FEDERAL REGISTER

VOLUME 31 • NUMBER 253

Saturday, December 31, 1966 • Washington, D.C.

Pages 16747–16850

(Part II begins on page 16817)

Agencies in this issue—

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FEDERAL REGISTER

Area Code 202 Phone 963-3261

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

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List of CFR Parts Affected

(Codification Guide)

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

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

Rules and Regulations

Title 7—AGRICULTURE

Chapter III—Agricultural Research Service, Department of Agriculture

PART 301—DOMESTIC QUARANTINE NOTICES

Subpart—Black Stem Rust

SPECIFICALLY APPROVED SOURCES

1. Under authority conferred by § 301.38–2 of the Black Stem Rust Quarantine regulations (7 CFR 301.38–2, as amended, 31 F.R. 13888), the supplemental regulation issued to appear in 7 CFR 301.38–2b (31 F.R. 13890–13896) is hereby amended by deleting the seventh source listed under Delaware, "Huber Nurseries, 703 Boxwood Road and Dodson Avenue, Wilmington" from the list of specifically approved sources.

2. F.R. Doc. 66–11802, published on pages 13890–13896 in the FEDERAL REGISTER dated October 29, 1966, is corrected by:

a. Changing the ninth source listed under Georgia, "Flowerwood Nursery, Post Office 206, Cairo" to read "Flowerwood Nursery, Post Office Box 206, Cairo";

b. Changing the 19th source listed under Kansas, "Twin Cedar Nursery, 120th Street and 135 Highway, Olathe" to read "Twin Cedar Nursery, 120th Street and Interstate Highway 35, Olathe";

c. Changing the 32d source listed under New Jersey, "Morestown Gardens, Inc., 55 East Oak Avenue, Morestown" to read "Moorestown Gardens, Inc., 55 East Oak Avenue, Moorestown";

d. Changing the 49th source listed under Ohio, "Warmer Nursery, Route 4, Willoughby" to read "Warner Nursery, Route 4, Willoughby"; and

e. Inserting the heading "Utah" after the 11th source listed under Texas, "Wolfe Nursery, Inc., Box 811, Stephenville", thereby making "Glover's Nursery & Floral, 7195 South State Street, Midvale" the first source listed under Utah.

The amendment deletes a previously listed specifically approved source that has been found to be growing or handling plants and/or seed of species or horticultural varieties of Berberis, Mahoberberis, and Mahonia that have not been designated as rust-resistant in § 301.38–2a (7 CFR 301.38–2a). The correction changes inadvertent errors made in the list of specifically approved sources.

The amendment imposes certain restrictions with respect to shipments from the source deleted from the list and should be made effective promptly to prevent the spread of the black stem rust disease. The corrections involve nonsubstantive changes. Accordingly, it is found upon good cause under the administrative procedure provisions in 5 U.S.C. section 553, that notice and other public procedure with regard to this action are impracticable and contrary to the public interest, and good cause is found for making such action effective less than 30 days after publication in the FEDERAL REGISTER.

Done at Hyattsville, Md., this 28th day of December 1966.

[SEAL] E. D. BURGESS,
Director,
Plant Pest Control Division.

[F.R. Doc. 66–14079; Filed, Dec. 30, 1966; 8:49 a.m.]

[P.P.C. 637, 7th Rev.]

PART 301—DOMESTIC QUARANTINE NOTICES

Subpart—Japanese Beetle

ADMINISTRATIVE INSTRUCTIONS DESIGNATING REGULATED AREAS

Pursuant to § 301.48–2 of the regulations supplemental to the Japanese beetle quarantine (7 CFR 301.48–2), under sections 8 and 9 of the Plant Quarantine Act of 1912, as amended, and section 106 of the Federal Plant Pest Act (7 U.S.C. 161, 162, 150ee), administrative instructions appearing as 7 CFR 301.48–2a are hereby revised to read as follows:

§ 301.48–2a Administrative instructions designating regulated areas under the Japanese beetle quarantine.

The following States and District, and counties and other minor civil divisions, or parts thereof, in the quarantined States listed below, are designated as Japanese beetle regulated areas within the meaning of the provisions in this subpart:

CONNECTICUT

(a) *Generally infested area.* The entire State.

(b) *Suppressive area.* None.

DELAWARE

(a) *Generally infested area.* The entire State.

(b) *Suppressive area.* None.

DISTRICT OF COLUMBIA

(a) *Generally infested area.* The entire District.

(b) *Suppressive area.* None.

GEORGIA

(a) *Generally infested area.*

Banks County. That portion of the county lying within Georgia Militia Districts 448, 912, 1580, and 371.

Cherokee County. That portion of the county lying within Georgia Militia District 1000 south of State Roads S1372, S861, and S862.

Clayton County. Georgia Militia Districts 548, 1189, 1406, 1446, and 1644.

Cobb County. That portion of the county lying south of State Highway 120, including all the area within the corporate limits of the city of Marietta.

Dawson County. The entire county.

De Kalb County. That portion of the county bounded by a line beginning at a point where the Fulton-Gwinnett-De Kalb County lines intersect and extending southeast along the De Kalb-Gwinnett County line to the junction of said line and Interstate Highway 85, thence southwest along Interstate Highway 85 to its intersection with Interstate Highway 285, thence south and west along Interstate Highway 285 to its intersection with the De Kalb-Fulton County line, thence north and east along said line to the point of beginning.

Fannin County. Georgia Militia Districts 1027, 1242, and 1488.

Forsyth County. The entire county, except Georgia Militia Districts 1276 and 795.

Fulton County. That portion of the county lying within the corporate limits of Atlanta, Hapeville, East Point, and College Park and that area lying within Georgia Militia Districts 1204 and 499.

Gilmer County. That portion of the county lying within Georgia Militia District 864.

Gwinnett County. That portion of the county lying within Pickneyville Georgia Militia District 406, and that northeast portion of Sugar Hill Georgia Militia District 550 which is bounded on the north by Hall County line, on the west by the Southern Railroad, on the south by State Highway 20, and on the east by said GMD line.

Habersham County. That portion of the county lying within the following Georgia Militia Districts: Mud Creek 414, Center Hill 752, Baldwin 1612, Glade Creek 1648, Cornelia 1449, Demorest 1486, Falling Water 1391, Fork 1021, and that portion of Clarkesville Georgia Militia District 409 east of Georgia Highway 17 and U.S. Highway 23, including all of the corporate limits of the city of Clarkesville.

Hall County. The entire county.

Lumpkin County. The entire county.

Rabun County. That portion of the county lying within Clayton Georgia Militia District 587 and including all area within the corporate limits of Mountain City.

Richmond County. That portion of the county lying north of Butler Creek and that area lying north of Spirit Creek between the Savannah River and State Highway 56.

Stephens County. That portion of the county lying within the following Georgia Militia Districts: Currahee 402, Toccoa 440, and Broad River 1473.

Union County. Georgia Militia Districts 994, 995, 1241, and 834.

White County. The entire county.

(b) *Suppressive area.*

Spalding County. That portion of the county lying within the corporate limits of the city of Griffin.

INDIANA

(a) *Generally infested area.*

Allen County. The entire county.
Benton County. The entire county.
Boone County. The entire county.
Carroll County. The entire county.
Cass County. The entire county.
Clinton County. The entire county.
De Kalb County. The entire county.
Elkhart County. The entire county.
Fulton County. The entire county.
Huntington County. The entire county.
Jasper County. The entire county.
Kosciusko County. The entire county.
Lagrange County. The entire county.
Lake County. The entire county.

La Porte County. The entire county.
Marion County. The entire county.
Marshall County. The entire county.
Martin County. The entire county.
Miami County. The entire county.
Montgomery County. The entire county.
Newton County. The entire county.
Noble County. The entire county.
Porter County. The entire county.
Pulaski County. The entire county.
St. Joseph County. The entire county.
Starke County. The entire county.
Steuben County. The entire county.
Tippecanoe County. The entire county.
Vanderburgh County. The entire county.
Vigo County. The entire county.
Wabash County. The entire county.
Wayne County. The entire county.
Wells County. The entire county.
White County. The entire county.
Whitley County. The entire county.
(b) *Suppressive area.* None.

KENTUCKY

(a) *Generally infested area.*
Bath County. The entire county.
Bell County. The entire county.
Boone County. The entire county.
Boyd County. The entire county.
Campbell County. The entire county.
Carter County. The entire county
Elliott County. The entire county.
Floyd County. The entire county.
Greenup County. The entire county.
Harlan County. The entire county.
Johnson County. The entire county.
Kenton County. The entire county.
Knott County. The entire county.
Knox County. The entire county.
Laurel County. The entire county.
Lawrence County. The entire county.
Letcher County. The entire county.
Lewis County. The entire county.
Martin County. The entire county.
Menifee County. The entire county.
Perry County. The entire county.
Pike County. The entire county.
Rowan County. The entire county.
Whitley County. The entire county.
(b) *Suppressive area.* None.

MAINE

(a) *Generally infested area.*
Androscoggin County. The entire county.
Cumberland County. The entire county.
Kennebec County. The entire county.
Lincoln County. The entire county.
Oxford County. The entire county.
Sagadahoc County. The entire county.
York County. The entire county.
(b) *Suppressive area.* None.

MARYLAND

(a) *Generally infested area.* The entire State.
(b) *Suppressive area.* None.

MASSACHUSETTS

(a) *Generally infested area.* The entire State.
(b) *Suppressive area.* None.

NEW HAMPSHIRE

(a) *Generally infested area.* The entire State.
(b) *Suppressive area.* None.

NEW JERSEY

(a) *Generally infested area.* The entire State.
(b) *Suppressive area.* None.

NEW YORK

(a) *Generally infested area.* The entire State.
(b) *Suppressive area.* None.

NORTH CAROLINA

(a) *Generally infested area.* The entire State.
(b) *Suppressive area.* None.

OHIO

(a) *Generally infested area.*
Ashland County. The entire county.
Ashtabula County. The entire county.
Athens County. The entire county.
Belmont County. The entire county.
Butler County. The townships of Fairfield, Hanover, Liberty, Morgan, Reily, Ross, St. Clair, and Union, and cities of Fairfield and Hamilton.
Carroll County. The entire county.
Clermont County. The townships of Goshen, Miami, and Union.
Columbiana County. The entire county.
Coshocton County. The entire county.
Crawford County. The townships of Auburn, Chatfield, Cranberry, Jackson, Jefferson, Liberty, Polk, Sandusky, Vernon, and Whetstone; and the cities of Bucyrus, Crestline, and Galion.
Cuyahoga County. The entire county.
Fairfield County. The townships of Richland and Rush Creek.
Franklin County. The townships of Blendon, Clinton, Jefferson, Mifflin, Plain, Sharon, and Truro; and the cities of Bexley, Columbus, Grandview Heights, Marble Cliff, Reynoldsburg, Upper Arlington, Whitehall, and Worthington.
Fulton County. The townships of Amboy and Fulton.
Gallia County. The entire county.
Geauga County. The entire county.
Guernsey County. The entire county.
Hamilton County. The entire county.
Harrison County. The entire county.
Hocking County. The townships of Falls, Falls Gore, Green, Marion, Starr, Ward, and Washington; and the city of Logan.
Holmes County. The entire county.
Jackson County. The entire county.
Jefferson County. The entire county.
Knox County. The entire county.
Lake County. The entire county.
Lawrence County. The entire county.
Licking County. The entire county.
Lorain County. The entire county.
Lucas County. The townships of Adams, Harding Monclova, Oregon, Ottawa Hills, Richfield, Spencer, Springfield, Swanton, Sylvania, Washington, and Waterville; and the cities of Maumee, Oregon, Sylvania, and Toledo.
Mahoning County. The entire county.
Marion County. The townships of Big Island, Claridon, Marion, and Tully; and the city of Marion.
Medina County. The entire county.
Meigs County. The entire county.
Monroe County. The entire county.
Morgan County. The entire county.
Muskingum County. The entire county.
Noble County. The entire county.
Perry County. The entire county.
Pike County. The townships of Jackson, Pee Pee, and Seal.
Portage County. The entire county.
Preble County. The township of Jefferson.
Richland County. The townships of Madison, Mifflin, Monroe, Sandusky, and Springfield; and the city of Mansfield.
Ross County. The townships of Franklin, Harrison, Jefferson, Liberty, Scioto, and Springfield; and the city of Chillicothe.
Scioto County. The townships of Bloom, Clay, Green, Harrison, Nile, Porter, Vernon, and Washington; and the cities of New Boston and Portsmouth.
Stark County. The entire county.
Summit County. The entire county.
Trumbull County. The entire county.
Tuscarawas County. The entire county.
Vinton County. The entire county.
Warren County. The townships of Deerfield and Hamilton; and the city of Loveland.
Washington County. The entire county.
Wayne County. The entire county.
Wood County. The townships of Lake, Perrysburg, Ross, and Rossford; and the city of Perrysburg.
(b) *Suppressive area.* None.

PENNSYLVANIA

(a) *Generally infested area.* The entire State.
(b) *Suppressive area.* None.

RHODE ISLAND

(a) *Generally infested area.* The entire State.
(b) *Suppressive area.* None.

