° M) and Maui VORTAC 179° True (168° M) radials, including a west alternate from the Kona VORTAC via the intersection of Kona 323° True (312° M) and Maui 179° True (168° M) radials, to the intersection of the Maui 179° True (168° M) and Kona 338° True (327° M) radials, excluding the airspace below 1,200 feet above the surface.

2. The segment of V-11 southwest of the Upolu Point VOR would be realigned from the intersection of the Kona 323° True (312° M) and Upolu Point 211° True (200° M) radials, to Upolu Point, excluding the airspace below 1,200 feet above the surface.

3. The Kailua, Kona transition area would be redescribed as that airspace extending upward from 700 feet above the surface within a 5-mile radius of the

Kona Airport (latitude 19°38'49" N., longitude 156°00'45" W.), and within 2 miles each side of the Kona VORTAC 323° True radial, extending from the 5-mile radius area to the intersection of the Kona VORTAC 323° and Upolu Point VOR 207° True radials; and that airspace extending upward from 1,200 feet above the surface bounded on the northeast by V-5W and the arc of a 5-mile radius circle centered on the Kona Airport, on the south by a line 5 miles south of and parallel to the Kona VORTAC 281° True radial, and on the west by the arc of a 25-mile radius circle centered on the Kona VORTAC.

4. The Kailua, Kona control zone would be designated within a 5-mile radius of the Kona Airport, and within 2 miles each side of the Kona VORTAC 323° True radial, extending from the 5-mile radius zone to the intersection of the Kona VORTAC 323° and Upolu Point VOR 207° True radials. This control zone would be effective from 0730 to 2215 hours, l.s.t. daily, June 15 through September 6, and 0730 to 1830 hours, l.s.t. daily, September 7 through June 14, annually.

The Kona VORTAC (latitude 19°39'27" N., longitude 156°01'39" W.) will be commissioned soon. A new public use VOR/DME instrument approach procedure to the Kona Airport is proposed.

The proposed realignment of the airways would provide greater flexibility to their use to and from Kona. The proposed control zone and amended transition area would provide controlled airspace for aircraft executing prescribed instrument approach and departure procedures for the Kona Airport.

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 United States is governed by Article 12 and Annex 11 to the Convention on International Civil Aviation (ICAO), which pertains to the establishment of air navigation facilities and services necessary to promoting 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 United States agreed by Article 3(d) that its state aircraft will be operated in international airspace with due regard for the safety of civil aircraft.

Since this action involves, 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, Pacific Region, Attention: Chief, Air Traffic Division, Federal Aviation Agency, Post Office Box 4009, Honolulu, Hawaii, 96812. 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. The proposal 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.

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 June 21, 1966.

T. McCORMACK,
*Acting Chief, Airspace and
Air Traffic Rules Division.*

[F.R. Doc. 66-7047; Filed, June 27, 1966;
8:45 a.m.]

[14 CFR Part 71]

[Airspace Docket No. 66-SO-36]

FEDERAL AIRWAY SEGMENT

Proposed Revocation

The Federal Aviation Agency is considering an amendment to Part 71 of the Federal Aviation Regulations that would revoke VOR Federal airway No. 3 west alternate segment between Jacksonville, Fla., and Brunswick, Ga.

Interested persons may participate in the proposed rule making by submitting such written data, views, or arguments as they may desire. Communications should 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 is considering the revocation of V-3W from Jacksonville to Brunswick. It has been determined that this airway segment is no longer required for air traffic control purposes. The latest peak day en route traffic survey showed only one aircraft utilized this west alternate airway segment. Therefore, it appears that the retention of this airway segment is unjustified as a continued assignment of controlled airspace.

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

Issued in Washington, D.C., on June 21, 1966.

T. McCORMACK,
*Acting Chief, Airspace and
Air Traffic Rules Division.*

[F.R. Doc. 66-7048; Filed, June 27, 1966;
8:46 a.m.]

[14 CFR Part 75]

[Airspace Docket No. 66-CE-43]

JET ROUTE

Proposed Extension

The Federal Aviation Agency is considering an amendment to Part 75 of the Federal Aviation Regulations which would extend Jet Route No. 102 from Hill City, Kans., direct to Omaha, Nebr.

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, Central Region, Attention: Chief, Air Traffic Division, Federal Aviation Agency, Federal Building, 601 East 12th Street, Kansas City, Mo., 64106. All communications received within 45 days after publication of this notice in the FEDERAL REGISTER will be considered before action is taken on the proposed amendment. The proposal 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.

This proposed amendment would facilitate flight planning by providing a designated route for aircraft operating between Hill City and Omaha.

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

Issued in Washington, D.C., on June 21, 1966.

T. McCORMACK,
*Acting Chief, Airspace and
Air Traffic Rules Division.*

[F.R. Doc. 66-7049; Filed, June 27, 1966;
8:46 a.m.]

SECURITIES AND EXCHANGE COMMISSION

[17 CFR Part 240]

[Release Nos. 34-7905, IC4627]

INSIDER TRADING

Notice of Proposed Rule Making

Notice is hereby given that the Securities and Exchange Commission has under consideration a proposal to adopt a new Rule 16d-1 (17 CFR 240.16d-1) under the Securities Exchange Act of 1934. The rule is proposed for the purpose of defining the terms "securities held in an investment account" and "transactions made in the ordinary course of business and incident to the establishment or maintenance of a primary or secondary market" as used in section 16(d) of the Exchange Act, and to specify certain terms and conditions with respect to the availability of the exemption from sections 16(b) and (c) of the Exchange Act under section 16(d).

Section 16 of the Exchange Act and the rules thereunder set forth the insider reporting and trading provisions which are applicable to any person owning beneficially, directly or indirectly, more than 10 percent of a class of equity security registered pursuant to section 12 of the Act and to any director or officer of the issuer of such securities.¹ In addition, under section 30(f) of the Investment Company Act of 1940, the provisions of section 16 are applicable to any person owning beneficially, directly or indirectly, 10 percent of any class of outstanding securities (other than short-term paper) issued by a registered closed-end investment company, and

¹For the purpose of determining if a broker-dealer is a beneficial owner of more than 10 percent of a registered class of equity security, all of the class which the dealer beneficially owns is to be included, whether or not such securities are maintained in an investment account.

also to any person who is an officer, director, member of an advisory board, investment adviser, or affiliated person of an investment adviser of such a company, with respect to transactions in any securities (other than short-term paper) of such an issuer. The exemption provided by new section 16(d) is available with respect to transactions in the securities of a registered closed-end investment company; however, for ease of presentation, further reference to the provisions of section 16 will be limited to persons covered by the Exchange Act only.

Section 16(a) requires such directors, officers, and beneficial owners to file an initial report on Form 3 (listed and described at 17 CFR 249.103) stating the amount of each class of the issuer's equity securities, whether or not registered, which are beneficially owned by such person at the time the issuer's securities are registered, or at the time a person becomes such an officer, director, or beneficial owner following registration.² Thereafter, each such person must report on Form 4 (listed and described at 17 CFR 249.104) any change in his beneficial ownership of the issuer's equity securities within 10 days after the end of each calendar month in which any change occurs. Such directors, officers, or beneficial owners who have an interest in a broker or dealer must report all of the issuer's equity securities which are owned by such broker or dealer and all transactions in such securities by the broker or dealer. He may, if he wishes, indicate in the report the extent of his interest in the broker or dealer.

In general, section 16(b) allows recovery by or on behalf of the issuer of any profit realized by such directors, officers, or beneficial owners in the purchase and sale, or sale and purchase, of any of the issuer's equity securities, whether or not registered, within a period of less than 6 months, including the purchase or sale of such securities by a broker or dealer in which such persons have a beneficial interest.

Section 16(c) prohibits the sale by such directors, officers, or beneficial owners of any equity security of such issuer if the person selling the security or his principal (1) does not own the security sold, or (2) if owning the security does not promptly deliver it against such sale—sometimes referred to as selling against the box.

New section 16(d) exempts from section 16(b) and (c) (but not section 16(a)) the purchase and sale, or sale and purchase, of a security by a dealer in the ordinary course of business and incident to the establishment or maintenance by him of a primary or secondary market for such security other than on an exchange. The exemption is not available however, with respect to the sale of any specific security that is, or has at any time since its purchase, been

held by the dealer in an investment account.

Proposed Rule 16d-1 would define the term "securities held in an investment account" as used in section 16(d) of the Act to mean securities which the dealer has identified on his records as being held in an investment account, securities acquired in other than market-making transactions and securities held by the dealer more than 5 business days after the dealer ceases to maintain a market in the securities.

The acquisition of securities held in this account would not be exempt from section 16(b) even though the acquisition was made in a market-making transaction.

Proposed Rule 16d-1 would define the term "transactions made in the ordinary course of business and incident to the establishment or maintenance of a primary or secondary market" as used in section 16(d) of the Act, and referred to in the rule as "market-making transactions," to mean both retail and interdealer transaction in securities which are sold, or acquired and held for sale, in the ordinary course of business and incident to the establishment or maintenance of a market in the security, and it would require that the dealer maintain a continuous interdealer market in the securities on each business day for a period of at least 45 consecutive calendar days. Such continuous period may include days before and/or after the day of the transaction for which exemption is claimed, but must include the day of the transaction.

During this period the dealer must publish bona fide bid and offer quotations for the security in an interdealer quotation service on at least 3 of each 5 consecutive business days he maintains a market. He must also, on each of the business days he maintains a market, furnish bona fide bid and offer quotations to other brokers or dealers on request and must execute, in reasonable amounts (generally 100 shares), all orders received from such brokers and dealers at his quoted prices.

Although a dealer is required to execute transactions at his quoted prices in reasonable amounts only, the dealer would be required to continue to furnish bona fide quotations on request and continue to execute all orders received without regard to the amount of his prior purchases or sales. Bona fide bid and offer quotations are defined in the proposed rule to mean quotations which the dealer has reason to believe are competitive with the bid and offer prices for the security being quoted by other market-makers, if any. A dealer's prices ordinarily would be deemed to be competitive if they are within the range of prices quoted by his competitors, if they are at normal price spreads between the bid and offer quotation and if they are quotations at which the dealer can reasonably expect to make purchases from, or sales to, other dealers.

The proposed rule, however, would provide an exception from the requirement to quote both bid and offer prices, and to execute orders received, when the

dealer has a reasonable basis to believe that such action would result in the violation of law. This exception is provided to allow a dealer who has not maintained a market for 45 or more consecutive calendar days to withdraw a bid or offer quotation, or both, to comply with another provision of law and still retain the exemption from section 16(b) and (c) in accordance with the provisions of proposed Rule 16d-1. A dealer who has maintained a market for the requisite period of time could, if he chose, terminate his market for the security. If the dealer again established a market for the security, he would be required to maintain the market for a new period of at least 45 consecutive calendar days to obtain for subsequent transactions the exemption provided by the proposed rule.

The rule also would not require the dealer to publish or furnish an offer quotation when he does not hold securities otherwise than in his investment account and securities are not reasonably available. Securities would not be regarded as reasonably available if there is no other dealer maintaining a market in the security who is offering the securities. In addition, the rule would not require the dealer to furnish quotations to, or execute transactions with, another dealer if he does not have reasonable assurance of prompt payment or delivery of securities by the other dealer. Further, the rule would allow the dealer to withdraw a bid or offer and not execute transactions whenever the Commission finds, on written request or on its own motion, that such action is not inconsistent with the public interest. Such Commission orders may grant relief retroactively. This provision would allow the dealer to seek permission to withdraw his bid or offer and cease executing transactions for reasons beyond his control and would allow the Commission an opportunity to keep apprised of continuing problems which may indicate the desirability of amending the rule.

To allow dealers an opportunity to sell securities acquired in market-making transactions, or to purchase securities to cover short sales made in market-making transactions, the rule would provide dealers with an exemption from section 16(b) for 5 business days after he ceases to maintain a market in the securities to execute these transactions. Dealers should note that securities not sold within this 5-day period would thereafter be included as securities held in an investment account and that purchases to cover short sales made before the dealer ceased maintaining a market for more than 5 business days would not be deemed to be market-making transactions.

It should also be noted that section 16(d) provides an exemption from section 16(b) of the Act only if securities are both purchased and sold, or sold and purchased, in market-making transactions exempted by section 16(d) and any Commission rules or regulations. Consequently, a dealer cannot avoid section 16(b) liability by selling in market-making transactions securities which he

² Such report must be filed within 10 days after registration is effective or within 10 days after the person becomes a director, officer, or beneficial owner.

acquired in nonmarket-making transactions, or by selling in nonmarket-making transactions securities acquired in market-making transactions. Both the purchase and sale, or sale and purchase, must be made in exempt market-making transactions if either transaction is to be exempt from section 16(b). The proposed rule would: *Provide, however*, That the acquisition or disposition of securities held in the investment account would not be matched against a disposition or acquisition made in market-making transactions for the purpose of section 16(b). To avoid inadvertent liability, dealers should be cautious to follow this rule carefully since securities which are not acquired in market-making transactions would be deemed by definition to be securities held in an investment account. Consequently, the acquisition could be matched against any sale of securities held in that account within 6 months. Dealers should also note that the non-market-making sale of securities acquired in market-making transactions could be matched against any purchase of securities within 6 months, whether for the investment account, or in market-making transactions.

The proposed rule would also provide an exemption from section 16(b) for any acquisition or disposition of securities in a merger, consolidation, reorganization, recapitalization, or involuntary exchange if the securities given in exchange were acquired and at all times held for sale in market-making transactions at the time of the exchange.

Finally, the proposed rule would specifically provide that its provisions shall apply only to transactions made after the rule is adopted by the Commission.

Dealers who may be in a control relationship with the issuer of the securities for which exemption under the proposed rule is sought should note that proposed Rule 16d-1 does not provide an exemption from the registration requirements of section 5 of the Securities Act of 1933 and that persons acquiring securities from the dealer with a view to distribution may be underwriters. The Commission is presently considering the applicability of section 5 to market-making transactions by a dealer in a control relationship with the issuer. Dealers should consider the effect of section 5 and violations thereof before maintaining a market.

The text of the proposed rule, which would be adopted pursuant to sections 3(b), 16(b), 16(d), and 23(a) of the Securities Exchange Act of 1934, is as follows:

§ 240.16d-1 Definition of terms used in section 16(d).

(a) The term "securities held in an investment account" as used in section 16(d) of the Act means securities which are identified on the records of the dealer as being held in an investment account, securities not acquired in market-making transactions and securities held more than 5 business days after the dealer ceases to maintain a market in the securities.

(b) The term "transactions made in the ordinary course of business and incident to the establishment or maintenance of a primary or secondary market," as used in section 16(d) of the Act, and referred to as "market-making transactions" in this section, means retail and interdealer transactions in securities sold, or acquired and at all times held for sale, in the ordinary course of business, and not then or theretofore held in an investment account, if such transactions are incident to the establishment or maintenance of a market in the security: *Provided*, That, the dealer maintains a continuous interdealer market for his own account in such securities on each business day for a period of at least 45 consecutive calendar days, including the day of the transaction for which exemption is claimed, (1) by publishing bona fide bid and offer quotations for the security in an interdealer quotation service on at least 3 of each 5 consecutive business days, and (2) by furnishing bona fide bid and offer quotations on request and executing in reasonable amounts such orders as are received from other brokers or dealers, except to the extent that the dealer has a reasonable basis to believe that such action would result in a violation of law. An acquisition shall not be deemed a market-making transaction, however, if the securities acquired are used to cover a short sale of securities made before the dealer ceased maintaining a market in the security for more than 5 business days.

(c) The disposition of securities acquired in market-making transactions and the acquisition of securities to cover a short sale made in market-making transactions shall be exempt from section 16(b) of the Act for 5 business days after the dealer ceases to maintain a market in the security.

(d) Notwithstanding the provisions of paragraph (b) of this section, a dealer (1) shall not be required to furnish quotations to, or execute transactions with, another dealer without reasonable assurance of prompt payment or delivery of securities from such other dealer, (2) shall not be required to publish or furnish an offer quotation whenever the dealer does not hold securities otherwise than in an investment account and securities are not reasonably available, and (3) shall not be required to publish or furnish quotations or execute transactions during any period allowed by the Commission, on written request or on its own motion, either unconditionally or on specified terms and conditions as not inconsistent with the public interest and protection of investors.

(e) The acquisition or disposition of securities in market making transactions shall not be matched against the disposition or acquisition of securities held in an investment account for the purpose of determining liability under section 16(b) of the Act and such transactions shall be exempt from section 16(b) of the Act for such purpose.

(f) The acquisition or disposition of securities in a merger, consolidation, re-

organization, recapitalization, or involuntary exchange shall be exempt from section 16(b) of the Act if the securities given in exchange were acquired and held for sale in accordance with the requirements of this section at the time of the exchange.

(g) Definition: The term "bona fide bid and offer quotations" as used in this section shall mean quotations which the dealer has reason to believe are competitive with the quotations of other dealers, if any.

(h) This section shall apply only to transactions entered into after -----

NOTE: Section 16(d) of the Act requires that securities be both purchased and sold, or sold and purchased, in transactions meeting the requirements of this section to obtain exemption from section 16(b) of the Act. This section does not change that requirement except that paragraph (d) provides that market-making transactions shall not be matched against transactions in securities held in an investment account for the purpose of section 16(b). For example, the nonmarket-making sale of securities acquired in a transaction meeting the requirements of this section if not placed in the investment account, could be matched against any purchase, whether it meets the requirements of this section or is for the investment account. Similarly, covering a short sale made in a market-making transaction with securities acquired in nonmarket-making transactions would result in the loss of the market-making exemption for the sale.

(Secs. 3(b), 16(b), 16(d) and 23(a); 48 Stat. 882, 896, and 901, as amended; 15 U.S.C. 78c, 78p and 78w)

All interested persons are invited to submit their views and comments on the proposed rules in writing to the Securities and Exchange Commission, Washington, D.C., 20549, on or before July 18, 1966. Except where it is requested that such communications not be disclosed, they will be considered available for public inspection.

By the Commission, June 16, 1966.

[SEAL] ORVAL L. DUBOIS,
Secretary.

[F.R. Doc. 66-7056; Filed, June 27, 1966;
8:46 a.m.]

SMALL BUSINESS ADMINISTRATION

[13 CFR Part 121]

[Rev. 6]

SMALL BUSINESS SIZE STANDARDS Definition of Small Business Manufacturer Primarily Engaged in the Men's Dress Shirts and Nightwear Industry

Notice is hereby given that the Administrator of the Small Business Administration proposes to amend the Small Business Size Standards (Revision 6) by establishing a new definition of a small business manufacturer primarily engaged in SIC Industry 2321, men's dress shirts and nightwear, for the purpose of receiving financial assistance.

The present definition of a small business manufacturer primarily engaged in the men's dress shirts and nightwear industry, SIC 2321, is a concern which is independently owned and operated, not dominant in its field of operation, and together with its affiliates, employs no more than 250 employees.

The latest available statistics show that 738 companies in this industry added \$421,876,000 to the value of the materials used in manufacturing men's dress shirts and nightwear. Fourteen companies with over 2,500 employees accounted for approximately 33 percent of the value added, whereas the 45 companies with between 250 to 499 employees accounted for approximately 10 percent of the value added. Of these concerns, the majority individually accounted for less than one-half of 1 percent of the total value added for the industry.

There are 21 companies with between 500 and 999 employees, which companies also account for approximately 10 percent of the value added. Therefore, it appears that the production of individual companies in this group is far greater than that of companies with less than

500 employees. Further, the larger companies in the 500 to 999 employee group are more diversified and have greater financial resources. Further, SBA has been asked to take cognizance of the fact that some companies in the 250-499 size category who are unable to receive financial assistance from private credit sources at reasonable rates are also unable to obtain public financing through stock flotations, etc.

Therefore, it is proposed to establish a size standard of 500 employees for manufacturing concerns primarily engaged in SIC Industry No. 2321, men's dress shirts and nightwear.

Interested persons may file with the Small Business Administration within 15 days after publication in the FEDERAL REGISTER written statements of facts, opinions or arguments concerning the new definition.

All correspondence shall be addressed to:

Office of Economic Analysis,
Small Business Administration,
811 Vermont Avenue NW.,
Washington, D.C., 20416

It is proposed to change the definition of a small business manufacturer primarily engaged in SIC Industry 2321, men's dress shirts and nightwear for the purpose of receiving financial assistance as follows:

The Small Business Size Standards Regulation (Revision 5), (30 F.R. 2247), as amended (30 F.R. 4252, 6778, 15323, 8825, 12640, 9055, 15323, 31 F.R. 4340, 7375) is hereby further amended by revising the size standard in Schedule A for SIC 2321 to read as follows:

Census classification code	Industry	Employment standard (number of employees)
2321.....	Men's dress shirts and nightwear.	500

Dated: June 17, 1966.

BERNARD L. BOUTIN,
Administrator.

[F.R. Doc. 66-7059; Filed, June 27, 1966; 8:46 a.m.]

Notices

DEPARTMENT OF THE TREASURY

Office of the Secretary

[T.D. 66-132]

OKLAHOMA CITY, OKLA.

Designation as a Customs Port of Entry

JUNE 23, 1966.

By virtue of the authority vested in the President by section 1 of the Act of August 1, 1914, 38 Stat. 623 (19 U.S.C. 2), which was delegated to the Secretary of the Treasury by the President by Executive Order No. 10289, September 17, 1951 (3 CFR, Ch. II), and pursuant to authorization given to me by Treasury Department Order No. 190, Revision 4 (30 F.R. 15769), Oklahoma City, Okla., is designated as a customs port of entry in the customs district of Houston, Tex., effective as of July 1, 1966.

Notice of the proposed designation of Oklahoma City, Okla., as a customs port of entry was published in the FEDERAL REGISTER on May 10, 1966 (31 F.R. 6871), pursuant to section 4 of the Administrative Procedure Act (5 U.S.C. 1003). No objections were received.

The designation of Oklahoma City, Okla., as a port of entry is based upon a determination that a sufficient need exists to justify such action in order to provide for convenient compliance with customs requirements. It is, therefore, desirable to make the customs port of entry available to the public as soon as possible, and pursuant to the provisions of section 4(c) of the Administrative Procedure Act (5 U.S.C. 1003 (c)), good cause is found for making this designation effective less than 30 days after publication.

[SEAL] JAMES POMEROY HENDRICK,
Acting Assistant Secretary
of the Treasury.

[F.R. Doc. 66-7067; Filed, June 27, 1966;
8:47 a.m.]

DEPARTMENT OF AGRICULTURE

Office of the Secretary

NEBRASKA

Designation of Areas for Emergency Loans

For the purpose of making emergency loans pursuant to section 321 of the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1961), it has been determined that in the hereinafter-named counties in the State of Nebraska natural disasters have caused a need for agricultural credit not readily available from commercial banks, cooperative lending agencies, or other responsible sources.

NEBRASKA

Box Butte.
Dundy.
Frontier.
Hayes.
Hitchcock.
Lincoln.

Logan.
McPherson.
Morrill.
Pawnee.
Red Willow.

Pursuant to the authority set forth above, emergency loans will not be made in the above-named counties after June 30, 1967, except to applicants who previously received emergency or special livestock loan assistance and who can qualify under established policies and procedures.

Done at Washington, D.C., this 23d day of June 1966.

ORVILLE L. FREEMAN,
Secretary.

[F.R. Doc. 66-7069; Filed, June 27, 1966;
8:47 a.m.]

WEST VIRGINIA

Designation of Areas for Emergency Loans

For the purpose of making emergency loans pursuant to section 321 of the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1961), it has been determined that in the hereinafter-named counties in the State of West Virginia a natural disaster has caused a need for agricultural credit not readily available from commercial banks, cooperative lending agencies, or other responsible sources.

WEST VIRGINIA

Berkeley.
Jefferson.

Morgan.
Wayne.

Pursuant to the authority set forth above, emergency loans will not be made in the above-named counties after June 30, 1967, except to applicants who previously received emergency or special livestock loan assistance and who can qualify under established policies and procedures.

Done at Washington, D.C., this 23d day of June 1966.

ORVILLE L. FREEMAN,
Secretary.

[F.R. Doc. 66-7070; Filed, June 27, 1966;
8:47 a.m.]

DEPARTMENT OF COMMERCE

Office of the Secretary

[Dept. Order 185]

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

Organization and Functions

The following order was issued by the Secretary of Commerce on June 16, 1966.

This material supersedes the material appearing at 28 F.R. 1378 of February 13, 1963.

SECTION 1. Purpose.

The purpose of this order is to provide for the necessary direction and supervision of the St. Lawrence Seaway Development Corporation by the Secretary of Commerce pursuant to Executive order of the President.

SEC. 2. General.

.01 The St. Lawrence Seaway Development Corporation was created by Public Law 83-358 of May 13, 1954, which provides in section 1, "There is hereby created, subject to the direction and supervision of the President, or the head of such agency as he may designate, a body corporate to be known as the St. Lawrence Seaway Development Corporation." By Executive Order 10534 of June 9, 1954, as amended by Executive Order 10771 of June 23, 1958, the President designated the Secretary of Commerce to direct and supervise the Corporation, except that the Secretary of Defense shall direct and supervise the Corporation's functions which directly and exclusively concern construction of the St. Lawrence River navigation project.

.02 The St. Lawrence Seaway Development Corporation shall be under the policy direction and general supervision of the Under Secretary of Commerce for Transportation.

.03 The provisions of this Department order are applicable to all functions and activities of the Corporation except such construction functions and activities as are subject to the direction and supervision of the Secretary of Defense under said Executive order.

SEC. 3. Functions and responsibilities.

.01 The functions of the Corporation are set forth in Public Law 83-358, 68 Stat. 92 (33 U.S.C. 981 et seq.) which also provides for the positions of Administrator and Deputy Administrator, and the duties of such positions.