SOUTH CAROLINA

(a) *Generally infested area.*
Aiken County. The entire county.
Cherokee County. The entire county.
Dillon County. The entire county.
Florence County. The entire county.
Greenville County. The entire county.
Lexington County. The entire county.
Marion County. The entire county.
Marlboro County. The entire county.
McCormick County. The entire county.
Oconee County. The entire county.
Pickens County. The entire county.
Richland County. The entire county.
Spartanburg County. The entire county.
(b) *Suppressive area.* None.

VERMONT

(a) *Generally infested area.* The entire State.
(b) *Suppressive area.* None.

VIRGINIA

(a) *Generally infested area.* The entire State.
(b) *Suppressive area.* None.

WEST VIRGINIA

(a) *Generally infested area.* The entire State.
(b) *Suppressive area.* None.

(Sec. 9, 37 Stat. 318, sec. 106, 71 Stat. 33; 7 U.S.C. 162, 150ee. Interprets or applies sec. 8, 37 Stat. 318, as amended; 7 U.S.C. 161, 29 F.R. 16210, as amended; 7 CFR 301.48–2)

These administrative instructions shall become effective December 31, 1966, when they shall supersede P.P.C. 637, 6th Rev., effective March 19, 1966.

The Director of the Plant Pest Control Division has determined that infestations of the Japanese beetle exist or are likely to exist in the quarantined States and District and in the counties, and other minor civil divisions, and parts thereof in such States, listed above, or that it is necessary to regulate such localities because of their proximity to infestation or their inseparability for quarantine purposes from infested localities.

The purpose of this revision is to designate as newly regulated areas in the generally infested category parts of Cherokee and Gilmer Counties in Georgia; all of Bath, Carter, Elliott, Johnson, Knott, Knox, Laurel, Menifee, Perry, and Rowan Counties in Kentucky; and part of Fulton County in Ohio. Additions to counties already partially regulated as generally infested are made as follows: Parts of Forsyth, Gwinnett, Habersham, and Richmond Counties in Georgia; all of Ashland and Lorain Counties and parts of Franklin, Lucas, and Scioto Counties in Ohio; and all of Lewis County in Kentucky. In addition, Bell and Whitley

Counties in Kentucky have been transferred in their entirety from the suppressive area to the generally infested area.

To the extent that this revision relieves restrictions presently imposed, it should be made effective promptly in order to be of maximum benefit to persons subject to the restrictions which are being relieved. To the extent that this revision imposes restrictions necessary to prevent the spread of Japanese beetles, it should be made effective promptly in order to effectuate the purposes of the regulations. Accordingly, under the administrative procedure provisions of 5 U.S.C., section 553, it is found upon good cause that notice and other public procedure with respect to this revision are impracticable and contrary to the public interest, and good cause is found for making this revision effective less than 30 days after publication in the FEDERAL REGISTER.

Done at Hyattsville, Md., this 28th day of December 1966.

[SEAL] E. D. BURGESS,
Director,
Plant Pest Control Division.

[F.R. Doc. 66-14058; Filed, Dec. 30, 1966; 8:49 a.m.]

Chapter VII—Agricultural Stabilization and Conservation Service (Agricultural Adjustment), Department of Agriculture

SUBCHAPTER B—FARM MARKETING QUOTAS AND ACREAGE ALLOTMENTS

PART 725—FLUE-CURED TOBACCO

Subpart—Determination and Announcements for 1967-68 Marketing Year

Correction

In F.R. Doc. 66-12854, appearing at page 15020 of the issue for Wednesday, November 30, 1966, the first sentence of § 725.1(b) should read as follows:

(b) Under the formula in the Act the basis for determining the reserve supply level depends upon the marketing year in which it is determined. * * *

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

[Navel Orange Reg. 119]

PART 907—NAVEL ORANGES GROWN IN ARIZONA AND DESIGNATED PART OF CALIFORNIA

Limitation of Handling

§ 907.419 Navel Orange Regulation 119.

(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 907, as amended (7 CFR Part 907), regulating the handling of Navel oranges grown in Arizona and designated part of California, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674), and upon the basis of the recommendations and information submitted by the Navel Orange Administrative Committee, established under the said amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of handling of such Navel oranges, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this section until 30 days after publication hereof in the FEDERAL REGISTER (5 U.S.C. 553 (1966)) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient, and a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective as hereinafter set forth. The committee held an open meeting during the current week, after giving due notice thereof, to consider supply and market conditions for Navel oranges and the need for regulation; interested persons were afforded an opportunity to submit information and views at this meeting; the recommendation and supporting information for regulation during the period specified herein were promptly submitted to the Department after such meeting was held; the provisions of this section, including its effective time, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such Navel oranges; it is necessary, in order to effectuate the declared policy of the act, to make this section effective during the period herein specified; and compliance with this section will not require any special preparation on the part of persons subject hereto which cannot be completed on or before the effective date hereof. Such committee meeting was held on December 29, 1966.

(b) *Order.* (1) The respective quantities of Navel oranges grown in Arizona and designated part of California which may be handled during the period beginning at 12:01 a.m., P.s.t., January 1, 1967, and ending at 12:01 a.m., P.s.t., January 8, 1967, are hereby fixed as follows:

(i) District 1: 450,000 cartons;
(ii) District 2: 103,388 cartons;
(iii) District 3: 40,000 cartons;
(iv) District 4: 15,000 cartons.

(2) As used in this section, "handled," "District 1," "District 2," "District 3," "District 4," and "carton" have the same meaning as when used in said amended marketing agreement and order.

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

Dated: December 30, 1966.

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

[F.R. Doc. 66-14080; Filed, Dec. 30, 1966; 11:34 a.m.]

[Lemon Reg. 248]

PART 910—LEMONS GROWN IN CALIFORNIA AND ARIZONA

Limitation of Handling

§ 910.548 Lemon Regulation 248.

(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 910, as amended (7 CFR Part 910), regulating the handling of lemons grown in California and Arizona, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674), and upon the basis of the recommendations and information submitted by the Lemon Administrative Committee, established under the said amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of handling of such lemons, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this section until 30 days after publication hereof in the FEDERAL REGISTER (5 U.S.C. 553(1966)) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient, and a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective as hereinafter set forth. The committee held an open meeting during the current week, after giving due notice thereof, to consider supply and market conditions for lemons and the need for regulation; interested persons were afforded an opportunity to submit information and views at this meeting; the recommendation and supporting information for regulation during the period specified herein were promptly submitted to the Department after such meeting was held; the provisions of this section, including its effective time, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such lemons; it is necessary, in order to effectuate the declared policy of the act, to make this section effective

during the period herein specified; and compliance with this section will not require any special preparation on the part of persons subject hereto which cannot be completed on or before the effective date hereof. Such committee meeting was held on December 28, 1966.

(b) *Order.* (1) The respective quantities of lemons grown in California and Arizona which may be handled during the period beginning at 12:01 a.m., P.s.t., January 1, 1967, and ending at 12:01 a.m., P.s.t., January 8, 1967, are hereby fixed as follows:

(i) District 1: 27,900 cartons;

(ii) District 2: 83,700 cartons;

(iii) District 3: 111,600 cartons.

(2) As used in this section, "handled," "District 1," "District 2," "District 3," and "Carton" have the same meaning as when used in the said amended marketing agreement and order.

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

Dated: December 29, 1966.

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

[F.R. Doc. 66–14078; Filed, Dec. 30, 1966; 8:49 a.m.]

[Grapefruit Reg. 6]

PART 913—GRAPEFRUIT GROWN IN THE INTERIOR DISTRICT IN FLORIDA

Limitation of Handling

§ 913.306 Grapefruit Regulation 6.

(a) *Findings.* (1) Pursuant to the marketing agreement and Order No. 913 (7 CFR Part 913; 30 F.R. 15204), regulating the handling of grapefruit grown in the Interior District in Florida, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674), and upon the basis of the recommendations and information submitted by the Interior Grapefruit Marketing Committee, established under the said marketing agreement and order, and upon other available information, it is hereby found that the limitation of handling of such grapefruit, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule making procedure, and postpone the effective date of this section until 30 days after publication hereof in the FEDERAL REGISTER (5 U.S.C. 553(1966)) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient, and a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective as hereinafter set forth. The committee held an open meeting during the current week, after giving due notice thereof, to consider supply and market conditions for Interior grapefruit, and the need for regulation; interested persons were afforded an opportunity to submit information and views at this meeting; the recommendation and supporting information for regulation during the period specified herein were promptly submitted to the Department after such meeting was held; the provisions of this section, including its effective time, are identical with the aforesaid recommendation of the committee; and information concerning such provisions and effective time has been disseminated among handlers of such Interior grapefruit; it is necessary, in order to effectuate the declared policy of the act, to make this section effective during the period herein specified; and compliance with this section will not require any special preparation on the part of persons subject hereto which cannot be completed on or before the effective date hereof. Such committee meeting was held on December 29, 1966.

(b) *Order.* (1) The quantity of grapefruit grown in the Interior District which may be handled during the period beginning at 12:01 a.m., e.s.t., January 2, 1967, and ending at 12:01 a.m., e.s.t., January 9, 1967, is hereby fixed at 242,500 standard packed boxes.

(2) As used in this section, "handled," "Interior District," "grapefruit," and "standard packed box" have the same meaning as when used in said marketing agreement and order.

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

Dated: December 30, 1966.

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

[F.R. Doc. 66–14077; Filed, Dec. 30, 1966; 11:34 a.m.]

Chapter X—Consumer and Marketing Service (Marketing Agreements and Orders; Milk), Department of Agriculture

[Milk Order No. 2]

PART 1002—MILK IN NEW YORK-NEW JERSEY MARKETING AREA

Order Amending Order

§ 1002.0 Findings and determinations.

The findings and determinations hereinafter set forth are supplementary and in addition to the findings and determinations previously made in connection with the issuance of the aforesaid order and of the previously issued amendments thereto; and all of the said previous findings and determinations are hereby ratified and affirmed, except insofar as such findings and determinations may be in conflict with the findings and determinations set forth herein.

(a) *Findings upon the basis of the hearing record.* Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.), and the applicable rules of practice and procedure governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), a public hearing was held upon certain proposed amendments to the tentative marketing agreement and to the order regulating the handling of milk in the New York-New Jersey marketing area. Upon the basis of the evidence introduced at such hearing and the record thereof, it is found that:

(1) The said order as hereby amended, and all of the terms and conditions thereof, will tend to effectuate the declared policy of the Act;

(2) The parity prices of milk, as determined pursuant to section 2 of the Act, are not reasonable in view of the price of feeds, available supplies of feeds, and other economic conditions which affect market supply and demand for milk in the said marketing area, and the minimum prices specified in the order as hereby amended, are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest; and

(3) The said order as hereby amended, regulates the handling of milk in the same manner as, and is applicable only to persons in the respective classes of industrial or commercial activity specified in, a marketing agreement upon which a hearing has been held.

(b) *Additional findings.* (1) It is hereby found and determined that good cause exists for making this order effective as provided herein and that it would be contrary to the public interest to delay the effective date of this amendment for 30 days after its publication in the FEDERAL REGISTER (5 U.S.C. 553(d) (1966)).

(2) The conditions in this market are such that remedial action should be taken as soon as possible in the interest of maintaining milk supplies. Producers and handlers affected by this order should have assurance, at the earliest possible date, of the minimum level of Class I price herein provided. Any delay in informing interested parties will tend to make the price action ineffective.

(3) The decision of the Assistant Secretary containing all of the provisions of this order was issued November 23, 1966. Therefore, the provisions of this order are known to handlers. The changes effected by this order will not require extensive preparation or substantial alteration in method of operation for handlers.

(c) *Determinations.* It is hereby determined that:

(1) The refusal or failure of handlers (excluding cooperative associations specified in section 8c(9) of the Act) of more than 50 percent of the milk, which is marketed within the marketing area, to sign a proposed marketing agreement, tends to prevent the effectuation of the declared policy of the Act;

(2) The issuance of this order, amending the order, is the only practical means pursuant to the declared policy of the Act of advancing the interests of producers as defined in the order as hereby amended; and

(3) The issuance of the order amending the order is approved or favored by at least two-thirds of the producers who during the determined representative period were engaged in the production of milk for sale in the marketing area.

Order relative to handling. It is therefore ordered, that on and after the effective date hereof, the handling of milk in the New York-New Jersey marketing area shall be in conformity to and in compliance with the terms and conditions of the aforesaid order, as amended, and as hereby further amended, as follows:

The proviso in § 1002.40(a)(1) is revised to read as follows: "*Provided*, That from the effective date of this amendment through July 1967, the result computed pursuant to this subparagraph shall be not less than 117.596."

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

Effective date: January 1, 1967.

Signed at Washington, D.C., on December 28, 1966.

GEORGE L. MEHREN,
Assistant Secretary.

[F.R. Doc. 66–14061; Filed, Dec. 30, 1966; 8:45 a.m.]

[Milk Order Nos. 106, 126]

PART 1106—MILK IN OKLAHOMA METROPOLITAN MARKETING AREA

PART 1126—MILK IN NORTH TEXAS MARKETING AREA

Order Amending Orders

Findings and determinations. The findings and determinations hereinafter set forth are supplementary and in addition to the findings and determinations previously made in connection with the issuance of each of the aforesaid orders and of the previously issued amendments thereto; and all of the said previous findings and determinations are hereby ratified and affirmed, except insofar as such findings and determinations may be in conflict with the findings and determinations set forth herein. The following findings and determinations are hereby made with respect to each of the aforesaid orders.