.02 In the conduct of its activities the Corporation shall comply with Department orders and administrative orders. The Administrator is hereby authorized to exercise any authorities delegated to the head of a primary operating unit by Department orders or administrative orders necessary to the performance by the Administrator of his duties.

.03 Each officer or employee of the Department who performs a function assigned by a Department order or administrative order which affects the activities of primary operating units of the Department shall also perform such functions with respect to the Corporation's activities. Within the scope of his authority any such officer or employee may, where warranted, grant an exception to the provisions of a Department order or administrative order.

SEC. 4. Advisory Board.

The Advisory Board appointed pursuant to the provisions of 33 U.S.C. 982(c) serves in an advisory capacity to the Administrator. Its functions shall be carried out in accord with appropriate administrative arrangements established by the Administrator.

Effective date: June 16, 1966.

DAVID R. BALDWIN,
Assistant Secretary
for Administration.

[F.R. Doc. 66-7066; Filed, June 27, 1966;
8:47 a.m.]

FEDERAL MARITIME COMMISSION

GEMSTONE SHIPPING CORP. ET AL.

Notice of Agreements Filed for Approval

Notice is hereby given that the following agreements have been filed with the Commission for approval pursuant to section 15 of the Shipping Act, 1916, as amended (39 Stat. 733, 75 Stat. 763, 46 U.S.C. 814).

Interested parties may inspect and obtain a copy of the agreement(s) at the Washington office of the Federal Maritime Commission, 1321 H Street NW., Room 609; or may inspect agreements at the offices of the District Managers, New York, N.Y., New Orleans, La., and San Francisco, Calif. Comments with reference to an agreement including a request for hearing, if desired, may be submitted to the Secretary, Federal Maritime Commission, Washington, D.C., 20573, within 20 days after publication of this notice in the FEDERAL REGISTER. A copy of any such statement should also be forwarded to the party filing the agreement (as indicated hereinafter) and the comments should indicate that this has been done.

Notice of agreement filed for approval by:

Mr. Gerald B. Greenwald, Nixon, Mudge, Rose, Guthrie and Alexander, 839 17th Street, NW., Washington, D.C., 20006.

Agreement 9557, between Gemstone Shipping Corp., Goldstone Shipping Corp., Starstone Shipping Corp., Silverstone Shipping Corp., and ItalPacific Line, Inc., all corporations organized and existing under the laws of the Republic of Liberia, provides for the operation and exclusive control by ItalPacific Line, Inc., of the vessels of the Stone Corporations in the trades of the Mediterranean/North Pacific Coast Freight Conference and the Pacific Coast European Freight Conference as a Joint Service under the trade name of "ItalPacific Line", in accordance with the terms and conditions set forth therein.

Dated: June 22, 1966.

By order of the Federal Maritime Commission.

THOMAS LISI,
Secretary.

[F.R. Doc. 66-7068; Filed, June 27, 1966;
8:47 a.m.]

FEDERAL POWER COMMISSION

[Docket No. CP61-311]

ARKANSAS LOUISIANA GAS CO.

Notice of Petitions To Amend

JUNE 21, 1966.

Take notice that on June 6, and June 7, 1966, Arkansas Louisiana Gas Co. (Petitioner), Post Office Drawer 1126, Shreveport, La., 71102, filed in Docket No. CP61-311 petitions to amend the order issued in said docket on November 21, 1961, and amended on July 23, 1962, July 22, 1963, September 4, 1964, and September 13, 1965, requesting an increase from 8,125,000 Mcf to 9,300,000 Mcf of gas in the annual volume which may be sold and delivered by Petitioner to Texas Eastern Transmission Corp. (Texas Eastern) during the period ending July 22, 1966, and requesting authorization to continue the sale of gas contemplated in the original order issued in the instant docket until July 22, 1967, all as more fully set forth in the petitions to amend which are on file with the Commission and open to public inspection.

The original certificate issued in the instant docket on November 21, 1961, authorized Petitioner to sell gas to Texas Eastern at two points of delivery where the pipeline systems of the two companies intersect in Harrison County, Tex., and Grant County, Ark., for a period of 1 year from the date of first delivery of gas. Gas was first delivered on July 22, 1961. Petitioner has subsequently filed petitions to amend the original order issued in the instant docket, the last of which resulted in an order of the Commission dated September 13, 1965, authorizing Petitioner to deliver 8,125,000 Mcf of gas to Texas Eastern during the period ending July 22, 1966.

In its filing dated June 7, 1966, Petitioner states that it desires to deliver the additional gas called for by Texas Eastern during the remainder of June and that part of July ending July 22, 1966, because this is the off-peak summer season on Applicant's system and the delivery of these additional volumes of gas will assist Petitioner with its take obligations in various fields from which it will withdraw the additional gas to be delivered.

In its filing dated June 6, 1966, Petitioner states that it has extended its contract with Texas Eastern to July 22, 1966, for the continued sale of gas as contemplated in the original order issued in the instant docket. Petitioner further states that the extension contract also increases the price per Mcf from 16 cents to 18 cents per Mcf.

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 July 18, 1966.

JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 66-7050; Filed, June 27, 1966;
8:46 a.m.]

[Docket Nos. CP65-197, CP66-211]

ALABAMA-TENNESSEE NATURAL GAS CO.

Notice of Amendment of Application and Change of Date of Hearing

JUNE 21, 1966.

Take notice that on June 14, 1966, Alabama-Tennessee Natural Gas Co., Applicant, filed herein an amendment to its application for a certificate of public convenience and necessity filed in Docket No. CP66-211 on December 30, 1965, as supplemented on March 7, 1966.

By said amendment, Applicant proposes to construct and operate (a) approximately 8.3 miles of 6 $\frac{1}{2}$ -inch O.D. lateral pipeline paralleling Applicant's existing 3 $\frac{1}{2}$ -inch O.D. lateral pipeline from its 10-inch main line to its delivery point for the city of Athens in Limestone County, Ala.; (b) an additional 350 hp. unit in its existing compressor station located in Limestone County, Ala., and (c) a meter station to be located on Applicant's main transmission pipeline west of Decatur in Morgan County, Ala., for the purpose of rendering initial gas service to Amoco Chemicals Corp.

The total estimated cost of the proposed facilities is \$418,000, which will be financed by short term bank loans, which applicant expects to repay out of the proceeds from the sale of bonds in connection with the financing of future construction.

Applicant states that the proposed facilities will increase Applicant's daily system delivery capability from 112,340 Mcf, as authorized in Docket No. CP65-197, to 118,570 Mcf per day. Applicant further states that the proposed increase in Applicant's daily system delivery capability will enable Applicant to serve its existing customers with an increase of 4,410 Mcf per day in their requirements for the winter heating season of 1966-1967 on a continuing long-term basis, will provide sufficient pipeline capacity for the delivery of 300 Mcf per day to Amoco Chemicals Corp. on a firm basis, and will provide 3,000 Mcf per day of unallocated capacity for future market requirements.

Protests or petitions to intervene to said amended application 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 July 8, 1966.

Take further notice that the date of hearing on said applications in Docket Nos. CP65-197 and CP66-211 now set to begin on June 28, 1966, is hereby continued to begin on July 12, 1966, at 10 a.m., e.d.s.t. in a Hearing Room of the Federal Power Commission, 441 G Street NW., Washington, D.C., concerning the matters involved in and the issues presented by said applications.

JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 66-7051; Filed, June 27, 1966;
8:46 a.m.]

[Docket No. CP65-418]

PLATEAU NATURAL GAS CO.¹**Notice of Petition To Amend**

JUNE 21, 1966.

Take notice that on June 6, 1966, Plateau Natural Gas Co. (Petitioner) filed in Docket No. CP65-418 a petition to amend the order issued to Kansas-Colorado Utilities, Inc., (KCU) in said docket on August 15, 1965, by deleting the authorization to construct and operate 16 natural gas meter stations in Dallam and Hartley Counties, Tex., all as more fully set forth in the petition to amend which is on file with the Commission and open to public inspection.

Petitioner states that the original application filed June 28, 1965, in Docket No. CP65-418, proposed to make a technical correction between the interstate operations of KCU and the intrastate operations of Petitioner, the parent company, by transferring certain intrastate irrigation systems from KCU to Petitioner. That proposal required the installation of the 16 meter stations.

Petitioner then considered merging the two companies, and pursuant to the Commission's order issued January 25, 1966, in Docket No. CP66-154 KCU was merged into Plateau. As a result, KCU is no longer making sales of natural gas for resale to Petitioner. Petitioner states that there is no requirement for the meter stations and requests that the authorization therefor be deleted from the order issued in Docket No. CP65-418.

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 July 14, 1966.

JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 66-7052; Filed, June 27, 1966;
8:46 a.m.]

FEDERAL RESERVE SYSTEM**BARNETT NATIONAL SECURITIES CORP.****Order Approving Application Under Bank Holding Company Act**

In the matter of the application of Barnett National Securities Corp., Jacksonville, Fla., for approval of the acquisition of voting shares of The First Bank & Trust Co. of Pensacola, Pensacola, Fla.

There has come before the Board of Governors, pursuant to section 3(a)(2) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a)(2)) and § 222.4(a)(2) of Federal Reserve Regulation Y (12 CFR 222.4(a)(2)), an application on behalf of Barnett National Securities Corp., Jacksonville, Fla., a registered bank holding company, for the Board's approval of the acquisition of 80 percent

¹ Successor to Kansas-Colorado Utilities, Inc.

or more of the outstanding voting shares of The First Bank & Trust Co. of Pensacola, Pensacola, Fla.

As required by section 3(b) of the Act, the Board notified the Florida State Commissioner of Banking of receipt of the application and requested his views and recommendation thereon. The Comptroller of the State of Florida, acting also as State Commissioner of Banking, made no recommendation in response to the Board's request, but did advise of his action approving the proposed transfer of Bank's ownership to Applicant. Notice of receipt of the application was published in the FEDERAL REGISTER on April 14, 1966 (31 F.R. 5778), which provided an opportunity for submission of comments and views regarding the application. Time for filing such comments and views has expired and all comments and views filed with the Board have been considered by it.

It is ordered, For the reasons set forth in the Board's Statement¹ of this date, that said application be and hereby is approved: *Provided, that*, The acquisition so approved shall not be consummated (a) within 7 calendar days after the date of this order or (b) later than 3 months after said date.

Dated at Washington, D.C., this 21st day of June, 1966.

By order of the Board of Governors.²

[SEAL] MERRITT SHERMAN,
Secretary.

[F.R. Doc. 66-7054; Filed, June 27, 1966;
8:46 a.m.]

SECURITIES AND EXCHANGE COMMISSION

[File No. 70-4396]

COLUMBIA GAS OF PENNSYLVANIA, INC. AND COLUMBIA GAS SYSTEM, INC.**Notice of Proposed Issue and Sale of Installment Notes by Subsidiary Company to Holding Company**

JUNE 22, 1966.

Notice is hereby given that the Columbia Gas System, Inc. ("Columbia"), a registered holding company, and its wholly owned gas utility subsidiary company, Columbia Gas of Pennsylvania, Inc. ("Columbia of Pennsylvania"), 120 East 41st Street, New York, N.Y., 10017, have filed a joint application with this Commission pursuant to the Public Utility Holding Company Act of 1935 ("Act"), designating sections 6(b), 9, 10, and 12(f) of the Act and Rule 43 promulgated thereunder as applicable to the proposed

¹ Filed as part of the original document. Copies available upon request to the Board of Governors of the Federal Reserve System, Washington, D.C., 20551, or to the Federal Reserve Bank of Atlanta.

² Voting for this action: Chairman Martin, and Governors Shephardson, Mitchell, Daane, Maisel, and Brimmer. Absent and not voting: Governor Robertson.

transactions. All interested persons are referred to the joint application, which is summarized below, for a complete statement of the transactions proposed.

Columbia of Pennsylvania proposes to issue and sell to Columbia, and Columbia proposes to acquire, its installment promissory notes in the aggregate principal amount of \$962,500. The installment notes are to be unsecured and nonregistered and will be dated when issued. The principal amounts will be due in 25 equal annual installments on January 15 of each of the years 1967 to 1991, inclusive. Interest is to be paid semiannually at the rate of 4.9 percent per annum, which is approximately equal to the cost of money to Columbia with respect to its most recent sale of debentures. (See Holding Company Act Release No. 15315 (Sept. 23, 1965).)

On May 31, 1966, Columbia of Pennsylvania acquired all the assets, properties, franchises, and business of Central Pennsylvania Gas Co. ("Central Pennsylvania") and assumed certain of its indebtedness. (See Holding Company Act Release No. 15473 (May 17, 1966)). The proceeds of the proposed installment notes are to be used by Columbia of Pennsylvania to retire the following outstanding assumed indebtedness: \$650,000 principal amount of 6 percent First Mortgage Bonds due September 1, 1978, plus a redemption premium of \$32,500, and 5½ percent Demand Notes and 6 percent Promissory Note in the principal amounts of \$245,000 and \$35,000, respectively.