(a) *Findings upon the basis of the hearing record.* Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.), and the applicable rules of practice and procedure governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), a public hearing was held upon certain proposed amendments to the tentative marketing agreement and to the order regulating the handling of milk in the above designated marketing area. Upon the basis of the evidence introduced at such hearing and the record thereof, it is found that:

(1) The said order as hereby amended, and all of the terms and conditions thereof, will tend to effectuate the declared policy of the Act;

(2) The parity prices of milk, as determined pursuant to section 2 of the Act, are not reasonable in view of the price of feeds, available supplies of feeds, and other economic conditions which affect market supply and demand for milk in the said marketing area, and the minimum prices specified in the order as hereby amended, are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest; and

(3) The said order as hereby amended, regulates the handling of milk in the same manner as, and is applicable only to persons in the respective classes of industrial or commercial activity specified in, a marketing agreement upon which a hearing has been held.

(b) *Additional findings.* It is necessary in the public interest to make this order amending the order effective not later than January 1, 1967. Any delay beyond that date would tend to disrupt the orderly marketing of milk in the marketing area.

The provisions of the said order are known to handlers. The recommended decision of the Deputy Administrator, Regulatory Programs, was issued December 7, 1966, and the decision of the Assistant Secretary containing all amendment provisions of this order was issued December 19, 1966. The changes effected by this order will not require extensive preparation or substantial alteration in method of operation for handlers. In view of the foregoing, it is hereby found and determined that good cause exists for making this order amending the order effective January 1, 1967, and that it would be contrary to the public interest to delay the effective date of this amendment for 30 days after its publication in the FEDERAL REGISTER. (5 U.S.C. 553(d)(1966))

(c) *Determinations.* It is hereby determined that:

(1) The refusal or failure of handlers (excluding cooperative associations specified in section 8c(9) of the Act) of more than 50 percent of the milk, which is marketed within the marketing area, to sign a proposed marketing agreement, tends to prevent the effectuation of the declared policy of the Act;

(2) The issuance of this order, amending the order, is the only practical means pursuant to the declared policy of the Act of advancing the interests of producers as defined in the order as hereby amended; and

(3) The issuance of the order amending the order is approved or favored by at least two-thirds of the producers who during the determined representative period were engaged in the production of milk for sale in the marketing area.

Order relative to handling. It is therefore ordered, that on and after the effective date hereof, the handling of milk in the respective designated marketing areas shall be in conformity to and in compliance with the terms and conditions of the aforesaid orders, as amended, and as hereby further amended, as follows:

The introductory text of § 1106.51(a) of the Oklahoma Metropolitan order is revised as follows:

§ 1106.51 Class prices.

* * * * *

(a) *Class I milk.* The basic formula price for the preceding month plus $1.48 during the months of April, May, and June and $1.88 during all other months, except that for each of the months of September through December, such price shall not be less than that for the preceding month, and that for each of the months of April through June such price shall not be more than that for the preceding month. To this price add or subtract a supply-demand adjustment of not more than 50 cents (no supply-demand adjustment shall apply for each of the months of January through March 1967) computed as follows:

* * * * *

The introductory text of § 1126.51(a) of the North Texas order is revised as follows:

§ 1126.51 Class prices.

* * * * *

(a) *Class I price.* The Class I price shall be the basic formula price for the preceding month (rounded to the nearest one-tenth cent) plus $1.85 for the months of March through June, and plus $2.25 for all other months; and subject to a supply-demand adjustment of not more than 50 cents (no supply-demand adjustment shall apply for each of the months of January through March 1967) computed as follows:

* * * * *

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

Effective date: January 1, 1967.

Signed at Washington, D.C., on December 28, 1966.

GEORGE L. MEHREN,
Assistant Secretary.

[F.R. Doc. 66–14062; Filed, Dec. 30, 1966; 8:45 a.m.]

Chapter XI—Consumer and Marketing Service (Marketing Agreements and Orders; Miscellaneous Commodities), Department of Agriculture

PART 1205—COTTON RESEARCH AND PROMOTION ORDERS

Subpart—Cotton Research and Promotion Order

On November 9, 1966, there was published in the FEDERAL REGISTER (F.R. Doc. 66–12201; 31 F.R. 14441) a proposed Cotton Research and Promotion Order which was annexed to and made a part of the decision and referendum order of the Secretary of Agriculture. The referendum was conducted among cotton producers during the period December 5–9, 1966, to determine whether the requisite number of producers voting

in the referendum favor the issuance of said Cotton Research and Promotion Order; and such producers favored such issuance. Therefore, it is hereby ordered that at the time hereinafter specified, the aforesaid Cotton Research and Promotion Order shall become effective. All of the findings, determinations, and terms and conditions of the aforesaid order shall be, and the same hereby are, the findings, determinations, and terms and conditions of this order as if set forth in full herein.

The aforesaid findings and determinations are hereby supplemented by the additional findings and determinations set forth in § 1205.300 (b) and (c) below.

Issued at Washington, D.C., this 28th day of December 1966, to become effective upon publication in the FEDERAL REGISTER.

GEORGE L. MEHREN,
Assistant Secretary.

Subpart—Cotton Research and Promotion Order

Sec.

AUTHORITY: The provisions of this subpart issued under sec. 5, Cotton Research and Promotion Act (sec. 5, 80 Stat. 280).

§ 1205.300 Findings and determinations.

(a) *Findings on the basis of the hearing record.* Pursuant to the Cotton Research and Promotion Act (80 Stat. 279), and the applicable rules of practice and procedure (7 CFR Part 1205, 31 F.R. 10510), public hearing sessions on a proposed cotton research and promotion order were held in Memphis, Tenn., on August 22–24, 1966, in Dallas, Tex., on August 25–26, in Phoenix, Ariz., on August 29–30, and in Atlanta, Ga., on September 1–2. On the basis of the evidence adduced at the hearing, and the record thereof, it is found that:

(1) The said order, and all of the terms and conditions thereof, will tend to effectuate the declared policy of the act; and

(2) All cotton produced and handled in the United States is in the current of interstate or foreign commerce, or directly burdens, obstructs, or affects interstate or foreign commerce in cotton and cotton products.

(b) *Additional findings.* It is hereby found that good cause exists for making this order effective upon publication in the FEDERAL REGISTER so that the Cotton Board, the administrative agency provided for in the order, can be selected and organized, and start to function as soon as possible. In order for the Board to be ready to start the collection of producer assessments of $1 per bale at the beginning of the 1967 ginning season, it will be necessary to issue rules and regulations to govern the collection system, including the designation of handlers responsible for collecting the assessments. These proceedings and actions are expected to take about 5 months; and no such collections will be required prior thereto.

The provisions of the order are well known to cotton producers and other interested parties by reason of the public hearing and other procedures previously conducted with respect to the order, and the publication in the FEDERAL REGISTER of the notice of hearing, and recommended and final decisions (Aug. 5, 1966 (31 F.R. 10532); Oct. 5, 1966 (31 F.R. 12956); and Nov. 9, 1966 (31 F.R. 14441), respectively). All producers eligible to vote in the referendum were mailed a summary of the provisions of the order and copies of the entire order were available to producers and other interested parties upon request. Compliance with the provisions of this order will not require advance preparation on the part of persons subject thereto which cannot be completed prior to the effective date of regulations that may be issued thereunder, and no useful purpose would be served by postponing the effective date beyond the date of publication in the FEDERAL REGISTER. Therefore, good cause exists for not delaying the effective date hereof beyond publication in the FEDERAL REGISTER.

(c) *Determinations.* It is hereby determined that the issuance of this order is approved or favored by not less than two-thirds of the cotton producers who participated in a referendum held during the period December 5–9, 1966, on the question of its approval, and who, during calendar year 1966 (the period determined to be a representative period for the purpose of such referendum) were engaged in the production of upland cotton in the United States for the 1966 crop.

It is therefore ordered:

DEFINITIONS

§ 1205.301 Secretary.

"Secretary" means the Secretary of Agriculture of the United States, or any officer or employee of the U.S. Department of Agriculture to whom authority has heretofore been delegated, or to whom authority may hereafter be delegated, to act in his stead.

§ 1205.302 Act.

"Act" means the Cotton Research and Promotion Act (Public Law 89–502, 89th Congress, approved July 13, 1966, 80 Stat. 279).

§ 1205.303 Person.

"Person" means any individual, partnership, corporation, association, or any other entity.

§ 1205.304 Cotton.

"Cotton" means all upland cotton harvested in the United States, and except as used in §§ 1205.308, 1205.331, and 1205.332, includes cottonseed of such cotton and the products derived from such cotton and its seed.

§ 1205.305 Fiscal period.

"Fiscal period" is the 12-month budgetary period and means the calendar year unless the Cotton Board, with the approval of the Secretary, selects some other 12-months budgetary period.

§ 1205.306 Cotton Board.

"Cotton Board" means the administrative body established pursuant to § 1205.318.

§ 1205.307 Producer.

"Producer" means any person who shares in a cotton crop actually harvested on a farm, or in the proceeds thereof, as an owner of the farm, cash tenant, landlord of a share tenant, share tenant, or sharecropper.

§ 1205.308 Handler.

"Handler" means any person who handles cotton, including the Commodity Credit Corporation.

§ 1205.309 Handle.

"Handle" means to harvest, gin, warehouse, compress, purchase, market, transport, or otherwise acquire ownership or control of cotton.

§ 1205.310 United States.

"United States" means the 50 States of the United States of America.

§ 1205.311 Cotton-producing State.

"Cotton-producing State" means each of the following States and combinations of States:

Alabama-Florida;	New Mexico;
Arizona;	North Carolina-Virginia;
Arkansas;	Oklahoma;
California-Nevada;	South Carolina;
Georgia;	Tennessee-Kentucky
Louisiana;	Texas.
Mississippi;	
Missouri-Illinois;	

§ 1205.312 Marketing.

"Marketing" includes the sale of cotton or the pledging of cotton to the Commodity Credit Corporation as collateral for a price support loan.

§ 1205.313 Cotton-producer organization.

"Cotton-producer organization" means any organization which has been certified by the Secretary pursuant to § 1205.337.

§ 1205.314 Contracting organization or association.

"Contracting organization or association" means the organization or association with which the Cotton Board has entered into a contract or agreement pursuant to § 1205.328(c).

§ 1205.315 Cotton-producing region.

"Cotton-producing region" means each of the following groups of cotton-producing States:

(a) Southeast Region: Alabama-Florida, Georgia, North Carolina-Virginia, and South Carolina;

(b) Midsouth Region: Arkansas, Louisiana, Mississippi, Missouri-Illinois, and Tennessee-Kentucky;

(c) Southwest Region: Oklahoma and Texas;

(d) Western Region: Arizona, California-Nevada, and New Mexico.

§ 1205.316 Marketing year.

"Marketing year" means a consecutive 12-month period ending on July 31.

§ 1205.317 Part and subpart.

"Part" means the cotton research and promotion order and all rules, regulations and supplemental orders issued pursuant to the act and the order, and the aforesaid order shall be a "subpart" of such part.

COTTON BOARD

§ 1205.318 Establishment and membership.

There is hereby established a Cotton Board composed of representatives of cotton producers, each of whom shall have an alternate, selected by the Secretary from nominations submitted by eligible producer organizations within a cotton-producing State, as certified pursuant to § 1205.337, or, if the Secretary determines that a substantial number of producers are not members of or their interests are not represented by any such eligible producer organizations, from nominations made by producers in the manner authorized by the Secretary. Each cotton-producing State shall be represented by at least one member and by an additional member for each 1 million bales or major fraction (more than one-half) thereof of cotton produced in the State and marketed above 1 million bales during the period specified in the regulations for determining Board membership.

§ 1205.319 Term of office.

The members of the Board and their alternates shall serve for terms of 3 years, but the initial members and alternates shall be selected to represent the cotton-producing States in each of the cotton-producing regions for terms expiring on December 31, 1968, 1969, or 1970, so that, as nearly as practicable, the terms of one-third of the members and their alternates from cotton-producing States in any such region expire each year. Each member and alternate member shall continue to serve until his successor is selected and has qualified.

§ 1205.320 Nominations.

All nominations authorized under § 1205.318 shall be made within such period of time and in such manner as the Secretary shall prescribe. The eligible producer organizations within each cotton-producing State, as certified pursuant to § 1205.337, shall caucus for the purpose of jointly nominating two qualified persons for each member and for each alternate member to be selected to represent the cotton producers of such cotton-producing State. If joint agreement is not reached with respect to the nominees for any such position each such organization may nominate two qualified persons for any position on which there was no agreement.

§ 1205.321 Selection.

From the nominations made pursuant to §§ 1205.318 and 1205.320 the Secretary shall select the members of the Board and an alternate for each such member on the basis of the representation provided for in §§ 1205.318 and 1205.319.

§ 1205.322 Acceptance.

Any person selected by the Secretary as a member or as an alternate member of the Board shall qualify by filing a written acceptance with the Secretary promptly after being notified of such selection.

§ 1205.323 Vacancies.

To fill any vacancy occasioned by the failure of any person selected as a member or as an alternate member of the Board to qualify, or in the event of the death, removal, resignation, or disqualification of any member or alternate member of the Board, a successor for the unexpired term of such member or alternate member of the Board shall be nominated and selected in the manner specified in §§ 1205.318, 1205.320, and 1205.321.

§ 1205.324 Alternate members.