Expenses to be incurred in connection with the proposed transactions are estimated at \$150 for Columbia and \$550 for Columbia of Pennsylvania. It is stated that the sale of the proposed installment notes is subject to the authorization of the Public Utility Commission of the Commonwealth of Pennsylvania, the State commission of the State in which Columbia of Pennsylvania is organized and doing business. No other State commission and no Federal commission, other than this Commission, has jurisdiction over the proposed transactions.

Notice is further given that any interested person may, not later than July 14, 1966, request in writing that a hearing be held on such matter, stating the nature of his interest, the reasons for such request, and the issues of fact or law raised by the filing which he desires to controvert; or he may request that he be notified if the Commission should order a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Commission, Washington, D.C., 20549. A copy of such request should be served personally or by mail (airmail if the person being served is located more than 500 miles from the point of mailing) upon the applicants at the above-stated address, and proof of service (by affidavit or, in case of an attorney at law, by certificate) should be filed contemporaneously with the request. At any time after said date, the joint application, as filed or as it may be amended, may be granted as provided in Rule 23 of the general rules and regu-

lations promulgated under the Act or the Commission may grant exemption from such rules as provided in Rules 20(a) and 100 thereof or take such other action as it may deem appropriate.

For the Commission (pursuant to delegated authority).

[SEAL] ORVAL L. DuBOIS,
Secretary.

[F.R. Doc. 66-7057; Filed, June 27, 1966;
8:46 a.m.]

[File Nos. 70-4391, 68-182]

OHIO VALLEY ELECTRIC CORP.

Notice of Proposed Retirement of Debt Securities and Proposed Modification of Mortgage and Deed of Trust and Order Authorizing Solicitation of Consents in Connection Therewith

JUNE 22, 1966.

Notice is hereby given that Ohio Valley Electric Corp. ("OVEC"), Post Office Box 468, Piketon, Ohio, 45661, an exempt holding company and an electric utility subsidiary company of American Electric Power Co., Inc., Ohio Edison Co., and Allegheny Power System, Inc., all registered holding companies, had filed two declarations with this Commission pursuant to the Public Utility Holding Company Act of 1935 ("Act"), one declaration proposing the partial retirement by OVEC of its bonds and notes and the modification of the mortgage securing the bonds; and the other proposing the solicitation of consents of the bondholders and noteholders to such transactions. OVEC has designated sections 6(a), 7, 12(c), and 12(e) of the Act, and Rules 42 and 62 promulgated thereunder, as applicable to the proposed transactions. All interested persons are referred to the declarations, which are summarized below, for a complete statement of the proposed transactions.

OVEC, and its wholly-owned electric utility subsidiary company, Indiana-Kentucky Electric Corporation ("IKEC"), were organized in 1952 principally to generate and supply the power requirements of the Atomic Energy Commission at its Portsmouth Area Project in Ohio. All of OVEC's common stock is owned by seven public-utility companies and the three registered holding companies named above. IKEC's outstanding bonds, all owned by OVEC, are pledged as collateral for OVEC's bonded indebtedness.

In 1962, OVEC and IKEC commenced legal actions against certain manufacturers of electrical equipment, asserting, that such manufacturers, in violation of the Federal antitrust laws, had overcharged OVEC and IKEC in the sale of certain electrical equipment. In November 1965, settlements were reached with two of the manufacturers for a total of \$17,748,000, of which \$6,225,000 is payable in five equal annual installments (the first installment having been paid in December 1965), with interest to be paid on the remaining installments at the

rate of 4½ percent per annum. Settlement agreements also have been reached with four other manufacturers for an aggregate amount of approximately \$625,000, while actions remain pending against two others.

OVEC proposes to apply \$10,970,000 of the \$17,748,000 and, in its discretion, such additional and other like recoveries as may become available, to the partial retirement, without premium, of its following indebtedness outstanding at May 1, 1966: (a) \$233,619,000 principal amount of 3¾ percent First Mortgage and Collateral Trust Bonds, due 1982 ("Bonds"), under a Mortgage and Deed of Trust ("Mortgage") to The Chase Manhattan Bank (National Association) and Carl E. Buckley, trustees, dated as of July 1, 1953, as amended, which Bonds are held by 42 institutional investors; (b) \$7,598,573 principal amount of notes due January 1, 1967 ("Notes"), under a bank credit agreement dated July 20, 1953, as amended, which Notes are held by 12 financial institutions; (c) \$8,702,000 principal amount of Subordinated Notes, which are held by OVEC's common stockholders.

OVEC has allocated \$9,403,000 of the \$10,970,000 to the redemption of Bonds, the amount thus allocated having been determined on the basis of the 6-to-1 ratio in which Bonds and Notes were originally issued by OVEC. Of the balance, OVEC has allocated \$730,000 to the prepayment of Notes and \$837,000 to the prepayment of Subordinated Notes, in proportion to the respective principal amounts of Notes and Subordinate Notes currently outstanding.

OVEC proposes to solicit consents of the holders of its Bonds and Notes in connection with the foregoing transactions. It is further proposed, upon securing the necessary consents, to modify the Mortgage so as: (1) To permit the proceeds of antitrust claims to be applied to the redemption, without premium, of Bonds and other indebtedness, in the ratio of not less than 8 dollars principal amount of Bonds to 1 dollar principal amount of other indebtedness; (2) to reduce the total amount of the remaining sinking fund installments required by the Mortgage by an amount equal to the total amount of the Bonds which OVEC redeems with such proceeds; and (3) to permit in all cases bondholder consent to modification of the Mortgage in writing in lieu of a meeting.

The fees and expenses incurred and to be incurred in connection with the proposed transactions are to be filed by amendment. The declarations state that no State commission and no Federal commission, other than this Commission, has jurisdiction over the proposed transactions.

OVEC proposes to solicit the consent of the holders of the Bonds and Notes to carry out the proposed transactions, and has filed its solicitation material. OVEC requests that the effectiveness of its declaration with respect to the solicitation be accelerated as provided in Rule 62.

Notice is further given that any interested person may, not later than July 14,

1966, request in writing that a hearing be held with respect to the proposed retirement of debt securities and modification of the Mortgage, stating the nature of his interest, the reasons for such request, and the issues of fact or law raised by said declaration which he desires to controvert; or he may request that he be notified if the Commission should order a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Commission, Washington, D.C., 20549. A copy of such request should be served personally or by mail (airmail if the person being served is located more than 500 miles from the point of mailing) upon the declarant at the above-stated address, and proof of service (by affidavit or, in case of an attorney at law, by certificate) should be filed contemporaneously with the request. At any time after said date, the declaration, as filed or as it may be amended, may be permitted to become effective as provided in Rule 23 of the general rules and regulations promulgated under the Act, or the Commission may grant exemption from such rules as provided in Rules 20(a) and 100 thereof or take such other action as it may deem appropriate.

It appearing to the Commission that OVEC's declaration regarding the proposed solicitation of consents should be permitted to become effective forthwith pursuant to Rule 62 and that jurisdiction should be reserved with respect to the expenses thereof:

It is ordered, That the declaration regarding the proposed solicitation of consents, be, and hereby is, permitted to become effective forthwith pursuant to Rule 62, and that jurisdiction be, and it hereby is, reserved with respect to the expenses thereof.

For the Commission (pursuant to delegated authority).

[SEAL] ORVAL L. DuBOIS,
Secretary.

[F.R. Doc. 66-7058; Filed, June 27, 1966;
8:46 a.m.]

SMALL BUSINESS ADMINISTRATION

[Delegation of Authority No. 30, Kansas City Regional Office, Disaster 1, Revision 1]

MANAGER OF DISASTER BRANCH OFFICE; TOPEKA, KANS.

Delegations Relating to Financial Assistance Functions

I. Pursuant to the authority delegated to the Regional Director by Delegation of Authority No. 30 F.R. 3252; as amended by 30 F.R. 13556; 30 F.R. 14062; and 30 F.R. 7537; there is hereby redelegated to the Manager of the Topeka, Kans., Disaster Branch Office the following authority:

A. Financial assistance.

1. To approve and decline disaster loans in an amount not exceeding \$350,000.

2. To execute loan authorizations for Washington, area, and regional office approved loans and disaster loans approved under delegated authority, said execution to read as follows:

(Name), Administrator,
By _____
Manager, Disaster Branch
Office

3. To cancel, reinstate, modify, and amend authorizations for disaster loans approved under delegated authority.

4. To disburse unsecured disaster loans.

5. To extend the disbursement period on disaster loan authorizations or undisbursed portions of disaster loans.

II. The authority delegated herein may not be redelegated.

III. All authority delegated herein may be exercised by any SBA employee designated as acting manager of the disaster branch office.

Effective date: June 15, 1966.

C. I. MOYER,
Regional Director,
Kansas City Regional Office.

[F.R. Doc. 66-7060; Filed, June 27, 1966;
8:47 a.m.]

[License 02-0020]

ALAR SMALL BUSINESS INVESTMENT CORP.

Order Revoking License

Whereas, Alar Small Business Investment Corp. was incorporated under the laws of the State of New York solely to perform the functions of a small business investment company.

Whereas, Alar Small Business Investment Corp. was licensed by the Small Business Administration as a small business investment company.

Whereas, section 308 of the Small Business Investment Act of 1958, as amended: provides, that the license of a small business investment company may be forfeited if said small business investment company is determined and adjudged by a Court of the United States to have violated, or failed to comply with, the provisions of the Small Business Investment Act.

Whereas, the United States District Court for the Southern District of New York by its order dated June 1, 1966, in *United States of America v. Alar Small Business Investment Corp.*, Action No. 66 CIV. 279, determined and adjudged non-compliance with and violations of the Act and the regulations promulgated thereunder, to wit:

1. Alar Small Business Investment Corp. has violated § 107.303 of the regulations governing operations of small business investment corporations in that its retained earnings deficit exceeds 50 percent of its combined paid-in capital and paid-in surplus.

2. Alar Small Business Investment Corp. has violated § 107.711 of the regulations by failing to obtain and keep in effect a Broker's Blanket Bond since the cancellation of its bond became effective January 13, 1966.

3. Alar Small Business Investment Corp. has violated § 107.802 of the regulations by failing to file an annual audited financial report as of March 31, 1965, and a semiannual financial report as of September 30, 1965.

4. Alar Small Business Investment Corp. has violated the provisions of § 107.801 of the regulations by failing to furnish its books and records for inspection and examination by the Small Business Administration in response to the request of the Administration on December 8, 1964, and on several occasions thereafter.

Now, therefore, as Deputy Administrator for Investment of the Small Business Administration and by the authority vested in me by the Small Business Investment Act of 1958, as amended, I hereby revoke License No. 02-0020 issued to Alar Small Business Investment Corp., and cause notice of this revocation to be published in the FEDERAL REGISTER.

Dated: June 22, 1966.

SMALL BUSINESS
ADMINISTRATION,
RICHARD E. KELLEY,
Deputy Administrator
for Investment.

[F.R. Doc. 66-7061; Filed, June 27, 1966;
8:47 a.m.]

INTERSTATE COMMERCE COMMISSION

[Notice 201]

MOTOR CARRIER TEMPORARY AUTHORITY APPLICATIONS

JUNE 23, 1966.

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 protest must be served on the applicant, or its authorized representative, if any, and the protest must certify that such service has been made. The protest must be specific as to the service which such protestant can and will offer, and must consist of a signed original and six 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 263 (Sub-No. 169 TA), filed June 20, 1966. Applicant: GARRETT FREIGHTLINES, INC., 2055 Garrett Way, Post Office Box 1649, Pocatello,

Idaho, 83201. Applicant's representative: Maurice H. Greene, Post Office Box 1554, Boise, Idaho, 83701. Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *General commodities* (except those of unusual value, class A and B explosives, household goods as defined by the Commission, commodities in bulk, and those requiring special equipment), from McDermitt, Nev., to Burns, Oreg., and return over same route, from McDermitt over U.S. Highway 95 to junction U.S. Highway 95 and Oregon Highway 78 to Burns Junction, Oreg.; thence over Oregon Highway 78 to Burns, returning over the same route, serving all intermediate points on Oregon Highway 78, for 180 days. Supporting shippers: Mr. and Mrs. Clarence J. Eckstein, Burns Junction Cafe & Service, Jordan Valley, Oreg., 97910; Burns Garage, Burns, Oreg., 97720; Tiller Furniture, 543 North Broadway, Burns, Oreg.; Harney County Farm Supply, Burns, Oreg.; Al's Furniture, Burns, Oreg.; Johnson Motors, Post Office Box 111, Burns, Oreg.; Burns Department Store, Burns, Oreg.; Nyleen's Western Store, Burns, Oreg. Send protests to: C. W. Campbell, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, 203 Eastman Building, Boise, Idaho, 83702.