An alternate member of the Board, during the absence of the member for whom he is the alternate, shall act in the place and stead of such member and perform such other duties as assigned. In the event of the death, removal, resignation, or disqualification of a member, his alternate shall act for him until a successor for such member is selected and qualified. In the event both a member of the Board and his alternate are unable to attend a Board meeting, the Board may designate any other alternate member from the same cotton-producing State or region to serve in such member's place and stead at such meeting.

§ 1205.325 Procedure.

A majority of the members of the Board, or alternates acting for members, shall constitute a quorum and any action of the Board shall require the concurring votes of at least a majority of those present and voting. At assembled meetings all votes shall be cast in person. For routine and noncontroversial matters which do not require deliberation and the exchange of views, and in matters of an emergency nature when there is not enough time to call an assembled meeting of the Board, the Board may also take action upon the concurring votes of a majority of its members by mail, telegraph or telephone, but any such action by telephone shall be confirmed promptly in writing.

§ 1205.326 Compensation and reimbursement.

The members of the Board, and alternates when acting as members, shall serve without compensation but shall be reimbursed for necessary expenses, as approved by the Board, incurred by them in the performance of their duties under this subpart.

§ 1205.327 Powers.

The Board shall have the following powers:

(a) To administer the provisions of this subpart in accordance with its terms and provisions;

(b) Subject to the approval of the Secretary, to make rules and regulations to effectuate the terms and provisions of this subpart including the designation of the handler responsible for collecting the producer assessment authorized by § 1205.331, which designation may be of different handlers or classes of handlers to recognize differences in marketing practices in any State or area;

(c) To receive, investigate, and report to the Secretary complaints of violations of the provisions of this subpart;

(d) To recommend to the Secretary amendments to this subpart.

§ 1205.328 Duties.

The Board shall have the following duties:

(a) To select from among its members a chairman and such other officers as may be necessary for the conduct of its business, and to define their duties;

(b) To appoint or employ such persons as it may deem necessary and to determine the compensation and to define the duties of each;

(c) With the approval of the Secretary, to enter into contracts or agreements for the development and submission to it of research and promotion plans or projects authorized by § 1205.329, and for the carrying out of such plans or projects when approved by the Secretary, and for the payment of the costs thereof with funds collected pursuant to § 1205.331, with an organization or association whose governing body consists of cotton producers selected by the cotton producer organizations certified by the Secretary under § 1205.337, in such manner that the producers of each cotton-producing State will, to the extent practicable, have representation on the governing body of such organization in the proportion that the cotton marketed by the producers of such State bears to the total cotton marketed by the producers of all cotton-producing States, subject to adjustments to reflect lack of participation in the program by reason of refunds under § 1205.332. Any such contract or agreement shall provide that such contracting organization or association shall develop and submit annually to the Cotton Board, for the purpose of review and making recommendations to the Secretary, a program of research, advertising, and sales promotion projects, together with a budget, or budgets, which shall show the estimated cost to be incurred for such projects, and that any such projects shall become effective upon approval by the Secretary. Any such contract or agreement shall also provide that the contracting organization shall keep accurate records of all its transactions, which shall be available to the Secretary and Board on demand, and make an annual report to the Cotton Board of activities carried out and an accounting for funds received and expended, and such other reports as the Secretary may require;

(d) To review and submit to the Secretary any research and promotion plans or projects which have been developed and submitted to it by the contracting organization or association, together with its recommendations with respect to the approval thereof by the Secretary;

(e) To submit to the Secretary for his approval budgets on a fiscal period basis of its anticipated expenses and disbursements in the administration of this subpart, including probable costs of advertising and promotion and research and development projects as estimated in the budget or budgets submitted to it by the contracting organization or association, with the Board's recommendations with respect thereto;

(f) To maintain such books and records and prepare and submit such reports from time to time to the Secretary as he may prescribe, and to make appropriate accounting with respect to the receipt and disbursement of all funds entrusted to it;

(g) To cause its books to be audited by a competent public accountant at least once each fiscal period and at such other times as the Secretary may request, and to submit a copy of each such audit to the Secretary;

(h) To give the Secretary the same notice of meetings of the Board as is given to members in order that his representative may attend such meetings;

(i) To act as intermediary between the Secretary and any producer or handler;

(j) To submit to the Secretary such information as he may request.

RESEARCH AND PROMOTION

§ 1205.329 Research and promotion.

The Cotton Board shall in the manner prescribed in § 1205.328(c) establish or provide for:

(a) The establishment, issuance, effectuation, and administration of appropriate plans or projects for the advertising and sales promotion of cotton and its products, which plans or projects shall be directed toward increasing the general demand for cotton or its products in accordance with section 6(a) of the act;

(b) The establishment and carrying on of research and development projects and studies with respect to the production, ginning, processing, distribution, or utilization of cotton and its products in accordance with section 6(b) of the act, to the end that the marketing and utilization of cotton may be encouraged, expanded, improved, or made more efficient.

EXPENSES AND ASSESSMENTS

§ 1205.330 Expenses.

The Board is authorized to incur such expenses as the Secretary finds are reasonable and likely to be incurred by the Board for its maintenance and functioning and to enable it to exercise its powers and perform its duties in accordance with the provisions of this subpart. The funds to cover such expenses shall be paid from assessments received pursuant to § 1205.331.

§ 1205.331 Assessments.

Each cotton producer or other person for whom cotton is being handled shall pay to the handler thereof designated by the Cotton Board pursuant to regulations issued by the Board and such handler shall collect from the producer or other person for whom the cotton, including cotton owned by the handler, is being handled, and shall pay to the Cotton Board, at such times and in such manner as prescribed by regulations issued by the Board, an assessment at the rate of $1 per bale of cotton handled, for such expenses and expenditures, including provision for a reasonable reserve, as the Secretary finds are reasonable and likely to be incurred by the Cotton Board under this subpart, except that no more than one such assessment shall be made on any bale of cotton.

§ 1205.332 Producer refunds.

Any cotton producer against whose cotton any assessment is made under the authority of the act and collected from him and who is not in favor of supporting the research and promotion program as provided for in this subpart shall have the right to demand and receive from the Cotton Board a refund of such assessment upon submission of proof satisfactory to the Board that the producer paid the assessment for which refund is sought. Any such demand shall be made personally by such producer in accordance with regulations and on a form and within a time period prescribed by the Board and approved by the Secretary. Such time period shall give the producer at least 90 days from the date of collection to submit the refund form to the Board. Any such refund shall be made within 60 days after demand therefor.

§ 1205.333 Influencing governmental action.

No funds collected by the Board under this subpart shall in any manner be used for the purpose of influencing governmental policy or action except in recommending to the Secretary amendments to this subpart.

REPORTS, BOOKS, AND RECORDS

§ 1205.334 Reports.

Each handler subject to this subpart may be required to report to the Cotton Board periodically such information as is required by regulations, which information may include but not be limited to, the following:

(a) Number of bales handled;

(b) Number of bales on which an assessment was collected;

(c) Name and address of person from whom he has collected the assessment on each bale handled;

(d) Date collection was made on each bale handled.

§ 1205.335 Books and records.

Each handler subject to this subpart shall maintain and make available for inspection by the Cotton Board and the Secretary such books and records as are necessary to carry out the provisions of this subpart and the regulations issued thereunder, including such records as are necessary to verify any reports required. Such records shall be retained for at least 2 years beyond the marketing year of their applicability.

§ 1205.336 Confidential treatment.

(a) All information obtained from such books, records, or reports shall be kept confidential by all officers and employees of the Department of Agriculture and of the Cotton Board, and only such information so furnished or acquired as the Secretary deems relevant shall be disclosed by them, and then only in a suit or administrative hearing brought at the direction, or upon the request, of the Secretary of Agriculture, or to which he or any officer of the United States is a party, and involving this subpart. Nothing in this § 1205.336 shall be deemed to prohibit (1) the issuance of general statements based upon the reports of a number of handlers subject to this subpart, which statements do not identify the information furnished by any person, or (2) the publication by direction of the Secretary, of the name of any person violating this subpart, to-

gether with a statement of the particular provisions of this subpart violated by such person.

(b) All information with respect to refunds made to individual producers shall be kept confidential by all officers and employees of the Department of Agriculture and of the Cotton Board.

CERTIFICATION OF COTTON PRODUCER ORGANIZATION

§ 1205.337 Certification of cotton producer organization.

Any cotton producer organization within a cotton-producing State may request the Secretary for certification of eligibility to participate in nominating members and alternate members to represent such State on the Cotton Board. Such eligibility shall be based in addition to other available information upon a factual report submitted by the organization which shall contain information deemed relevant and specified by the Secretary for the making of such determination, including the following:

(a) Geographic territory within the State covered by the organization's active membership;

(b) Nature and size of the organization's active membership in the State, proportion of total of such active membership accounted for by farmers, a map showing the cotton-producing counties in such State in which the organization has members, the volume of cotton produced in each such county, the number of cotton producers in each such county, and the size of the organization's active cotton producer membership in each such county;

(c) The extent to which the cotton producer membership of such organization is represented in setting the organization's policies;

(d) Evidence of stability and permanency of the organization;

(e) Sources from which the organization's operating funds are derived;

(f) Functions of the organization; and

(g) The organization's ability and willingness to further the aims and objectives of the act.

The primary consideration in determining the eligibility of an organization shall be whether its cotton farmer membership consists of a sufficiently large number of the cotton producers who produce a relatively significant volume of cotton to reasonably warrant its participation in the nomination of members for the Cotton Board. Any cotton producer organization found eligible by the Secretary under this § 1205.337 will be certified by the Secretary, and his determination as to eligibility is final.

MISCELLANEOUS

§ 1205.338 Suspension and termination.

(a) The Secretary will, whenever he finds that this subpart or any provision thereof obstructs or does not tend to effectuate the declared policy of the act, terminate or suspend the operation of this subpart or such provision.

(b) The Secretary may conduct a referendum at any time, and shall hold a referendum on request of 10 per centum or more of the number of cotton producers voting in the referendum approving this subpart, to determine whether cotton producers favor the termination or suspension of this subpart, and he shall suspend or terminate such subpart at the end of the marketing year whenever he determines that its suspension or termination is approved or favored by a majority of the producers of cotton voting in such referendum who, during a representative period determined by the Secretary, have been engaged in the production of cotton, and who produced more than 50 per centum of the volume of the cotton produced by the cotton producers voting in the referendum.

§ 1205.339 Proceedings after termination.

(a) Upon the termination of this subpart the Cotton Board shall recommend not more than five of its members to the Secretary to serve as trustees, for the purpose of liquidating the affairs of the Cotton Board. Such persons, upon designation by the Secretary, shall become trustees of all of the funds and property then in the possession or under control of the Board, including claims for any funds unpaid or property not delivered or any other claim existing at the time of such termination.

(b) The said trustees shall (1) continue in such capacity until discharged by the Secretary; (2) carry out the obligations of the Cotton Board under any contracts or agreements entered into by it pursuant to § 1205.328(c); (3) from time to time account for all receipts and disbursements and deliver all property on hand, together with all books and records of the Board and of the trustees, to such person or persons as the Secretary may direct; and (4) upon the request of the Secretary execute such assignments or other instruments necessary or appropriate to vest in such person or persons full title and right to all of the funds, property, and claims vested in the Board or the trustees pursuant to this § 1205.339.

(c) Any person to whom funds, property, or claims have been transferred or delivered pursuant to this § 1205.339 shall be subject to the same obligation imposed upon the Cotton Board and upon the trustees.

(d) Any residual funds not required to defray the necessary expenses of liquidation shall be turned over to the Secretary to be disposed of, to the extent practicable, in the interest of continuing one or more of the cotton research or promotion programs hitherto authorized.

§ 1205.340 Effect of termination or amendment.

Unless otherwise expressly provided by the Secretary, the termination of this subpart or of any regulation issued pursuant thereto, or the issuance of any amendment to either thereof, shall not (a) affect or waive any right, duty, obligation, or liability which shall have arisen or which may thereafter arise in connection with any provision of this subpart or any regulation issued thereunder, or (b) release or extinguish any violation of this subpart or any regulation issued thereunder, or (c) affect or impair any rights or remedies of the United States, or of the Secretary, or of any other person, with respect to any such violation.

§ 1205.341 Personal liability.

No member or alternate member of the Cotton Board shall be held personally responsible, either individually or jointly with others, in any way whatsoever, to any person for errors in judgment, mistakes, or other acts, either of commission or omission, as such member or alternate, except for acts of dishonesty or wilful misconduct.

§ 1205.342 Separability.

If any provision of this subpart is declared invalid or the applicability thereof to any person or circumstances is held invalid, the validity of the remainder of this subpart or the applicability thereof to other persons or circumstances shall not be affected thereby.

[F.R. Doc. 66-14059; Filed, Dec. 30, 1966; 8:49 a.m.]

Title 12—BANKS AND BANKING

Chapter I—Bureau of the Comptroller of the Currency, Department of the Treasury

PART 8—ASSESSMENT OF FEES; NATIONAL BANKS, DISTRICT OF COLUMBIA BANKS

Rates for Special Examinations and Investigations

This amendment issued under authority of R.S. 5240, as amended, 12 U.S.C. 482; section 3, 47 Stat. 1566, 26 D.C. Code 102, applies to special examinations the daily rates presently in effect with respect to investigations. Since the change is administrative in nature, this amendment will become effective upon publication.