No. MC 20992 (Sub-No. 14 TA), filed June 20, 1966. Applicant: DOTSETH TRUCK LINE, INC., Knapp, Wis. 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: *Oil storage tanks and truck compartment tanks and accessories* when moving in the same vehicle, and the *return of damaged, defective, and traded-in shipments of the above tanks*, all of which do not require special equipment, from Minneapolis, Minn., to points in Wisconsin, Indiana, and Michigan, for 180 days. Supporting shipper: Brown Steel Tank Co., 2901 Fourth Street Southeast, Minneapolis, Minn., 55414. 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 32882 (Sub-No. 35 TA), filed June 17, 1966. Applicant: MITCHELL BROS. TRUCK LINES, 2300 Northwest 30th Avenue, Portland, Oreg. Applicant's representative: Norman E. Sutherland, 1200 Jackson Tower, Portland, Oreg., 97205. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Lumber*, between points in Oregon and points in Nevada, for 180 days. Supporting shippers: Robert F. Higgins, Director of Trade Relations, Medford Corp., Post Office Box 550, Medford, Oreg.; Charles Fox, Vice President, Western Lumber Co. of Central Point, Willow Springs Road, Central Point, Oreg.; O. E. Crick, President, United Lumber Sales, Inc., 2625 Dickerson Road, Reno, Nev.; Winston Logan, General

Manager, Home Lumber & Supply Co., 250 Chism Street, Reno, Nev.; Donald Moses, President, Wholesale Distributors, Inc., 275 Chism Street, Carson City, Nev.; Richard Petty, Sales Manager, Norco Distributing Co., 1329 Fee Drive, Sacramento, Calif.; Robert M. Scholz, Manager, United States Plywood Corp., 6779 "Q" Street, San Francisco, Calif.; S. S. Gabbert, President, Gabbert Lumber Sales, Inc., 7050 San Joaquin Street, Sacramento, Calif.; Harold Knecht, Manager, National Wholesale Co., 2831 Watt Avenue, Sacramento, Calif.; John Bozich, Manager, Capitol Plywood of Sacramento, 160 Commerce Circle, Sacramento, Calif.; Robert W. Glatt, Sales Representative, R. F. Nikkel Co. of Sacramento, 3382 El Camino Avenue, Sacramento, Calif. Send protests to: S. F. Martin, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, 450 Multnomah Building, Portland, Oreg., 97204.

No. MC 66562 (Sub-No. 2181 TA), filed June 17, 1966. Applicant: RAILWAY EXPRESS AGENCY, INCORPORATED, 219 East 42d Street, New York, N.Y., 10017. Applicant's representative: John H. Engel, 2413 Broadway, Kansas City, Mo., 64108. Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *General commodities*, moving in express service, between Clarksville, Ark., and Fort Smith, Ark., from Clarksville, over U.S. Highway 64 to Fort Smith, Ark., and return over the same route, serving the intermediate point of Alma, Ark., for 150 days. Supporting shippers: The application is supported by statements from 12 shippers, which may be examined here at the Interstate Commerce Commission in Washington, D.C. Send protests to: Anthony Chiusano, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, 346 Broadway, New York, N.Y., 10013.

No. MC 76177 (Sub-No. 306 TA), filed June 20, 1966. Applicant: BAGGETT TRANSPORTATION COMPANY, 2 South 32d Street, Birmingham, Ala., 35233. Applicant's representative: Harold G. Hernly, 711 Fourteenth Street NW., Washington, D.C., 20005. Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *General commodities* (except those of unusual value, and except classes A and B explosives, blasting materials, household goods as defined by the Commission, commodities in bulk, commodities requiring special equipment, and those injurious or contaminating to other lading), serving the plantsites of the MacMillan-Bloedell United, Inc. and Harmac Alabama, Inc. as off-route points in connection with regular-route operations between Selma, and Mobile, Ala., located on the Alabama River 8 miles from Camden, Ala., for 180 days. Supporting shipper: MacMillan, Bloedel, and Powell River Ltd., 1199 West Pender Street, Vancouver 1, Canada. Send protests to: B. R. McKenzie, District Supervisor, Bureau of Operations and Compliance, Interstate

Commerce Commission, Room 212, South 20th Building, 908 South 20th Street, Birmingham, Ala., 35205.

No. MC 99467 (Sub-No. 2 TA), filed June 17, 1966. Applicant: MID-SOUTH TRANSPORTS, INC., 109 McLemore Street West, Post Office Box 2854, De Soto Station, Memphis, Tenn., 38106. Applicant's representative: Don Piper (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *General commodities* (except household goods, commodities in bulk and those requiring special equipment), serving Scotts Hill and Sardis, Tenn., as off-route points to be served from points on applicant's existing routes, with this authority to be used in connection with all of applicant's existing authority, over regular routes, for 150 days. Supporting shippers: Apparel Manufacturing Co., of Jackson, Scotts Hill, Tenn.; Bucks Lumber Co., Scott's Hill, Tenn.; Dr. Patrick W. O'Keefe, D.O., Physician and Surgeon, Sardis, Tenn.; Troy Vandyke, Troy Vandyke Grocery, Sardis, Tenn. Send protests to: W. W. Garland, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, 390 Federal Office Building, 167 North Main Street, Memphis, Tenn., 38103.

No. MC 102616 (Sub-No. 804 TA), filed June 17, 1966. Applicant: COASTAL TANK LINES, INC., 501 Grantley Road, York, Pa., 17405. Applicant's representative: S. E. Smith (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid asphalt*, in bulk, from North Charleroi, Pa., to points in Webster and Braxton Counties, W. Va., and points in Upshur, Lewis, and Gilmer Counties, W. Va., south of U.S. Highway 33, for 180 days. Supporting shipper: American Oil Co., Post Office Box 6110-A, Chicago, Ill., 60680. Send protests to: Robert W. Ritenour, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, 218 Central Industrial Building, 100 North Cameron Street, Harrisburg, Pa., 17101.

No. MC 107002 (Sub-No. 314 TA), filed June 20, 1966. Applicant: HEARIN-MILLER TRANSPORTERS, INC., Post Office Box 1123, W. S. Highway 80 West, Jackson, Miss., 39205. Applicant's representative: D. D. Kennedy (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid plastic*, in bulk, in tank vehicles, from Hattiesburg, Miss., to Memphis, Tenn.; Bastrop, La.; Crossett, Ark.; and Naheola, Ala., for 180 days. Supporting shipper: Hercules, Inc., Traffic Department, Wilmington, Del., 19899. Send protests to: Floyd A. Johnson, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, 320 U.S. Post Office Building, Jackson, Miss., 39201.

No. MC 107002 (Sub-No. 315 TA), filed June 20, 1966. Applicant: HEARIN-MILLER TRANSPORTERS, INC., Post Office Box 1123, W. S. Highway 80 West,

Jackson, Miss., 39205. Applicant's representative: D. D. Kennedy (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Plasticizer, synthetic plastic*, in bulk, in tank vehicles, from Aberdeen, Miss., to Plano and Longview, Tex., for 180 days. Supporting shipper: Enjay Chemical Co., a division of Humble Oil & Refining Co., 60 West 49th Street, New York, N.Y., 10020. Send protests to: Floyd A. Johnson, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, 320 U.S. Post Office Building, Jackson, Miss., 39201.

No. MC 107002 (Sub-No. 316 TA), filed June 20, 1966. Applicant: HEARIN-MILLER TRANSPORTERS, INC., Post Office Box 1123, W. S. Highway 80 West, Jackson, Miss., 39205. Applicant's representative: D. D. Kennedy (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid plastics*, in bulk, in tank vehicles, from Hattiesburg, Miss., to Springhill, La., for 180 days. Supporting shipper: Hercules Inc., Traffic Department, Wilmington, Del., 19899. Send protests to: Floyd A. Johnson, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, 320 U.S. Post Office Building, Jackson, Miss., 39201.

No. MC 108449 (Sub-No. 237 TA), filed June 20, 1966. Applicant: INDIAN-HEAD TRUCK LINE, INC., 1947 West County Road C, St. Paul, Minn., 55113. Applicant's representative: W. A. Myl-lenbeck (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Silica sand*, in bulk, from Minneapolis, Minn., to Fargo, N. Dak., for 150 days. Supporting shipper: Minnesota Silica Sand Co., 43d Avenue NE., and N.P. Tracks, Minneapolis 21, Minn. 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 109376 (Sub-No. 6 TA), filed June 20, 1966. Applicant: E. R. SKINNER, doing business as E. R. SKINNER TRANSFER, Reedsburg, Wis., 53959. Applicant's representative: Claude J. Jasper, Suite 301, Provident Building, 111 South Fairchild Street, Madison, Wis., 53703. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Cans and can ends*, from Love's Park, Ill. (a suburb of Rockford, Ill.), to Sauk City and Reedsburg, Wis., for 150 days. Supporting shippers: Sauk City Canning Co., Sauk City, Wis., 53583; National Can Corp., 5959 South Cicero Avenue, Chicago, Ill., 60638; Reedsburg Foods Corp., Reedsburg, Wis., 53959. Send protests to: C. W. Buckner, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, 214 North Hamilton Street, Madison, Wis., 53703.

No. MC 113047 (Sub-No. 6 TA), filed June 20, 1966. Applicant: BUANNO TRANSPORTATION CO., INC., Rural Delivery 1, Fort Johnson, N.Y. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Beer and ale*, bottles and barrels, from Natick, Mass., to Gloversville, N.Y., and *empty barrels and bottles*, on return, for 180 days. Supporting shipper: Cordone's, Inc., 211 North Main Street, Gloversville, N.Y. Send protests to: Wilmot E. James, Jr., District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, 518 Federal Building, Albany, N.Y., 12207.

No. MC 114533 (Sub-No. 142 TA), filed June 20, 1966. Applicant: B. D. C. CORPORATION, 4970 South Archer Avenue, Chicago, Ill., 60632. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Papers used in the processing of data by computing machines, punch cards, magnetic encoded documents, magnetic tape, punch paper tape, printed reports, and documents and office records*, between Schiller Park, Ill., on the one hand, and, on the other, North Manchester and Winamac, Ind., for 150 days. Restriction: The service to the authorized herein will be subject to the following conditions: The service shall be limited to the transportation of shipments each weighing 100 pounds or less. The carrier shall not transport more than one shipment from one consignor at one location to one consignee at one location on any 1 day. Supporting shipper: Controls Co. of America, Appliance & Automotive Division, 9655 Soreng Avenue, Schiller Park, Ill., 60176. Send protests to: Charles J. Kudelka, District Supervisor, Bureau of Operations and Compliance, Room 1086, Interstate Commerce Commission, U.S. Courthouse and Federal Office Building, 219 South Dearborn Street, Chicago, Ill., 60604. NOTE: Applicant is presently authorized under MC 114533, Sub 24, to transport the commodities involved herein within the territory sought to be served herein, limited to shipments of packages each weighing 25 pounds or less. The purpose of this application is to increase the maximum weight of the shipments sought to be transported to 100 pounds.

No. MC 119543 (Sub-No. 4 TA), filed June 20, 1966. Applicant: HENRY N. LANCIANI, Leominster Road, Sterling, Mass., 01453. Mail address: R.F.D. Leominster, Mass. Applicant's representative: Arthur A. Wentzell, Post Office Box 720, Worcester, Mass., 01601. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Coke*, in bulk, in dump semitrailers, from New Haven, Conn., to Amesbury, Beverly, Boston, Lawrence, Lowell, Lynn, North Andover, and Quincy, Mass. for 180 days. Supporting shipper: The Connecticut Coke Co., New Haven 8, Conn. Send protests to: Joseph W. Balin, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, Room

338, Federal Building, Springfield, Mass., 01103.

No. MC 123085 (Sub-No. 2 TA), filed June 17, 1966. Applicant: J. RINDNER TRUCKING CORP., 80 Henrietta Avenue, Oceanside, N.Y., 11572. Applicant's representative: Morton E. Kiel, 140 Cedar Street, New York 6, N.Y. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Bottles and closures*, between Farmingdale, N.Y., on the one hand, and, on the other, points in the New York, N.Y. commercial zone, for 150 days. Supporting shipper: Richford Corp., 3618 Oceanside Road, Oceanside, N.Y., 11572. Send protests to: E. N. Carignan, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, 346 Broadway, New York, N.Y., 10013.

No. MC 124363 (Sub-No. 7 TA), filed June 20, 1966. Applicant: DENVER-PACIFIC EXPRESS, INC., 3737 Blake Street, Denver, Colo., 80205. Applicant's representative: John D. Pressley (same address as above). Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Meats, meat products, and meat by-products*, from Colorado Springs and Denver, Colo., to points in Utah, Idaho, Oregon, and Washington, return with *exempt commodities*, for 180 days. Supporting shipper: Johnson Food Co., Post Office Box 665, Colorado Springs, Colo. Send protests to: Herbert C. Ruoff, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, 2022 Federal Building, 1961 Stout Street, Denver, Colo., 80202.

No. MC 124796 (Sub-No. 19 TA), filed June 17, 1966. Applicant: CONTINENTAL CONTRACT CARRIER CORP., 7236 East Slauson Avenue, Los Angeles, Calif., 90022. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Upholstery or carpet tacking rims or strips and nails; adhesive cement; iron or steel doors and hardware therefor; mechanic hand tools; advertising materials and racks or stands therefor*, from Vancouver, Wash., to points in Alabama, Arizona, Arkansas, Colorado, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Michigan, Minnesota, Mississippi, Missouri, Nebraska, New Mexico, North Dakota, Ohio, Oklahoma, South Dakota, Tennessee, Texas, Utah, and Wisconsin, for 180 days. Supporting shipper: Roberts Consolidated Industries, Inc., 600 North Baldwin Park Boulevard, City of Industry, Calif., 91747. Send protests to: John E. Nance, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, Federal Building, Room 7708, 300 North Los Angeles Street, Los Angeles, Calif., 90012.

No. MC 126266 (Sub-No. 2 TA), filed June 20, 1966. Applicant: MAX L. DUDLEY, doing business as DUDLEY BOAT & TRAILER TRANSPORT, 34622 West Valley Highway, Auburn, Wash. Applicant's representative: Joseph O. Earp, 411 Lyon Building, Seattle, Wash.,

98104. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Boats*, from points in California to points in Washington and to Portland, Oreg., for 150 days. Supporting shippers: Glasspar Co., 19101 Newport Avenue, Santa Ana, Calif., 92705; Jensen Marine Corp., 1781 Placentia Avenue, Costa Mesa, Calif.; Wesco Marine, 120 West Providencia, Burbank, Calif.; Ware House of Boats, Inc., 7001 Seaview Avenue NW., Seattle, Wash., 98107. Send protests to: E. J. Casey, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, 6130 Arcade Building, Seattle, Wash., 98101.

No. MC 126745 (Sub-No. 17 TA), filed June 21, 1966. Applicant: SOUTHERN COURIERS, INC., 222-17 Northern Boulevard, Bayside, N.Y., 11361. Applicant's representative: J. K. Murphy (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Business papers, records, audit and accounting media* (excluding plant removals), between Memphis, Tenn., on the one hand, and, on the other, points in Mississippi on and north of U.S. Highway 80; points in Arkansas; and points in Missouri on and south of Missouri Highway 84, (2) *lithographed and/or printed unused personalized checks, and related unused miscellaneous bank documents*, (a) between Nashville, Tenn., on the one hand, and, on the other, points in Alabama on and north of U.S. Highway 80; (b) between Memphis, Tenn., on the one hand, and, on the other, points in Mississippi on and north of U.S. Highway 80, points in Arkansas and points in Missouri on and south of Missouri Highway 84, (3) *radiopharmaceuticals, radioactive drugs and medical isotopes*, between Atlanta, Ga., on the one hand, and, on the other, points in Alabama and Tennessee, for 180 days. Supporting shippers: Checks, Inc., Post Office Box 2632, Memphis, Tenn., 38102; Electronic Systems, Inc., 1205 First National Bank Building, Memphis, Tenn.; John H. Harland Co., Post Office Box 13085, Atlanta, Ga., 30324; Nuclear Consultants, Box 6172, Lambert Field, St. Louis, Mo., 63145; Southern Statistical Co., Post Office Box 167, Memphis, Tenn. Send protests to: E. N. Carignan, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, 346 Broadway, New York, N.Y., 11361.

No. MC 127777 (Sub-No. 5 TA), filed June 20, 1966. Applicant: MOBILE HOME EXPRESS, INC., Post Office Box 253, Oak Glen Station, Lansing, Ill. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Mobile homes*, eleven feet, six inches and over in width in the initial movements by tow-away or truck-away method, from Schult Mobile Home Factory, Middlebury, Ind., to points in Illinois, Wisconsin, Ohio, Michigan, Kentucky, Pennsylvania, West Virginia, and Tennessee, for 150 days. Supporting shipper: Schult Mobile Homes Corp., Route No. U.S. 20, Post Office Box 130, Elkhart, Ind., 46515. Send protests

to: Charles J. Kudelka, District Supervisor, Bureau of Operations and Compliance, Room 1086, Interstate Commerce Commission, U.S. Courthouse and Federal Office Building, 219 South Dearborn Street, Chicago, Ill., 60604.

No. MC 128056 (Sub-No. 1 TA), filed June 21, 1966. Applicant: MAC ROSE TRUCKING CORP. (N.Y. CORP.), doing business as M. STREICHLER TRUCKING CO., 512 West 19 Street, New York, N.Y., 10011. Applicant's representative: Morris Honig, 150 Broadway, New York, N.Y. Authority sought to operate as a contract carrier, by motor vehicle, over irregular routes, transporting: *Infants, children's and boy's shirts, sweaters, pants, pajamas, and swim wear*, from New Hyde Park, N.Y., to New York, N.Y., for 180 days. Supporting shipper: Donmoor, Inc., 34 West 33d Street, New York, N.Y. Send protests to: Paul W. Assenza, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, 346 Broadway, New York, N.Y., 10013.

No. MC 128263 TA (Correction), filed May 31, 1966, published FEDERAL REGISTER issue of June 11, 1966, and republished as corrected this issue. Applicant: DON TRIPP TRUCKING, Box 38, Lolo, Mont., 59847. Applicant's representative: Robert P. Ryan, 805 Midland Bank Building, Billings, Mont., 59101. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *Lumber and plywood*, from points in Montana west of the Continental Divide, and from points in Glacier County, Mont., to points in Minnesota, Iowa, Douglas County, Nebr., Lake and Porter Counties, Ind., Jo Daviess, Stephenson, Carroll, Winnebago, Boone, McHenry, Lake, Ogle, De Kalb, Kane, Du Page, Cook, Will, Kendall, Grundy, La Salle, Lee, Bureau, Whiteside, Rock Island, and Henry Counties, Ill., Douglas, Burnett, Washburn, Barron, Polk, Chippewa, Dunn, St. Croix, Pierce, Pepin, Waushara, Marquette, Green Lake, Columbia, Outagamie, Winnebago, Sheboygan, Fond du Lac, Dodge, Jefferson, Milwaukee, Walworth, Dane, Green, Eau Claire, Buffalo, Trempealeau, Jackson, La Crosse, Monroe, Juneau, Adams, Sauk, Richland, Vernon, Crawford, Grant, Iowa, Lafayette, Brown, Kewaunee, Manitowoc, Calumet, Washington, Ozaukee, Waukesha, Racine,

Kenosha, and Rock Counties, Wis.; upon return, applicant proposes to transport *prepared roofing and prepared roofing rolls, building and roofing felt paper, asbestos felt roofing paper, asbestos and asphalt shingles and siding, roofing cement, roofing nails, and roof coatings*, from Minneapolis and St. Paul, Minn., to points in Montana, for 180 days. Supporting shippers: Montana Lumber Sales, Inc., Post Office Box 785, Missoula, Mont., 59801; Prentice Lumber Co., Inc., Post Office Box 59, Missoula, Mont., 59801; Lyman Lumber Co., Excelsior, Minn., 55331; Midway-Platt Co., 630 North Prior Avenue, St. Paul, Minn., 55104; Del Conner Lumber, Inc., Darby, Mont., 59829; The Ruberoid Co., South Bound Brook, N.J., 08880; The B. F. Nelson Manufacturing Co., 401 Main Street Northeast, Minneapolis, Minn., 55413. Send protests to: Paul J. Labane, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, U.S. Post Office Building, Billings, Mont., 59101. NOTE: The purpose of this republication is to name the commodities proposed to be transported, inadvertently omitted from previous publication.

No. MC 128324 TA, filed June 20, 1966. Applicant: OAKES TRUCKING, INC., 22 Huntington Avenue, Kings Park, N.Y. Applicant's representative: Patrick J. Gallagher, 100 North Village Avenue, Rockville Center, N.Y., 11570. Authority sought to operate as a contract carrier, by motor vehicle, over irregular routes, transporting: *Utility poles*, from Cranford, N.J., to points in Brooklyn, Queens, Nassau, and Suffolk Counties, N.Y., for 150 days. Supporting shipper: Taylor-Piedmont Co., Post Office Box 183, Cranford, N.J., 07016. Send protests to: E. N. Carignan, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, 346 Broadway, New York, N.Y., 10013.

MOTOR CARRIERS OF PASSENGERS

No. MC 1515 (Sub-No. 107 TA), filed June 20, 1966. Applicant: GREYHOUND LINES, INC., 140 South Dearborn Street, Chicago, Ill., 60603. Applicant's representative: J. E. Adkins, 219 East Short Street, Lexington, Ky. Authority sought to operate as a common carrier, by motor vehicle, over regular routes, transporting: *Passengers and*

their baggage and express and newspapers in the same vehicle with passengers, between Campbellsville, Ky., and Columbia, Ky., via Greensburg, Ky., serving all intermediate points, from Campbellsville, over U.S. Highway 68 to its junction with Kentucky Highway 61; thence over Kentucky Highway 61 to Columbia, and return over the same route, for 180 days. Supported by: Robert W. Upton, President, Chamber of Commerce, Greensburg, Ky.; City Appliance Co., Public Square, Greensburg, Ky.; Carnella Williams, 109 River View Street, Greensburg, Ky.; Dr. Denver Wells, Public Square, Greensburg, Ky.; Dr. Herman Judd, Public Square, Greensburg, Ky.; George Upton, Upton Department Store, Greensburg, Ky. Send protests to: R. W. Schneider, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, 207 Exchange Building, 147 North Upper Street, Lexington, Ky., 40507.

No. MC 1515 (Sub-No. 108 TA), filed June 20, 1966. Applicant: GREYHOUND LINES, INC., Southern Greyhound Lines Division, 140 South Dearborn Street, Chicago, Ill., 60603. Applicant's representative: J. E. Adkins, 219 East Short Street, Lexington, Ky. Authority sought to operate as a common carrier, by motor vehicle, over regular routes, transporting: *Passengers and their baggage and express and newspapers* in the same vehicle with passengers, between Bowling Green, Ky., and Scottsville, Ky., over U.S. Highway 231, serving all intermediate points, for 180 days. Supported by: J. M. Gilliam, Chamber of Commerce, Scottsville, Ky.; P. G. Graves, Scottsville, Ky.; Mrs. James Pardue, Scottsville, Ky.; Lester McGuffey, Scottsville, Ky.; William S. Harper, Harper Ford Sales, 608 East Main Street, Scottsville, Ky.; Billy N. Law, Scottsville, Ky. Send protests to: R. W. Schneider, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, 207 Exchange Building, 147 North Upper Street, Lexington, Ky., 40507.

By the Commission.

[SEAL]

H. NEIL GARSON,
Secretary.

[F.R. Doc. 66-7074; Filed, June 27, 1966; 8:48 a.m.]

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PART II

Department of Health, Education,
and Welfare

•
Social Security Administration

•
Health Insurance
Program for
the Aged

Proposed Principles of Reimbursement for Services by Hospital-Based Physicians



DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Social Security Administration
[20 CFR Part 405]

HEALTH INSURANCE PROGRAM FOR THE AGED

Proposed Principles of Reimbursement for Services by Hospital-Based Physicians

Notice is hereby given, pursuant to the Administrative Procedure Act, approved June 11, 1946, that the regulations set forth in tentative form are proposed by the Commissioner of Social Security, with the approval of the Secretary of Health, Education, and Welfare. The proposed regulations (§ 405.480 et seq.) relate to the principles of reimbursement for services by hospital-based physicians for covered services furnished to beneficiaries under Title XVIII of the Social Security Act.

The proposed regulations set forth the principles that will be followed in determining whether the Hospital Insurance Benefits program or the Supplementary Medical Insurance Benefits program is responsible for reimbursement for the services performed by physicians who have a contractual relationship to a hospital—i.e., hospital-based physicians—and the bases for determining the amount to be paid under the supplementary medical insurance program.

There are also published herewith illustrative methods for applying the principles described in §§ 405.480 through 405.488 of the proposed regulations relating to payments for services performed by "hospital-based physicians" in situations where, under existing arrangements between hospitals and physicians, a combined charge is made to patients for both the physician and the hospital service.

Prior to the final adoption of the proposed regulations, consideration will be given to any data, views, or arguments pertaining thereto which are submitted in writing in duplicate to the Commissioner of Social Security, Department of Health, Education, and Welfare Building, Fourth and Independence Avenue SW., Washington, D.C., 20201, within a period of 30 days from the date of publication of this notice in the FEDERAL REGISTER.

The proposed Federal Health Insurance for the Aged regulations are to be issued under the authority contained in sections 1102, 1814(b), 1833(a), 1861(v), and 1871, 49 Stat. 647, as amended, 79 Stat. 296, 79 Stat. 302, 79 Stat. 322, 79 Stat. 331; 42 U.S.C. 1302, 1395 et seq.

Dated: June 24, 1966.

[SEAL] ROBERT M. BALL,
Commissioner of Social Security.

Approved: June 24, 1966.

WILBUR J. COHEN,
Acting Secretary of Health, Education, and Welfare.

[Regulations No. 5]

PART 405—FEDERAL HEALTH INSURANCE FOR THE AGED (1965 —)

Subpart D—Principles of Reimbursement for Provider Costs and for Services by Hospital-Based Physicians

Subpart D of Part 405, Chapter III, Title 20, is amended by adding thereto §§ 405.480 through 405.488, to read as follows:

§ 405.480 Determining reimbursement for services performed by hospital-based physicians.