Part 8, Chapter I, Title 12 of the Code of Federal Regulations is amended by revising § 8.3 to read as follows:

§ 8.3 Daily rate for special examinations and investigations.

The assessment rate for special examinations, investigations of applications for new branches of banks, changes in locations of branches, and miscellaneous investigations, is $100 a day for the Examiner-in-Charge and $50 a day for each additional Examiner.

Dated: December 27, 1966.

[SEAL] WILLIAM B. CAMP,
Comptroller of the Currency.

[F.R. Doc. 66-14044; Filed, Dec. 30, 1966; 8:48 a.m.]

Chapter V—Federal Home Loan Bank Board

SUBCHAPTER B—FEDERAL HOME LOAN BANK SYSTEM

[No. 20,374]

PART 526—LIMITATIONS ON RATE OF RETURN

Maximum Rate of Return Payable on Regular Accounts

DECEMBER 29, 1966.

Resolved, that the Federal Home Loan Bank Board, upon the basis of consideration by it of the advisability of amending § 526.3 of the regulations for the Federal Home Loan Bank System (12 CFR 526.3), relating to limitations on rate of return, to adjust the rates of return payable on withdrawable accounts by members of the system in the forthcoming distribution period and for the purpose of effecting such amendment, hereby amends § 526.3 of the regulations for the Federal Home Loan Bank System (12 CFR 526.3) as follows, effective January 2, 1967.

In § 526.3, subparagraph (1) of paragraph (b) is revised. As amended, subparagraph (1) of paragraph (b) of § 526.3 reads as follows:

§ 526.3 Maximum rate of return payable on regular accounts.

* * * * *

(b) *Institutions at higher rates.* (1) A member institution whose home office is located (i) in Oregon or in a State as to which the regional Federal Home Loan Bank has determined that a majority measured in savings capital of its member institutions with home offices located therein had as of November 30, 1966, an announced rate of return on regular accounts in excess of 4.75 percent per annum and (ii) in a Standard Metropolitan Statistical Area, or county not in such area, as to which such a determination has also been made, or in a county completely bounded in its State by counties as to which such determination has been made, may pay a return on regular accounts at a rate not in excess of 5 percent per annum.

* * * * *

(Sec. 4, 80 Stat. 823; 12 U.S.C. 1425b)

Resolved further that, since affording notice and public procedure on the above amendment would prevent it from becoming effective at the beginning of the next distribution period, the Board hereby finds that notice and public procedure on said amendment are contrary to the public interest under the provisions of § 508.12 of the general regulations of the Federal Home Loan Bank Board or 5 U.S.C. 553(b).

By the Federal Home Loan Bank Board.

[SEAL] GRENVILLE L. MILLARD, Jr.,
Assistant Secretary.

[F.R. Doc. 66-14075; Filed, Dec. 30, 1966; 8:49 a.m.]

SUBCHAPTER D—FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

[No. FSLIC-2,949]

PART 565—TERMINATION OF INSURANCE

DECEMBER 22, 1966.

Resolved that the Federal Home Loan Bank Board, upon the basis of consideration by it of the advisability of amending the Rules and Regulations for Insurance of Accounts to implement the authority to terminate insurance of insured institutions, conveyed to it by Public Law 89-695, approved October 16, 1966, and for the purpose of effecting such amendment hereby revises Part 565 of the Rules and Regulations for Insurance of Accounts (12 CFR Part 565) to read as follows effective December 31, 1966.

Sec.
565.1 Voluntary termination of insurance.
565.2 Termination by the Corporation.
565.3 Termination of insurance resulting from removal from Federal Home Loan Bank membership.
565.4 Date of termination of insured status.
565.5 Notice to insured members.
565.6 Cessation of existence; mergers and consolidations.
565.7 Cessation of existence; other cases.
565.8 Surrender of insurance certificate.

AUTHORITY: The provisions of this Part 565 issued under sec. 402, 407, 48 Stat. 1256, 1257, as amended; 12 U.S.C. 1725, 1730. Reorg. Plan No. 3 of 1947, 12 F.R. 4981, 3 CFR, 1947 Supp.

§ 565.1 Voluntary termination of insurance.

Any insured institution other than a Federal savings and loan association may terminate its status as an insured institution by written notice to the Corporation specifying a date for such termination, accompanied by evidence of appropriate corporate authorization therefor.

§ 565.2 Termination by the Corporation.

(a) *Grounds for termination.* Any one or more of the following shall constitute grounds for termination by the Corporation of the status of an insured institution as an insured institution:

(1) The institution has violated its duty as an insured institution;

(2) The institution is engaging or has engaged in an unsafe or unsound practice in conducting the business of such institution;

(3) The institution is in an unsafe or unsound condition to continue operations as an insured institution; or

(4) The institution is violating or has violated an applicable law, rule, regulation, or order, or any condition imposed in writing by the Corporation in connection with the granting of any application or other request by the institution, or any written agreement entered into with the Corporation, including any agreement entered into under section 403 of the National Housing Act.

(b) *Statement with respect to violations or practices or conditions.* In the event the Corporation is of the opinion that one or more of the grounds enumerated in paragraph (a) of this section exists as to any insured institution, the Corporation will serve upon the institution a statement with respect to such violations or practices or conditions for the purpose of securing the correction thereof, and shall send a copy of such statement to the appropriate State supervisory authority.

(c) *Notice of intention to terminate insured status.* An institution served with the statement prescribed in paragraph (b) of this section shall have 120 days after service of such statement within which to make correction of the violations or practices or conditions set forth therein, or such shorter period of not less than 20 days after such service as (1) the appropriate State supervisory authority shall require, or (2) the Corporation shall require in any case where the Corporation determines that its insurance risk with respect to such institution could be unduly jeopardized by further delay in the correction of such violations or practices or conditions. If within such time such correction has not been made or the Corporation shall not have received assurances acceptable to it that such correction will be made within a time and in a manner satisfactory to the Corporation, or in the event such assurances are submitted to and accepted by the Corporation but are not carried out in accordance with their terms, the Corporation may, if it shall determine to proceed further, issue and serve upon the institution written notice of intention to terminate the status of the institution as an insured institution. The notice shall contain a statement of the facts constituting the alleged violation or violations or the unsafe or unsound practice or practices or condition, and shall fix a time and place for a hearing thereon.

(d) *Hearing and order terminating insurance.* The hearing provided for in paragraph (c) of this section shall be fixed for a date not earlier than 30 days after service of such notice. Unless the institution consents to another place, such hearing shall be held in the Federal judicial district or in the territory (as defined in section 407 of the National Housing Act, as amended) in which the principal office of the institution is located. Such hearing shall be conducted in the manner provided in Part 509 of this chapter. Unless the institution appears at the hearing by a duly authorized representative, it shall be deemed to have consented to the termination of its status as an insured institution. In the event of consent, or if upon the record made at any such hearing the Corporation finds that any violation or unsafe or unsound practice or condition specified in such notice has been established and has not been corrected within the time prescribed in paragraph (c) of this section, the Corporation may issue and serve upon the institution an order terminating the status of the institution as an insured institution.

(e) *Service.* Any service upon an institution required or authorized to be made by the Corporation under the pro-

visions of this section shall be made as provided in Part 509 of this chapter. Copies of any statement, notice, or order served upon an institution, pursuant to the provisions of this section, shall also be sent to the appropriate State supervisory authority.

§ 565.3 Termination of insurance resulting from removal from Federal Home Loan Bank membership.

As provided in subsection (i) of section 407 of the National Housing Act, as amended, removal of an insured institution from Federal Home Loan Bank membership under subsection (i) of section 6 of the Federal Home Loan Bank Act, or otherwise, shall automatically constitute an order of termination of the status of such institution as an insured institution.

§ 565.4 Date of termination of insured status.

The effective date of the termination of an institution's status as an insured institution under the foregoing provisions of this part shall be the date specified for such termination in the notice by the institution to the Corporation as provided by § 565.1 (or the date to which such specified date is postponed by the Corporation under subsection (c) of section 407 of the National Housing Act, as amended), or the date upon which an order of termination issued by the Corporation under paragraph (d) of § 565.2, or a removal from Federal Home Loan Bank membership referred to in § 565.3, becomes effective.

§ 565.5 Notice to insured members.

Upon any termination of the status of any institution as an insured institution, such institution shall submit to the Corporation, within 60 days from the date of such termination, satisfactory evidence of the giving of notice of termination of insurance of accounts to its insured members, as provided by law, together with a copy of the notice given. In the event of the failure of any such institution to submit such evidence within the 60-day period or in the event the Corporation determines the form of notice given by such institution is unsatisfactory, the Corporation may give such notice to the insured members of the institution of the termination of its status as an insured institution as the Corporation determines appropriate.

§ 565.6 Cessation of existence; mergers and consolidations.

Subject to the provisions of § 563.16 of this subchapter, the termination of the existence of an insured institution by merger or consolidation shall terminate, as of the effective date of such merger or consolidation, the insured status of such insured institution and all rights of its insured members to insurance by this Corporation and its liability for insurance premiums, except premiums still unpaid (including current annual premium) shall cease as of such date.

§ 565.7 Cessation of existence; other cases.

In connection with any other case of cessation of existence of an insured institution, by lapse of charter, dissolution, voluntary liquidation, or otherwise than by reason of a default, the insured status of the insured institution, all rights of its insured members to insurance by this Corporation and its liability for insurance premiums, except premiums still unpaid (including current annual premium) shall cease, as of the date of the distribution of its final liquidation dividend.

§ 565.8 Surrender of insurance certificate.

Upon termination of insurance of any insured institution under this part, the certificate of insurance shall be surrendered to the Corporation for cancellation.

Resolved further that, since the foregoing amendment is designed to implement the authority conveyed to the Board by Public Law 89-695, approved October 16, 1966, and to conform the provisions of the aforesaid part to the provisions of Title IV of the National Housing Act, as amended, the Board finds that notice and public procedure on said amendment are unnecessary under the provisions of § 508.12 of the general regulations of the Federal Home Loan Bank Board (12 CFR 508.12) and 5 U.S.C. 555.3(a) and, for the same reason, the Board hereby finds that deferral of the effective date of the said amendment pursuant to the provisions of § 508.14 of the general regulations of the Federal Home Loan Bank Board (12 CFR 508.14) and 5 U.S.C. 553(d) is inconsistent with the public interest and the Board provides that the said amendment shall be effective as hereinbefore set forth.

By the Federal Home Loan Bank Board.

[SEAL] GRENVILLE L. MILLARD, Jr.,
Assistant Secretary.

[F.R. Doc. 66-14043; Filed, Dec. 30, 1966; 8:47 a.m.]

[No. FSLIC-2,959]

PART 569—LIMITATIONS ON RATE OF RETURN

Maximum Rate of Return Payable on Regular Accounts

DECEMBER 29, 1966.

Resolved that the Federal Home Loan Bank Board, upon the basis of consideration by it of the advisability of amending § 569.3 of the rules and regulations for Insurance of Accounts (12 CFR 569.3), relating to limitations on rate of return, to adjust the rates of return payable on withdrawable accounts by institutions insured by the Federal Savings and Loan Insurance Corporation in the forthcoming distribution period and for the purpose of effecting such amendment, hereby amends § 569.3 of the rules and regulations for Insurance of Accounts (12 CFR 569.3) as follows, effective January 2, 1967:

In § 569.3, subparagraph (1) of paragraph (b) is revised. As amended, subparagraph (1) of paragraph (b) of § 569.3 reads as follows:

§ 569.3 Maximum rate of return payable on regular accounts.

* * * * *

(b) *Institutions at higher rates.* (1) An insured institution whose home office is located (i) in Oregon or in a State as to which the regional Federal Home Loan Bank has determined that a majority measured in savings capital of its member institutions with home offices located therein had as of November 30, 1966, an announced rate of return on regular accounts in excess of 4.75 percent per annum, and (ii) in a Standard Metropolitan Statistical Area, or county not in such area, as to which such a determination has also been made, or in a county completely bounded in its State by counties as to which such determination has been made, may pay a return on regular accounts at a rate not in excess of 5 percent per annum.

* * * * *

(Sec. 4, 80 Stat. 823; 12 U.S.C. 1425b)

Resolved further that, since affording notice and public procedure on the above amendment would prevent it from becoming effective at the beginning of the next distribution period, the Board hereby finds that notice and public procedure on said amendment are contrary to the public interest under the provisions of § 508.12 of the general regulations of the Federal Home Loan Bank Board or 5 U.S.C. 553(b).

By the Federal Home Loan Bank Board.

[SEAL] GRENVILLE L. MILLARD, Jr.,
Assistant Secretary.

[F.R. Doc. 66-14076; Filed, Dec. 30, 1966; 8:49 a.m.]

Title 13—BUSINESS CREDIT AND ASSISTANCE

Chapter I—Small Business Administration

[Rev. 6; Amdt. 12]

PART 121—SMALL BUSINESS SIZE STANDARDS

Procedure Covering Small Business Size Appeals

The Small Business Size Standards Regulation (Revision 6), as amended, provides that a party may appeal to the Size Appeals Board by filing a notice of appeal with the Chairman, Size Appeals Board. There is no requirement that extra copies of the notice be filed with the Board. The regulation also provides that an interested party wishing to file a statement with the Board as to whether the appeal should or should not be denied, need file such statement only in duplicate.

The Small Business Administration has determined that the proceedings of the Size Appeals Board will be expedited if, in addition to the original of any documents filed in connection with size appeals, four legible copies also be filed. Accordingly, the amendment set forth below is hereby adopted.

The Small Business Size Standards Regulation (Revision 6) (31 F.R. 9721), as amended (31 F.R. 10114, 11651, 11973, 12479, 12572, 14311, 14351, 14516, 14544, 14737, 15145, 15737) is hereby further amended by revising § 121.3-6 (b) (4) and (d) to read as follows:

§ 121.3-6 Appeals.

* * * * *

(b) *Method of appeal.* * * *

(4) *Notice of Appeal.* No particular form is prescribed for the notice of appeal. However, the appellant shall submit to the Board an original and four legible copies of such notice, and, to avoid time consuming correspondence, the notice should include the following information:

(i) Name and address of concern on which the size determination was made;

(ii) The character of the determination from which appeal is taken and its date;

(iii) If applicable, the IFB or contract number and date, and the name and address of the contracting officer;

(iv) A concise and direct statement of the reasons why the decision of a Regional Director or contracting officer is alleged to be erroneous;

(v) Documentary evidence in support of such allegations; and

(vi) Action sought by the appellant.

* * * * *

(d) *Statement of interested parties.* After receipt of a copy of appellant's notice of appeal, interested parties may file with the Board a signed statement, together with four legible copies thereof, as to why the appeal should or should not be denied. Such statement shall be accompanied by appropriate evidence. Copies of such statements and appropriate evidence will be furnishesd to the appellant. Such statements and supporting evidence shall be mailed or delivered to the Chairman, Size Appeals Board, Small Business Administration, Washington, D.C. 20416, within five (5) days of the receipt of the copy of notice of appeal unless an extension is for cause granted by the Chairman of the Size Appeals Board.

* * * * *

This amendment shall become effective on publication in the FEDERAL REGISTER.

Dated: December 21, 1966.

BERNARD L. BOUTIN,
Administrator.

[F.R. Doc. 66-14038; Filed, Dec. 30, 1966; 8:47 a.m.]

Title 14—AERONAUTICS AND SPACE

Chapter I—Federal Aviation Agency

[Airspace Docket No. 66-SW-56]

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

Alteration of Control Zone and Transition Areas

The purpose of this amendment to Part 71 of the Federal Aviation Regulations is to alter the descriptions of the Harrison, Ark., control zone and transition area which include reference to the Harrison Municipal Airport. This action is necessary since the name of the Harrison Municipal Airport has been changed to Boone County Airport. Since this amendment is editorial in nature and imposes no additional burden on any person, notice and public procedures hereon are unnecessary and the amendment may be made effective immediately.

In consideration of the foregoing, Part 71 of the Federal Aviation Regulations is amended, effective immediately, as hereinafter set forth.

In § 71.171 (31 F.R. 2097) the Harrison, Ark., control zone is amended to read:

HARRISON, ARK.

Within a 3-mile radius of the Boone County Airport (latitude 36°15'55" N., longitude 93°09'20" W.) and within 2 miles each side of the Harrison VOR 136° radial, extending from the 3-mile radius zone to the VOR.

In § 71.181 (31 F.R. 2197) the Harrison, Ark., transition area is amended to read:

HARRISON, ARK.

That airspace extending upward from 700 feet above the surface within a 5-mile radius of the Boone County Airport (latitude 36°15'55" N., longitude 93°09'20" W.) within 2 miles each side of the Harrison VOR 316° radial, extending from the 5-mile radius area to 8 miles NW of the VOR; and that airspace extending upward from 1,200 feet above the surface within 8 miles NE and 5 miles SW of the Harrison VOR 316° and 136° radials, extending from 13 miles NW to 7 miles SE of the VOR.

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

Issued in Fort Worth, Tex., on December 21, 1966.

HENRY L. NEWMAN,
Director, Southwest Region.

[F.R. Doc. 66-14017; Filed, Dec. 30, 1966; 8:46 a.m.]

[Airspace Docket No. 66-SO-84]

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

Alteration of Control Zone

On November 9, 1966, a notice of proposed rule making was published in the FEDERAL REGISTER (31 F.R. 14408) stating that the Federal Aviation Agency was considering an amendment to Part 71 of the Federal Aviation Regulations that would alter the Smyrna, Tenn., control zone.

Interested persons were afforded an opportunity to participate in the 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., March 2, 1967, as hereinafter set forth.

In § 71.171 (31 F.R. 2065), the Smyrna, Tenn., control zone is amended to read:

SMYRNA, TENN.

Within a 5-mile radius of the Sewart Air Force Base (latitude 36°00'27" N., longitude 86°31'21" W.), and within 2 miles each side of the Sewart TACAN 128° radial extending from the 5-mile radius zone to 7 miles SE of the TACAN.

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

Issued in East Point, Ga., on December 20, 1966.

JAMES G. ROGERS,
Director, Southern Region.

[F.R. Doc. 66-14019; Filed, Dec. 30, 1966; 8:46 a.m.]

[Airspace Docket No. 66-WE-79]

PART 73—SPECIAL USE AIRSPACE

Alteration of Restricted Area

The purpose of this amendment to Part 73 of the Federal Aviation Regulations is to reduce the size of Restricted Area R-6713 at Whidbey Island, Wash.

The Department of the Navy has requested that the upper limits of the designated altitudes of R-6713 be reduced from 10,000 feet MSL to 5,000 feet MSL. Therefore, action is taken herein to effect this change.

Since this amendment is less restrictive to the public, notice and public procedure hereon are unnecessary.

In consideration of the foregoing, Part 73 of the Federal Aviation Regulations is amended, effective upon publication in the FEDERAL REGISTER, as herein set forth.

In § 73.67 (31 F.R. 2341) R-6713 at Whidbey Island, Wash., is amended as follows: "*Designated altitudes.* Surface to 10,000 feet MSL." is deleted and "*Designated altitudes.* Surface to 5,000 feet MSL." is substituted therefor.

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

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

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

[F.R. Doc. 66-14020; Filed, Dec. 30, 1966; 8:46 a.m.]

Title 19—CUSTOMS DUTIES

Chapter I—Bureau of Customs, Department of the Treasury

[T.D. 67-8]

PART 1—GENERAL PROVISIONS

Authority of Customs Officers

Correction

In F.R. Doc. 66-13831 appearing on page 16563 in the issue of Wednesday, December 28, 1966, the section heading which now reads "§ 1.1 *Customs collection districts and ports.*" should read as follows:

§ 1.1 **Authority of customs officers.**

Title 20—EMPLOYEES' BENEFITS

Chapter III—Social Security Administration, Department of Health, Education, and Welfare

[Regs. No. 4, further amended]

PART 404—FEDERAL OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE (1950- - - -)

Subpart J—Procedures, Payment of Benefits, and Representation of Parties

MISCELLANEOUS AMENDMENTS

Regulations No. 4, as amended, of the Social Security Administration (20 CFR 404.1 et seq.) are further amended as follows:

1. Section 404.901 is amended to read as follows:

§ 404.901 Procedures, entitlement to benefits, payment of benefits, and representation of parties.

The provisions contained in this Subpart J govern the procedures for determining and reviewing whether an individual meets the requirements for entitlement to, and the amount and payment of, monthly benefits (including special payments at age 72 under sec. 228 of the Act) and lump sums; determining and reviewing whether an individual meets the requirements for entitlement to hospital insurance benefits and supplementary medical insurance benefits, and for determining and reviewing rights with respect to establishment and continuance of a period of disability and the revision of earnings records. The provisions of this Subpart J also govern the procedures for representation of parties in these matters.

2. Section 404.902 is amended to read as follows:

§ 404.902 Initial and reconsidered determinations of the Social Security Administration.

An initial determination (see §§ 404.905 through 404.908) or a reconsidered determination (see §§ 404.909 through 404.916) of the Social Security Administration is made by that component of the Social Security Administration, other than the Bureau of Hearings and Appeals or the Bureau of Federal Credit Unions, which has jurisdiction over the particular title II (Old-Age, Survivors, and Disability Insurance Benefits) or title XVIII (Hospital and Supplementary Medical Insurance Benefits) proceedings resulting in the determination.

3. Section 404.905 is amended by revising the section heading and paragraphs (a), (b), (d), (f), (h), and (i), and adding paragraphs (l) and (m), to read as follows:

§ 404.905 Administrative actions that are initial determinations.

(a) *Entitlement to monthly benefits, lump sums, hospital insurance benefits, and supplementary medical insurance benefits.* The Administration shall make findings, setting forth the pertinent facts and conclusions, and an initial determination with respect to the entitlement to monthly benefits (including special payments at age 72) or a lump sum under title II of the Act, or entitlement to hospital insurance benefits or supplementary medical insurance benefits under title XVIII of the Act, of any party to the determination who has filed an application for such entitlement. In the case of monthly benefits or a lump sum, the determination shall include the amount, if any, to which the party is entitled and, where applicable, such amount as reduced or increased pursuant to sections 202(j)(1), 202(k)(3), 202(m), 202(q), 203(a), 203(b), 203(c), 203(f), 203(g), 204(a), 222(b), 223, section 224 of the Act before its repeal in 1958, or section 224 of the Act as enacted on July 30, 1965 (sec. 335 of P.L. 89-97) or section 228 of the Act.

(b) *Modification of the amount of monthly benefits or lump sum.* The Administration shall, under the circumstances hereafter stated in this paragraph, make findings, setting forth the pertinent facts and conclusions, and an initial determination as to whether:

(1) An individual or, where appropriate, his survivor may obtain a recomputation or recalculation of the individual's primary insurance amount (see sec. 215(f) of the Act) and, if so, the amount thereof; or

(2) Benefits to which an individual is entitled should be paid under sections 202(k)(2), (3), or (4) of the Act and, if so, the amount thereof; or

(3) There should be a reduction under section 203(a) of the Act, or section 224 of the Act before its repeal in 1958, or section 224 of the Act as enacted on July 30, 1965, or deduction under section 203(b), (c), (d), (f), (g), (h)(2), section 222(b), or reduction or suspension under section 228 of the Act with respect to benefits to which an individual is entitled, because of circumstances existing at or after such entitlement, and, if a reduction or deduction is to be made, the amount thereof; or

(4) There has been an overpayment or underpayment of monthly benefits or a lump sum and, if so, the amount thereof, and the adjustment under section 204(a) or section 204(d) of the Act, to be made by increasing or decreasing the monthly benefits or lump sum to which an individual is entitled; or

(5) There should be a suspension of monthly benefits to an individual entitled to disability insurance benefits by reason of blindness, for months in which it is found the individual engaged in substantial gainful activity, under section 223(a)(1) of the Act.

* * * * *

(d) *Termination of monthly benefits or periods of disability.* The Administration (or, in a disability claim, a State agency when required by a Federal-State agreement pursuant to section 221(b) of the Act) shall, with respect to a party who has been determined to be entitled to monthly benefits, or a period of disability, make findings, setting forth the pertinent facts and conclusions, and an initial determination as to whether, under the applicable provisions of title II of the Act, such party's entitlement to monthly benefits, or a period of disability, has ended and, if so, the last month of such entitlement or period of disability. Such findings of fact and determination shall be made whenever it appears to the Administration that such party's entitlement to monthly benefits, or a period of disability, has ended. The suspension of benefits pursuant to section 202(t) of the Act shall be considered to be a termination thereof for purposes of this section.

* * * * *

(f) *Support of husband, widower, or parent.* The Administration shall make findings, setting forth the pertinent facts and conclusions, and an initial determination as to whether a husband, widower, or parent meets the requirements of support from the insured individual as set forth in the pertinent provisions of section 202 of the Act. Also, whether the evidence of support was submitted to the Administration within the time limits set forth in the Act or under the provisions described in § 404.612 or § 404.617.

* * * * *

(h) *Applicant's failure to submit evidence.* If an individual fails to submit evidence in support of his application for monthly benefits, a lump sum, for entitlement to hospital insurance benefits or supplementary medical insurance benefits, or for a period of disability, as may be requested by the Administration pursuant to any provision of the Act or Subpart H of this part, the Administration may make an initial determination disallowing the individual's claim. The initial determination, however, shall specify the conditions of entitlement that the applicant has failed to establish because of his failure to submit the requested evidence.

(i) *Underpayment due an individual now deceased.* When there is an underpayment of monthly benefits or a lump sum due an individual now deceased, the Administration shall make findings and an initial determination as to whether the underpayment resulted from error, the amount of the underpayment, and the party to whom the underpayment

should be paid pursuant to section 204 of the Act and §§ 404.501 and 404.503.

* * * * *

(l) *Termination of entitlement to hospital and supplementary medical insurance benefits*—(1) *Hospital insurance benefits.* The Administration, shall, with respect to a party who has been determined to be entitled to hospital insurance benefits, make findings, setting forth the pertinent facts and conclusions and an initial determination as to whether under the applicable provisions of title II and title XVIII of the Act, such individual's entitlement to hospital insurance benefits has ended and, if so, the last month of such entitlement.

(2) *Supplementary medical insurance benefits.* The Administration shall, with respect to a party who has been determined to be entitled to supplementary medical insurance benefits, make findings, setting forth the pertinent facts and conclusions, and an initial determination as to whether under section 1838 (b) (2) of the Act, such individual's entitlement to supplementary medical insurance benefits has been terminated because of nonpayment of premiums.