(a) *General.* The Health Insurance for the Aged Act establishes two separate health insurance programs for the elderly. One provides hospital insurance protection to nearly all the aged financed largely through social security taxes. The other provides supplementary medical insurance to aged people who enroll and agree to pay \$3-per-month premiums, amounts that are matched from Federal general revenues (see Subpart B of this part).

(b) *Sources of benefit payments.* Under the law, benefit payments for the services of physicians (except for services of residents and interns under professionally-approved training programs) furnished to individual patients will be under the supplementary medical insurance program (see Subpart B of this part). However, some of the services which hospital-based physicians perform are clearly not furnished to an individual patient. To the extent that the cost of such services is borne by the hospital, reimbursement will be made to the hospital under the hospital insurance program (see Subpart A of this part).

(c) *Hospital-based physician defined.* The principles set forth in §§ 405.480-405.488 deal exclusively with physicians who have a financial relationship with a hospital—who, typically are salaried or who received compensation from or through the hospital under billing arrangements such that the hospital either in its own right or as agent for the physician collects the funds and remits to the physician an agreed amount or an agreed portion of the collections. These principles establish criteria for distinguishing between services of physicians the cost of which are borne by hospitals and are reimbursable under the hospital insurance program and physicians' services to patients reimbursed under the supplementary medical insurance program. The principles also establish a basis for determining the reasonable charges for physicians' services to patients in situations where, under existing arrangements between hospitals and physicians, charges to patients have not separately identified charges for physicians' services and charges for hospital services. Where, as is frequently the case in the arrangements between certain hospital-based physicians (e.g., surgeons) and teaching hospitals, the charges for the physicians' services to the patient are separately identified, the determination of the rea-

sonable charges for such services will take into account customary charges of such physicians so established.

(d) *Arrangements for services of hospital-based physicians.* (1) Hospitals in the United States have in force a wide variety of arrangements for the compensation of hospital-based physicians. The Health Insurance for the Aged program does not require change in the substance of these arrangements, whether the arrangements call for compensation by way of salary, or a percentage, or in any other manner, or whether payments are received by the hospital (either in its own right or as agent for the physician) or are received directly by the physician.

(2) In many cases, a physician contracts with a hospital to provide only his own professional services, the hospital assuming the cost of supporting personnel (who, in this case, are hospital employees) and bearing the expense of furnishing space, supplies, and the like. Sometimes, however, the physician assumes some or all of these costs. In some instances, the arrangement may constitute a concession or lease, the physician employing the supporting personnel and bearing all other expenses, including a payment to the hospital for the use of space.

(e) *Types of services rendered.* Many hospitals retain physicians on a full-time basis, at least in the fields of pathology, psychiatry, anesthesiology, and radiology, and in many instances (especially in teaching hospitals) in other fields of medical specialization as well. The functions of these physicians vary widely. In some cases they devote full time to education or administration. Conversely, some are exclusively concerned with patient care. Any one of these physicians may be engaged in a variety of activities including teaching, research, administration, supervision of professional or technical personnel, service on hospital committees, and other hospital-wide activities, as well as direct personal health services to individual patients. Sometimes the hospital's arrangement is made with a group of physicians who assume joint responsibility for discharging agreed-upon duties.

(f) *Provisions for remuneration.* The compensation to the physician generally is either on a salary basis, a percent of the gross income received from the patients for the particular services (usually a group of related services—all those performed in a radiology department, for example), or a percent of the net income (gross income less related expenses) received from patients, or some modification or combination of these (such as percentage with a guaranteed minimum). Generally the hospital collects the charges for the services of these physicians and their supporting personnel, acting in some cases in its own right, in some as agent for the physician.

(g) *Identification of types of services for purposes of program payments.* However the billing is handled and whatever the method of distributing the proceeds between the hospital and the physician, it has been the almost uni-

versal practice to make a single charge to the patient for each of these services. In order to make payments under Title XVIII of the Act, however, it will be necessary, where billing is by or through the hospital, to distinguish between the medical and surgical services rendered by a physician to a patient, on the one hand, and the hospital services and the other professional services, on the other. This will be necessary because the payments will come from different trust funds, the payments will usually be handled by different intermediaries, and the methods of determining the two payments will differ materially. Thus, there will be two sources of payment under the health insurance program for services furnished to beneficiaries covered under Title XVIII of the Act whereas, under present practices, there is ordinarily a single source. The hospital and the physician will be free, however, if they wish, to pool the two payments where received by the hospital in its own right or as agent for the physician and to distribute the proceeds in accordance with their preexisting arrangement, or in any other way on which they may agree.

§ 405.481 Noninterference by Federal Government.

It is not the function of the health insurance programs established under Title XVIII of the Act to determine the arrangement which a hospital and a hospital-based physician may enter into for the compensation of the physician. The Secretary will not specify or influence the provisions of the contract or arrangement between hospitals and hospital-based physicians. The hospital and physician can continue to negotiate all aspects of their arrangement to their mutual satisfaction.

§ 405.482 Program payments for physicians' services to hospitals and to individual patients.

(a) *Principle.* Whatever the arrangement may be between hospital and physician, the law requires that medical and surgical services rendered to a covered individual by a hospital-based physician be reimbursed only under the supplementary medical insurance program—Part B of Title XVIII of the Act. The costs to a hospital for services furnished in a hospital by a physician which are not professional services to a patient will be included in the reasonable cost reimbursement under the hospital insurance program—Part A of Title XVIII of the Act.

(b) *Physicians' services to patients.* Title XVIII of the Act specifically excludes from hospital cost reimbursement the cost of medical or surgical services provided by a physician, resident, or intern except for those services rendered by interns or residents in approved teaching programs. Therefore, compensation paid by the hospital to the hospital-based physician cannot be included in hospital reimbursable cost to the extent that it represents compensation for physicians' services described in § 405.483. Physicians' services, as de-

defined in section 1861(q) of the Act means "professional services performed by physicians, including surgery, consultation, and home, office, and institutional calls * * *."

§ 405.483 Physician service under Part B.

(a) *Principle.* A professional service rendered by a physician to a patient that can be reimbursed only under the supplementary medical insurance program (Part B of Title XVIII of the Act) means an identifiable service requiring performance by a physician in person, which contributes to the diagnosis of the condition of the patient with respect to whom the charge under the supplementary medical insurance program is to be recognized, or contributes to the treatment of such patient.

(b) *Recordation of charges on item-by-item basis.* The professional component of the hospital-based physician's services for which reimbursement must be made under Part B of Title XVIII of the Act, the supplementary medical insurance program is only that part of his professional services with respect to which he is personally involved in the provision of services to individual patients as distinct from other professional services he may render in the hospital setting, such as teaching, research, and administration. Compliance with this principle for various types of services rendered by hospital-based physicians normally will require (1) determination with respect to each separate service or type of service rendered, of what part may properly be charged under the supplementary medical insurance program, (2) compilation of the results of these determinations in the form of a schedule either of amounts or percentages applicable to separate services or types of services, and (3) recordation of such charges on an item-by-item basis for each service rendered to a patient.

(c) *Optional method of recordation and billing for pathology and radiology laboratory services.* (1) Application of the general rule may present special problems in the case of pathology laboratory services (and radiology services) in hospitals because of the high volume of individual procedures, the variation in the extent of involvement in services on the part of technicians and others and on the part of the pathologist, and the difficulty in distinguishing between professional activities which are of general benefit to all patients and those performed directly for an identifiable patient. Where the pathologist participates personally in some procedures and not in others by virtue of quality control activities or because his professional concern is directed to the result in a given case, it may be difficult to ascertain the presence or absence of a specific quantum of professional activity in an individual case. Moreover, the assigning of the appropriate amount of "professional component" to a particular procedure or test of a particular patient receiving the benefit of the physician's personal service, as defined in paragraph (a) of this section, may not only result

in inequality of charges among patients but also may present an undue task of recordation. Administratively costly and impractical requirements could ensue in collecting the data needed for presentation of bills involving minimal charges on an item-by-item basis to individual patients. For these reasons, it may frequently not be administratively practical for the pathologist, the hospital and the Part B carrier to keep track of appropriate professional charges on an item-by-item and patient-by-patient basis.

(2) On the average an individual entitled to Part B benefits under Title XVIII of the Social Security Act (in connection with a hospital stay, or in connection with a series of outpatient diagnostic tests) will have multiple laboratory procedures which in the aggregate permit the assumption that at some point with respect to at least some of the laboratory services there has been "an identifiable service requiring performance of a physician in person."

(3) In order to facilitate administration, provide a better cost control, and to assure a practical basis for handling charges to individual patients for such services, an optional method of recordation and billing may be elected upon agreement by the physician and the hospital. Under this optional method, the professional component of pathological or radiological services would be determined for all Medicare patients through application of a uniform percentage to the total charges for such services, with the percentage used being designed to produce in the aggregate a measurement of the professional component which would not be significantly different in amount from that produced by the method of itemization of detailed measurement of such components reflecting variation in the factor of personal participation of the physician in each individual procedure for each individual patient. The percentage factor will be considered reasonable if it can be shown that it does not result from attributing as medical services to patients the costs of teaching, research, administration, and other services that are clearly reimbursable under the hospital insurance program.

(4) Election to use the optional method does not alter the applicability of the principles as the basic criterion for distinguishing professional services chargeable under the supplementary medical insurance program from those reimbursable under the hospital insurance program.

§ 405.484 Hospital-physician agreements for physician compensation.

(a) *Principle.* For purposes of reimbursement, the Secretary will respect, within reasonable limits, an agreement between a hospital and a physician concerning the portion of the physician's compensation which, if he is engaged in the care of individual patients, is to be attributed to such care, and the portion which is to be attributed to service to the institution. If they fail to agree, or if their agreement appears unreasonable, it will be the function of the fiscal intermediary handling payments under the

hospital insurance program and the carrier handling payments under the supplementary medical insurance program to resolve the issue—by negotiation if possible, otherwise by time studies or other suitable methods. The amount attributed to the care of patients will, to the extent of services rendered to supplementary medical insurance beneficiaries (identified in accordance with § 405.483), be recognized as proper charges to such patients, reimbursable under the supplementary medical insurance program. The amount attributed to service to the institution will be recognized as a hospital cost under the hospital insurance program.

(b) *Scope and effect of agreement.* Typically, contracts between hospital-based physicians and hospitals provide for the payment of an aggregate amount (in the form of a salary, a percentage arrangement, or on some other basis) to the physician for all of his services within the institution without a service-by-service itemization. Where the physician is on salary and normally spends full time in administration of departmental affairs, the full salary may be considered a hospital cost item and the hospital insurance program established under Title XVIII will bear its proportionate share of such cost. Where a salaried physician devotes only part of his time to institutional affairs and also renders an appreciable volume of personal patient care, only part of his salary may be attributed to hospital costs since the law requires that "medical or surgical services" must be excluded in determining hospital costs under the hospital insurance program.

(c) *Allocation of compensation by parties.* An agreement by the parties that a certain portion of the physician's compensation will be excluded from hospital costs and will be charged to those patients who are identified in accordance with § 405.483 will be respected unless, because of the small portion of time the physician devotes to the personal care of patients, such an agreement could lead to unreasonable charges to such patients.

§ 405.485 Schedules of charges for Part B physician's services.

(a) *Principle.* Once the portion of a physician's compensation attributable to professional services to supplementary medical insurance beneficiaries has been determined, a schedule of charges can be developed. To be deemed reasonable the charges should be designed to yield him in the aggregate, as nearly as may be possible, an amount equal to such portion of his compensation. As among the patients to be charged (identified in accordance with § 405.483), the allocation of charges may be based on a schedule of relative values, on a uniform percentage of the charges made by the hospital or the physician to other patients for both professional and supporting components of the services, or on another method approved by the carrier as equitable.

(b) *Development of schedules.* Since the present almost universal practice does not separate the professional serv-

furnished for the use of the physician in ices to individual patients from the other components of hospital-based physicians' services for purposes of determining the manner or amount of his compensation, it is necessary to devise a method for making this separation. The approach set forth in this section starts with the assumption that the present level of compensation of hospital-based physicians is reasonable. The assumption, of course, is open to challenge in any given case, and the carriers must deal with such challenges on the basis of prevailing rates of compensation in comparable institutions. Over a period of time the schedules of charges will be subject to revision in the light of changes in the prevailing levels of compensation.

§ 405.486 Effect of physician's assumption of operating costs.

(a) *Principle.* Where a hospital-based physician himself bears some or all of the costs of operation of a hospital department and bills his patients directly rather than through the hospital, the reasonable charges for his services recognized under the supplementary medical insurance program will reflect the costs so borne by him. Where all the costs are to be borne by the physician, charges heretofore established for such services by agreement between the physician and the hospital may be acceptable as reasonable charges for purposes of the supplementary medical insurance program, but they will require adjustment either upward or downward if the hospital has been bearing a cost significantly greater or less than its share of the proceeds of such charges.

(b) *Billing for physician services.* (1) Where billing for in-hospital services of physicians is by or through the hospital, the supporting component of the services must be paid for under the hospital insurance program, even though the physician bears some or all of such costs under a concession or lease or other arrangement. (Under a billing procedure by which the hospital bills both the hospital portion of the charges and the physician's reasonable charges, the name of the physician need not be shown on the bill, although the amount of the charge which is compensable under the supplementary medical insurance program should be so identified.) In such a case, the hospital will be expected to make an appropriate payment to the physician on account of the costs borne by him.

(2) Where the physician bills the patient directly, on the other hand, costs of operating the hospital department which are borne by the physician will be reflected in his reasonable charges which are compensable under the supplementary medical insurance program; the hospital will receive reimbursement through the hospital insurance program for those costs which it incurs. Where a hospital initially pays some or all of the operating expenses of a hospital department (e.g., pays the salaries of nonprofessional personnel and purchases supplies and equipment), even though subsequently those items and services for

which it pays the operating expenses are return for an agreed upon payment by the physician to the hospital, such operating costs are reimbursable under the hospital insurance program as hospital costs, and are not to be reflected in the reasonable charges of the physician. Any payments received by the hospital under such an arrangement would be treated as a reduction of allowable costs of the hospital reimbursable through the hospital insurance program.

(3) The objective in determining reasonable charges where the physician bills patients directly is the same as that expressed in § 405.485(a); to bring about as little change as possible (in the normal case) in the compensation the physician receives for his professional services in the hospital.

(4) Where a hospital has been receiving, as its portion of the receipts for such services, significantly more or less than the costs the hospital has incurred in the provision of the services, this excess or shortage should not be transferred from the hospital to the physician merely because he decides to bill his patients directly. Since payment to the hospital is made on the basis of its reasonable costs for all hospital services, the transfer of such excess or shortage to the physician necessarily would alter the total cost of patient hospital and medical care—a result which the legislation was not intended to bring about. The reasonable charges of a physician who enters into a lease or similar arrangement with a hospital under which the physician assumes the costs of operating the department and bills the patients directly would be based upon the remuneration he received for his services prior to the leasing arrangement plus his reasonable costs of operation as reflected by the hospital's cost experience in providing such services. Reasonable charges, so determined, would be subject to appropriate future adjustment to take into account changing economic factors.

(5) Since physicians' charges generally are to be judged on the basis of prevailing practices in the community, it may be argued that the charges of a hospital-based physician who elects to bill his patients directly should be measured by the charges of nonhospital laboratories, clinics, and the like for similar services. The situations, however, are frequently not comparable because of the large volume, and consequent low unit cost, of a laboratory that performs all of the services required in a hospital. Although charges prevailing in nonhospital laboratories are to be taken into account, they will not be guides for determining reasonable charges in situations where they would produce an unreasonable result.

(6) Also, tangentially related to the issue of billing for in-hospital services of physicians is the question of billing for diagnostic or therapeutic items or services not furnished in a hospital department, but under arrangements made by the hospital with outside laboratories for such items or services. Many hospitals, especially smaller hospitals, do not maintain full laboratory facilities. Such in-

stitutions frequently enter into arrangements with independent laboratories for the performance of diagnostic procedures, as, for example, in the field of pathology. In such instances, typically, the laboratory bills the hospital for the services performed, and the hospital, under present practices, bills the patient. It would appear that services performed under such an arrangement would be included as inpatient hospital services, and the cost thereof—that is, the cost the hospital incurs in paying the laboratory's charges for the services—would, if reasonable, be reimbursable under the hospital insurance program.

§ 405.487 Maintenance of records.

(a) *Principle.* Hospitals and hospital-based physicians will be required to keep records and furnish information to substantiate the agreements they enter into with respect to the allocation of the compensation of the physicians.

(b) *Rationale to support agreements for allocation of compensation.* (1) Where the agreement between the hospital and the physician allocates the physician's compensation between services covered under the hospital insurance program and those covered under the supplementary medical insurance program reasonably, it will generally be accepted if the parties concerned furnish an acceptable rationale for the allocation. Such allocation (made in accordance with § 405.484) should be capable of substantiation by the hospital and the physician. If either the Part A intermediary or Part B carrier believes that the rationale does not justify the allocation, it will notify the other so that coordinated action, if necessary, can be undertaken.

(2) Under these principles, it is recognized that a physician who serves two or more hospitals may under his agreements have significantly different allocations and consequently significantly different charges for the same service in the different hospitals served by him.

§ 405.488 Application of principles.

(a) Nothing in the foregoing principles restricts the right of the physician (in the absence of his acceptance of an assignment by the patient) to determine the amount of his charge to the patient for his services, or restricts the hospital and the physician in providing for such disposition of the payments received from the health insurance programs and the beneficiaries under the programs as they may agree upon.

(b) The total costs of services to inpatients and outpatients prior to the inauguration of this program should not be increased solely by reason of the requirement for division of payments for such services between the hospital insurance program and the supplementary medical insurance program.

(c) The foregoing principles will, to the extent they are applicable, also govern reimbursement in cases where physicians have a financial arrangement of the kind referred to in § 405.480(c) with an extended care facility or home health agency and where a hospital-based phy-

sician provides services to the hospital's outpatients.

ILLUSTRATION OF METHODOLOGY FOR APPLICATION OF THE PRINCIPLES FOR REIMBURSEMENT OF HOSPITAL-BASED PHYSICIANS' SERVICES DESCRIBED IN PROPOSED §§ 405.480 THROUGH 405.488, SUBPART D OF PART 405, TITLE 20, CFR

The methodology is described in a setting in which there is a single physician in the hospital's pathology or radiology or other department. Where there is more than one physician in a particular department, the term "physician" should be read as "physicians," and where quantitative factors are stated or derived they should be combined for all such physicians.

(a) *Separating hospital payments to physicians into the Part A and Part B components as the basis for determining Part B charges.* (1) Whether the physician and hospital agree to utilize the item-by-item recordation and billing method described § 405.483(b) or the optional method described in § 405.483(c), it is necessary to establish the basis for determining the amount of Part B charges. For this, the first step is to ascertain the total amount the physician is to be paid by and through the hospital during the coming year under the arrangement as agreed by the parties. Where the physician's compensation is a percentage either of gross or net departmental income or figured on some other basis under which the amount of his compensation is not fixed in advance, the amount of total payments to the physician from and through the hospital can be properly estimated by adjusting the amount of payments to him for the previous year to take account of anticipated changes in the volume and character of the procedures to be performed and other factors that will affect income. Once the physician's total income from and through the hospital is ascertained, it is immaterial to the determination of the Part B charges whether the payment to him is made as a salary, as a percentage-of-gross income, or as payment from the hospital under some other arrangement.

(2) Next, any amounts that the physician may receive as reimbursement for costs he bears in furnishing supplies, employing personnel and meeting other expenses are to be subtracted from the amount of payments to him to ascertain the physician's compensation for his personal services for the year. The costs that are subtracted are reimbursable as hospital costs and not to be taken into account in determining the physician's Part B charge, as explained in § 405.486(a).

(3) From the physician's compensation for his personal services, as derived in accordance with subparagraphs (1) and (2) of this paragraph, there must be subtracted compensation for the portion of the time the physician spends in the hospital performing research, teaching, administration, and other activities which are not personal services to individual patients and which, therefore, do not meet the criteria prescribed in the first sentence of § 405.483(a). To ascertain the amount of the physician's compensation for such services, it would be appropriate to consider the compensation for them to be paid in proportion to the time he devotes to them. For example, a finding that 15 percent of a physician's time in the hospital is spent in teaching, 30 percent performing administrative services, and 20 percent performing autopsies and other activities not identified as services to individual patients would indicate that the remaining 35 percent of his compensation for personal services is properly attributable to services for individual patients for which a Part B charge may be made when furnished to Part B beneficiaries. The amount so determined,

while relating to Part B type services to all patients will nevertheless serve as the basis for establishing the amount of charges for physician's services to Part B beneficiaries in accordance with either of the procedures set forth, respectively, in paragraph (b) and (d) of this section.

(b) *Determining the Part B charge for individual procedures under the item-by-item approach.* (1) Under the item-by-item approach described in § 405.483(b), an evaluation must be made of each separate procedure or type of procedure to determine that part, if any, that is a service rendered in person by the physician to the individual patient for which a charge may be made under Part B. Section 405.485(b) stipulates that in developing a schedule of Part B charges, the schedule must be developed in such a way as to yield an amount of charges which, in the aggregate, equals the physician's compensation for personal services to individual patients, the calculation of which is described in paragraph (a)(3) above.

One acceptable methodology for developing a schedule of itemized Part B charges complying with the principle of §§ 405.485(b) and 405.488 is outlined below:

(i) Each procedure that involves a significant element of the physician's services to individual patients would be assigned a numerical value equal to the portion of the customary amount billed by the hospital for the procedure which recognizes such element in due measure. For example, if the customary charge for procedure X has been \$5 and one-half the charge expresses the portion that is for the physician's services in person to individual patients when the procedure is performed, a numerical value of 2.5 (one-half of \$5.00) would be assigned to the procedure. A procedure that does not have a significant Part B component would not be assigned a numerical value.

(ii) The numerical value for each procedure is then multiplied by the number of times it is estimated that the procedure will be performed during the coming year. The amount of the physician's total compensation for Part B type services, as ascertained in accordance with paragraph (a)(3) above, is then divided by the sum of these products to yield the monetary value of each single unit of numerical value assigned to the respective procedures.

(iii) The monetary value of a single unit of numerical value is then multiplied by the numerical value that has been assigned to each procedure, and the product represents the Part B component—that is, the amount chargeable under Part B for the procedure.

An alternative methodology for arriving at a schedule of Part B charges for each such procedure (e.g., a biopsy or bone marrow study) would be to assign to each procedure a percentage of the physician compensation found, in accordance with paragraph (a), above, to be attributable to services to patients. The amount of compensation allocated in this manner to each procedure, when divided by the projected number of times the procedure is performed, would yield the amount of Part B charge for each such procedure included in the schedule.

Whatever methodology is used, rounding of the resulting amounts would be deemed appropriate under a consistent method designed not to affect significantly the aggregate amount of the Part B charges.

(2) The schedule of Part B charges so developed by the hospital and physician is to be submitted by the parties to the Part A intermediary and the Part B carrier together with data on the determination described in paragraph (a)(3) above and a brief description of the derivation of the schedule. In addition, the following infor-

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mation should be submitted for the procedures listed on the schedule:

(1) The estimated number of times the procedure will be performed in the hospital during the 12-month period for which the schedule is applicable. (Comparable data for a representative past period—e.g., a year—should also be submitted with an explanation of any significant deviations.)

(ii) The customary amount billed by the hospital for the procedure, inclusive of both Part B and Part A portions of the service involved in the procedure.

(c) *Approval of schedule of Part B charges determined on an item-by-item basis.* The Part B carrier would approve the schedule of Part B charges if it, with the advice of the Part A intermediary, concurred in the physician's and hospital's determination under paragraph (a)(3) above concerning the portion of the physician's compensation for personal services in the coming year which is attributable to Part B type services and provided that such portion of compensation, plus, in cases where the physician bills directly, the portion attributable to costs of operation of the hospital department borne by him, if any (see sec. 405.486), approximates the sum of the products of (1) the number of the individual procedures,

as described in subsection (b)(2)(i), and (2) the Part B charges for each such procedure.

(d) *Computing the Part B component under the optional method.* (1) Where, because of the high volume of low-cost procedures or the lack of necessary statistical data, it would not be feasible for the physician and hospital to comply with the requirements of the item-by-item method, the optional method described in § 405.483(c) would be applicable. The uniform percentage, described in § 405.483(c)(3), that is applied to the total charges for procedures for a medicare patient which involved the hospital-based physician's service is computed by dividing the physician's compensation for Part B type services, as ascertained in accordance with paragraph (a)(3) above, by the hospital's total billings for all such procedures to be rendered for patients in the coming year. This latter amount can properly be estimated by adjusting data on such billings for the previous year to take account of anticipated changes in the volume and of the procedures to be performed during the coming year and other factors that will affect the amount billed.

(2) The schedule of the customary amounts billed by the hospital for the pro-

cedure and the uniform percentage as computed will be submitted by the hospital and the physician to the Part A intermediary and the Part B carrier together with a brief description of the derivation of the uniform percentage. Explanation accompanying the submission should include:

(i) An estimate of the amount that would result from the application of the uniform percentage in the coming year if applied to the aggregate amount billed by the hospital for all procedures rendered by the department.

(ii) An estimate of the physician's compensation for Part B type services for the coming year (as described in paragraph (a) above).

(e) *Approval of schedule of Part B charges computed under the optional method.* The Part B carrier would approve the uniform percentage computed in accordance with subsection (d) if it, with the advice of the Part A intermediary, concurred in the physician's and hospital's determinations under subsections (d)(2)(i) and (d)(2)(ii) and provided that the respective amounts so determined are not significantly different.

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