(m) *Waiver of adjustment or recovery of monthly benefits, a lump sum, hospital insurance benefits, or supplementary medical insurance benefits.* The Administration shall make findings, setting forth the pertinent facts and conclusions, and an initial determination as to whether, under sections 204(b) or 1870(c) of the Act, there shall be no adjustment or recovery where an overpayment (including a payment under sec. 1814(e) of the Act) with respect to an individual has been made.

4. Section 404.907 is amended to read as follows:

§ 404.907 Notice of initial determination.

Written notice of an initial determination shall be mailed to the party to the determination at his last known address, except that no such notice shall be required in the case of a determination that a party's entitlement to benefits has ended because of such party's death (see § 404.905(d)). If the initial determination disallows, in whole or in part, the application or request of a party, or if the initial determination is to the effect that a husband, widower, or parent was not receiving the requisite support from an insured individual, or that a party's entitlement to benefits has ended, or that a reduction, deduction, or adjustment is to be made in benefits or a lump sum, or that a period of disability established for a party has terminated, the notice of the determination sent to the party shall state the basis for the determination. Such notice shall also inform the party of the right to reconsideration (see § 404.910) unless such determination is to the effect that a deduction, or, except in disability claims, a termination, is to be made and such determination is based only upon facts reported to the Administration by the party to the determination. Notice of termination because of cessation of disability shall inform the party to the determination of the right to reconsideration, even where the termination was based on a report to the Administration by the party to the determination that his condition improved or that he returned to work.

5. Section 404.910 is amended to read as follows:

§ 404.910 Reconsideration; right to reconsideration.

The Administration shall reconsider an initial determination if a written request for reconsideration is filed, as provided in § 404.911, by or for the party to the initial determination (see § 404.905). The Administration shall also reconsider an initial determination (unless the determination is with respect to the revision of the Administration's earnings records) if a written request for reconsideration is filed, as provided in § 404.911, by an individual as a wife, widow, divorced wife, surviving divorced wife, surviving divorced mother, husband, widower, child, parent, individual alleging equitable entitlement to a lump sum, or representative of a decedent's estate, who makes a showing in writing that his or her rights with respect to monthly benefits, a lump sum, a period of disability, or entitlement to hospital or supplementary medical insurance benefits, may be prejudiced by such determination. The Administration shall also reconsider an initial determination relating to the revision of the Administration's record of the earnings (see § 404.905(g)) of a deceased individual if a written request for reconsideration is filed, as provided in § 404.911, by a person as a widow, divorced wife, surviving divorced wife, surviving divorced mother, widower, child, parent, an individual alleging equitable entitlement to a lump sum, or representative of the decedent's estate.

6. Section 404.917 is amended to read as follows:

§ 404.917 Hearing; right to hearing.

An individual has a right to a hearing about any matter designated in § 404.905, if:

(a) An initial determination and a reconsideration of the initial determination have been made by the Administration; and

(b) The individual is a party referred to in § 404.919 or § 404.920; and

(c) The individual has filed a written request for a hearing under the provisions described in § 404.918.

7. Section 404.919 is amended to read as follows:

§ 404.919 Parties to a hearing.

The parties to a hearing shall be the person or persons who were parties to the initial determination in question and the reconsideration. Any other individual may be made a party if such individual's rights with respect to monthly benefits, a lump sum, a period of disability, or entitlement to hospital insurance benefits or supplementary medical insurance benefits may be prejudiced by the decision, upon notice given to him by the hearing examiner to appear at the hearing or otherwise present such evidence and contentions as to fact or law as he may desire in support of his interest.

8. Section 404.920 is amended to read as follows:

§ 404.920 Additional parties to the hearing.

The following individuals, in addition to those named in § 404.919, may also be parties to the hearing. Unless the hearing is with respect to the revision of an earnings record established and maintained by the Administration, a wife, widow, divorced wife, surviving divorced wife, surviving divorced mother, husband, widower, child, parent, individual alleging equitable entitlement to a lump sum, or representative of a decedent's estate, who makes a showing in writing that such individual's rights with respect to monthly benefits, a lump sum, a period of disability, or entitlement to hospital insurance benefits or supplementary medical insurance benefits may be prejudices by any decision that may be made, may be a party to the hearing. Where the hearing is with respect to the revision of an individual's earnings record, a widow, divorced wife, surviving divorced wife, surviving divorced mother, widower, child, parent, individual alleging equitable entitlement to a lump sum, or representative of the decedent's estate, may after his death, be made a party to the hearing upon filing a written notice of his or her desire to be a party.

9. Section 404.951 is amended to read as follows:

§ 404.951 Effect of Appeals Council's decision or refusal to review.

The Appeals Council may deny a party's request for review or it may grant review and either affirm or reverse the hearing examiner's decision. The decision of the Appeals Council, or the decision of the hearing examiner where the request for review of such decision is denied (see § 404.947), shall be final and binding upon all parties to the hearing unless a civil action is filed in a district court of the United States under the provisions of section 205(g) or section 1869 (b) of the Act, or unless the decision is revised under the provisions described in § 404.956.

10. Section 404.953 is amended to read as follows:

§ 404.953 Extension of time to request reconsideration.

If a party to an initial determination desires to file a request for reconsideration after the time for filing such request has passed (see § 404.911), such party may file a petition with the Administration for an extension of time for the filing of such request. Such petition shall be in writing and shall state the reasons why the request for reconsideration was not filed within the required time. For good cause shown, the component of the Social Security Administration which has jurisdiction over the proceedings (see § 404.902) may extend

the time for filing the request for reconsideration. An extension, however, may not be granted where the sole purpose of the request is to seek revision of an individual's earnings record or a finding as to wages or self-employment income after revision is precluded by the provisions of section 205(c) (4) or (5) of the Act (see §§ 404.804 and 404.806). Where in a proper case the time for filing a request for reconsideration has been extended in accordance with the provisions of this section, no revision of an individual's earnings record or of a finding as to wages or self-employment income may be made except as is otherwise provided in this Subpart J.

11. Section 404.954(a) is amended to read as follows:

§ 404.954 Extension of time to request hearing or review or begin civil action.

(a) *In general.* Any party to a reconsidered determination, a decision of a hearing examiner, or a decision of the Appeals Council (resulting from an initial determination as described in § 404.905), may petition for an extension of time for filing a request for hearing or review or for commencing a civil action in a district court, although the time for filing such request or commencing such action (see §§ 404.918 and 404.946 and section 205(g) of the Act) has passed. If an extension of the time fixed by § 404.918 for requesting a hearing before a hearing is sought, the petition may be filed with a hearing examiner. In any other case, the petition shall be filed with the Appeals Council. The petition shall be in writing and shall state the reasons why the request or action was not filed within the required time. For good cause shown, a hearing examiner or the Appeals Council, as the case may be, may extend the time for filing such request or action. An extension, however, may not be granted where the sole purpose of the request is to seek revision of an individual's earnings record or a finding as to wages or self-employment income after revision is precluded by the provisions of section 205(c) (4) or (5) of the Act (see §§ 404.804 and 404.806). Where a hearing examiner or the Appeals Council in a proper case has extended the time for filing such request or action, no revision of an individual's earnings record or of a finding as to wages or self-employment income may be made except as is otherwise provided in this Subpart J.

* * * * *

12. Subparagraph (6) of § 404.957(c) is amended to read as follows:

§ 404.957 Reopening initial or reconsidered determinations of the Administration, and decisions of a hearing examiner or the Appeals Council; finality of determinations and decisions.

An initial or reconsidered determination of the Administration or a decision of a hearing examiner or of the Appeals Council which is otherwise final under § 404.908, § 404.916, § 404.940, or § 404.951 may be reopened:

* * * * *

(c) At any time, when:

* * * * *

(6) The initial or reconsidered determination or decision (for purposes of entitlement under title II or Part A and Part B of title XVIII, or for the amount of benefits under title II) either:

(i) Denies the individual on whose earnings account such benefit claim is based gratuitous wage credits for World War II or post-World War II military or naval service because another Federal Government agency (other than the Veterans' Administration) has erroneously certified that it has awarded benefits based on such service; or

(ii) Credits the earnings account of the individual on which such benefit claim is based with such gratuitous wage credits and another agency of the Federal Government (other than the Veterans' Administration) thereafter certifies that it has awarded a benefit based on the period of service for which such wage credits were granted.

* * * * *

13. *Effective date.* The foregoing amendments shall become effective on the date of publication in the FEDERAL REGISTER.

(Secs. 205, 206, 221(d), 1102, 1869, and 1871, 53 Stat. 1368, as amended, 53 Stat. 1372, as amended, 68 Stat. 1082, as amended, 49 Stat. 647, as amended, 79 Stat. 330, 79 Stat. 331, sec. 5, Reorganization Plan No. 1 of 1953, 67 Stat. 18, 631; 42 U.S.C. 405, 406, 421(d), 1302, 1395 et seq.)

Dated: December 12, 1966.

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

Approved: December 23, 1966.

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

[F.R. Doc. 66-14056; Filed, Dec. 30, 1966; 8:48 a.m.]

Title 21—FOOD AND DRUGS

Chapter I—Food and Drug Administration, Department of Health, Education, and Welfare

SUBCHAPTER B—FOOD AND FOOD PRODUCTS

PART 37—FISH

Canned Tuna; Order Amending Identity Standard by Separately Listing Blackfin Tuna Among Species of Tuna Fish

In the matter of amending the standard of identity for canned tuna (21 CFR 37.1) to include blackfin tuna in the class of fish known as tuna fish:

A notice of proposed rule making in the above-identified matter was published in the FEDERAL REGISTER of September 15, 1966 (31 F.R. 12060), based on a petition filed by the National Canners Association, 1133 20th Street NW., Washington, D.C. 20036.

The information submitted by the petitioner, comments received, and other pertinent information have been considered, and it is concluded that it will promote honesty and fair dealing in the interest of consumers to adopt the amendment as proposed.

Therefore, pursuant to the authority vested in the Secretary of Health, Education, and Welfare by the Federal Food, Drug, and Cosmetic Act (secs. 401, 701, 52 Stat. 1046, 1055 as amended 70 Stat. 919, 72 Stat. 948; 21 U.S.C. 341, 371) and delegated by him to the Commissioner of Food and Drugs (21 CFR 2.120; 31 F.R. 3008): *It is ordered,* That § 37.1(b) be amended by inserting in the list of tuna fish a new item following "Thunnus germo" and by adding a new footnote 5, as follows:

§ 37.1 Canned tuna; definition and standard of identity; label statement of optional ingredients.

* * * * *

(b) * * *

Thunnus atlanticus	Blackfin tuna.[5]

[5] "Comparative Anatomy and Systematics of the Tunas, Genus Thunnus," by Robert H. Gibbs, Jr., and Bruce B. Collette, Division of Fishes, U.S. National Museum and Bureau of Commercial Fisheries, Fish and Wildlife Service, U.S. Department of the Interior, Fishery Bulletin (in press at Government Printing Office; a copy of the manuscript is on file with the Hearing Clerk, Department of Health, Education, and Welfare, Room 5440, 330 Independence Avenue SW., Washington, D.C. 20201).

* * * * *

Any person who will be adversely affected by the foregoing order may at any time within 30 days following the date of its publication in the FEDERAL REGISTER file with the Hearing Clerk, Department of Health, Education, and Welfare, Room 5440, 330 Independence Avenue SW., Washington, D.C. 20201, written objections thereto. Objections shall show wherein the person filing will be adversely affected by the order and specify with particularity the provisions of the order deemed objectionable and the grounds for the objections. If a hearing is requested, the objections must state the issues for the hearing, and such objections must be supported by grounds legally sufficient to justify the relief sought. Objections may be accompanied by a memorandum or brief in support thereof All documents shall be submitted in six copies.

Effective date. This order shall become effective 60 days from the date of its publication in the FEDERAL REGISTER, except as to any provisions that may be stayed by the filing of proper objections. Notice of the filing of objections or lack thereof will be announced by publication in the FEDERAL REGISTER.

(Secs. 401, 701, 52 Stat. 1046, 1055 as amended 70 Stat. 919, 72 Stat. 948; 21 U.S.C. 341, 371)

Dated: December 22, 1966.

J. K. KIRK,
Associate Commissioner for Compliance.

[F.R. Doc. 66-14053; Filed, Dec. 30, 1966; 8:48 a.m.]

PART 120—TOLERANCES AND EXEMPTIONS FROM TOLERANCES FOR PESTICIDE CHEMICALS IN OR ON RAW AGRICULTURAL COMMODITIES

2,6-Dichloro-4-Nitroaniline

A petition (PP 6F0474) was filed with the Food and Drug Administration by the Upjohn Co., Agricultural Products Division, Kalamazoo, Mich. 49001, proposing the establishment of tolerances for residues of the fungicide 2.6-dichloro-4-nitroaniline in or on the raw agricultural commodities blackberries, boysenberries, carrots, celery, cucumbers, plums (fresh prunes), potatoes, raspberries, and rhubarb.

The Secretary of Agriculture has certified that this fungicide is useful for the purposes for which tolerances are being established.

After consideration of the data submitted in the petition and other relevant material, it is concluded that the tolerances established in this order will protect the public health. Therefore, by virtue of the authority vested in the Secretary of Health, Education, and Welfare by the Federal Food, Drug, and Cosmetic Act (sec. 408(d)(2), 68 Stat. 512; 21 U.S.C. 346a(d)(2)) and delegated by him to the Commissioner of Food and Drugs (21 CFR 2.120; 31 F.R. 3008), § 120.200 is amended by revising the paragraphs setting forth tolerances of 15, 10, and 5 parts per millions and by inserting in numerical sequence new paragraphs for 1 and 0.25 part per million, as follows:

§ 120.200 2,6-Dichloro-4-nitroaniline; tolerances for residues.

* * * * *

15 parts per million in or on blackberries, boysenberries, celery, raspberries, strawberries.

10 parts per million in or on carrots (from postharvest application), grapes, lettuce, rhubarb, sweetpotatoes (from postharvest application).

5 parts per million in or on cucumbers, garlic, onions, tomatoes.

1 part per million in or on plums (fresh prunes).

0.25 part per million in or on potatoes.

Any person who will be adversely affected by the foregoing order may at any time within 30 days from the date of its publication in the FEDERAL REGISTER file with the Hearing Clerk, Department of Health, Education, and Welfare, Room 5440, 330 Independence Avenue SW., Washington, D.C. 20201, written objections thereto, preferably in quintuplicate. Objections shall show wherein the person filing will be adversely affected by the order and specify with particularity the provisions of the order deemed objectionable and the grounds for the objections. If a hearing is requested, the objections must state the issues for the hearing. A hearing will be granted if the objections are supported by grounds legally sufficient to justify the relief sought. Objections may be accompanied by a memorandum or brief in support thereof.

Effective date. This order shall become effective on the date of its publication in the FEDERAL REGISTER.

(Sec. 408(d)(2), 68 Stat. 512; 21 U.S.C. 346a(d)(2))

Dated: December 27, 1966.

J. K. KIRK,
Associate Commissioner for Compliance.

[F.R. Doc. 66-14054; Filed, Dec. 30, 1966; 8:48 a.m.]

PART 121—FOOD ADDITIVES

Subpart D—Food Additives Permitted in Food for Human Consumption

DEFOAMING AGENTS

A petition (FAP 7A2065) was filed by Morton Salt Co., a division of Morton International, Inc., 110 North Wacker Drive, Chicago, Ill. 60606, proposing an amendment to § 121.1099 of the food additive regulations (1) to provide for the safe use of dimethylpolysiloxane at a level not to exceed 250 parts per million as a defoaming agent in salt for use in cooking and (2) to delete the zero tolerance limitation with reference to dimethylpolysiloxane as a defoaming agent in food for infants and invalids.

Having considered the data submitted in the petition and other relevant information, the Commissioner of Food and Drugs has concluded that § 121.1099 should be amended as petitioned. When used for flavoring purposes in cooking, salt containing dimethylpolysiloxane at a level not in excess of 250 parts per million will add to food no more dimethylpolysiloxane than the presently authorized 10 parts per million in food. Further, the zero tolerance limitation which would prohibit use of dimethylpolysiloxane in amounts up to 10 parts per million in food for infants and invalids is not considered necessary to safeguard their diets; however, it is concluded that the present zero tolerance in milk should be maintained.

Therefore, pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (sec. 409(c)(1), 72 Stat. 1786; 21 U.S.C. 348(c)(1)), and under the authority delegated to the Commissioner by the Secretary of Health, Education, and Welfare (21 CFR 2.120; 31 F.R. 3008), § 121.1099(a)(2) is amended by changing the item "Dimethylpolysiloxane * * *" in the table to read as follows:

§ 121.1099 Defoaming agents.

* * * * *

(a) * * *
(2) * * *

Substances	*Limitations*
Dimethylpolysiloxane (substantially free from hydrolyzable chloride and alkoxy groups; no more than 18 percent loss in weight after heating 4 hours at 200° C.; viscosity 300–600 centistokes at 25° C.; refractive index 1.400–1.404 at 25° C.).	10 parts per million in food, except zero in milk; 250 parts per million in salt labeled for cooking purposes, whereby no more than 10 parts per million is present in the cooked food.

* * * * *

Any person who will be adversely affected by the foregoing order may at any time within 30 days from the date of its publication in the FEDERAL REGISTER file with the Hearing Clerk, Department of Health, Education, and Welfare, Room 5440, 330 Independence Avenue SW., Washington, D.C. 20201, written objections thereto, preferably in quintuplicate. Objections shall show wherein the person filing will be adversely affected by the order and specify with particularity the provisions of the order deemed objectionable and the grounds for the objections. If a hearing is requested, the objections must state the issues for the hearing. A hearing will be granted if the objections are supported by grounds legally sufficient to justify the relief sought. Objections may be accompanied by a memorandum or brief in support thereof.

Effective date. This order shall become effective on the date of its publication in the FEDERAL REGISTER.

(Sec. 409(c)(1), 72 Stat. 1786; 21 U.S.C. 348(c)(1))

Dated: December 27, 1966.

J. K. KIRK,
Associate Commissioner, for Compliance.

[F.R. Doc. 66-14055; Filed, Dec. 30, 1966; 8:48 a.m.]

Title 24—HOUSING AND HOUSING CREDIT

Chapter IV—Federal National Mortgage Association, Department of Housing and Urban Development

PART 1600—MORTGAGE AND LOAN PURCHASES, SERVICING, AND SALES, AND SHORT-TERM LOANS ON THE SECURITY OF MORTGAGES AND LOANS

Below-Market Interest Rate Mortgages

Section 1600.25 is amended to read as follows:

§ 1600.25 Below-market interest rate mortgages.

FNMA is expressly authorized by law to purchase, service, sell, or otherwise deal in below-market interest rate mortgages insured under section 221(d)(3) of the National Housing Act. As to these mortgages, FNMA's operations are not required to be self-supporting, and such mortgages may be purchased even though they may be offered by, or cover property held by, State, territorial, or municipal instrumentalities.

(Sec. 309, 68 Stat. 620; 12 U.S.C. 1723a)

Issued at Washington, D.C., December 29, 1966.

FEDERAL NATIONAL MORTGAGE ASSOCIATION,
H. M. GILBERT,
Executive Vice President.

[F.R. Doc. 66-14068; Filed, Dec. 30, 1966; 8:49 a.m.]

Title 26—INTERNAL REVENUE

Chapter I—Internal Revenue Service, Department of the Treasury

[T.D. 6908]

SUBCHAPTER A—INCOME TAX

PART 1—INCOME TAX; TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1953

SUBCHAPTER C—EMPLOYMENT TAXES

PART 31—EMPLOYMENT TAXES; APPLICABLE ON AND AFTER JANUARY 1, 1955

Withholding of Tax on Nonresident Aliens and Foreign Corporations

On December 10, 1966, notice of proposed rule making was published in the FEDERAL REGISTER (31 F.R. 15587) with respect to the amendment of the Income Tax Regulations (26 CFR Part 1) under sections 1441 and 1442 of the Internal Revenue Code and the Employment Tax Regulations (26 CFR Part 31) under section 3401 of the Internal Revenue Code, to reflect the changes made by sections 103 (h) and (k), and section 104(c), of the Foreign Investors Tax Act of 1966 (80 Stat. 1553, 1554, 1557) and by section 302(c) of the Revenue Act of 1964 (78 Stat. 146). After consideration of all such relevant matter as was presented by interested persons regarding the rules proposed, the amendments of the regulations as proposed are hereby adopted, subject to the changes set forth below:

PARAGRAPH 1. Section 1.1441–2, as set forth in paragraph 4 of the appendix to the notice of proposed rule making, is changed by revising paragraph (b)(1), by deleting the provisions of, and reserving, paragraph (b)(2)(ii), and by inserting a revised subparagraph (3) in paragraph (c).

PAR. 2. Section 1.1441–3, as set forth in paragraph 5 of the appendix to the notice of proposed rule making, is changed by revising paragraphs (b) (2) and (3) and by deleting paragraph (c) (6).

PAR. 3. Paragraphs (b) (2) and (f) of § 1.1441–4, as set forth in paragraph 6 of the appendix to the notice of proposed rule making, are revised.

PAR. 4. Paragraph (b)(3)(ii) of § 1.1461–1, as set forth in paragraph 13 of the appendix to the notice of proposed rule making, is revised.

PAR. 5. Paragraph (c)(16) of § 1.6071–1, as set forth in paragraph 17 of the appendix to the notice of proposed rule making, is revised.

PAR. 6. Paragraph (b)(13) of § 31.3401(a)–1, as set forth in paragraph 19 of the appendix to the notice of proposed rule making, is revised.

PAR. 7. Section 31.3401(a)(6)–1, as set forth in paragraph 22 of the appendix to the notice of proposed rule making, is changed by revising paragraphs (c) (1) and (4), by revising paragraph (d)(2) and adding a new paragraph (d)(3), and by revising paragraph (e).

(Sec. 7805 of the Internal Revenue Code of 1954, 68A Stat. 917; 26 U.S.C. 7805)

[SEAL] SHELDON S. COHEN,
Commissioner of Internal Revenue.

Approved: December 28, 1966.

FRED B. SMITH,
General Counsel of the Treasury.

In order to conform the Income Tax Regulations (26 CFR Part 1) to amendments of the Internal Revenue Code made by section 302(c) of the Revenue Act of 1964 (78 Stat. 146) and by section 103(h) and section 104(c) of the Foreign Investors Tax Act of 1966 (80 Stat. 1553, 1557); to conform the Employment Tax Regulations (26 CFR Part 31) to amendments of the Internal Revenue Code made by section 103(k) of the Foreign Investors Tax Act of 1966 (80 Stat. 1554); and to make certain technical changes in such regulations, they are amended as set forth below. Unless otherwise expressly provided, the amendments required by sections 103(h) and 104(c) of the Foreign Investors Tax Act of 1966 are effective with respect to payments made in taxable years of recipients beginning after December 31, 1966, and the amendments required by section 103(k) of such Act are effective with respect to payments occurring after December 31, 1966.

PARAGRAPH 1. Section 1.943–1 is amended to read as follows:

§ 1.943–1 Withholding by a China Trade Act corporation.

Dividends paid by a China Trade Act corporation to a nonresident alien individual, foreign partnership, or foreign corporation are subject to withholding of tax at source under § 1.1441–1. However, see paragraph (c) of § 1.1441–4 for exemption applicable to dividends paid to residents of Formosa or Hong Kong.

PAR. 2. Section 1.1441 is amended by revising sections 1441 (a) and (b), by striking out paragraph (1) of section 1441(c) and inserting a new paragraph (1) in lieu thereof, by revising sections 1441(c) (4) and (5), by adding a paragraph (7) to section 1441(c), by redesignating section 1441(d) as section 1441(e), by adding a new section 1441(d), and by adding a historical note. These amended and added provisions read as follows:

§ 1.1441 Statutory provisions; withholding of tax on nonresident aliens.

Sec. 1441. *Withholding of tax on nonresident aliens*—(a) *General rule.* Except as otherwise provided in subsection (c), all persons, in whatever capacity acting (including lessees or mortgagors of real or personal property, fiduciaries, employers, and all officers and employees of the United States) having the control, receipt, custody, disposal, or payment of any of the items of income specified in subsection (b) (to the extent that any of such items constitutes gross income from sources within the United States), of any nonresident alien individual or of any foreign partnership shall (except in the cases provided for in section 1451 and except as otherwise provided in regulations prescribed by the Secretary or his delegate under section 874) deduct and withhold from such items a tax equal to 30 percent thereof, except that in the case of any item of income specified in the second sentence of subsection (b), the tax shall be equal to 14 percent of such item.

(b) *Income items.* The items of income referred to in subsection (a) are interest, dividends, rent, salaries, wages, premiums, annuities, compensations, remunerations, emoluments, or other fixed or determinable annual or periodical gains, profits, and income, gains described in section 402(a)(2), 403(a)(2), or 631 (b) or (c), amounts subject to tax under section 871(a)(1)(C), gains subject to tax under section 871(a)(1)(D), and gains on transfers described in section 1235 made on or before October 4, 1966. The items of income referred to in subsection (a) from which tax shall be deducted and withheld at the rate of 14 percent are—

(1) That portion of any scholarship or fellowship grant which is received by a nonresident alien individual who is temporarily present in the United States as a nonimmigrant under subparagraph (F) or (J) of section 101(a)(15) of the Immigration and Nationality Act, as amended, and which is not excluded from gross income under section 117(a)(1) solely by reason of section 117(b)(2)(B); and

(2) Amounts described in subparagraphs (A), (B), (C), and (D) of section 117(a)(2) which are received by any such nonresident alien individual and which are incident to a scholarship or fellowship grant to which section 117(a)(1) applies, but only to the extent such amounts are includible in gross income.

In the case of a nonresident alien individual who is a member of a domestic partnership, the items of income referred to in subsection (a) shall be treated as referring to items specified in this subsection included in his distributive share of the income of such partnership.

(c) *Exceptions*—(1) *Income connected with U.S. business.* No deduction or withholding under subsection (a) shall be required in the case of any item of income (other than compensation for personal services) which is effectively connected with the conduct of a trade or business within the United States and which is included in the gross income of the recipient under section 871(b)(2) for the taxable year.

(2) *Owner unknown.* The Secretary or his delegate may authorize the tax under subsection (a) to be deducted and withheld from the interest upon any securities the owners of which are not known to the withholding agent.

(3) *Bonds with extended maturity dates.* The deduction and withholding in the case of interest on bonds, mortgages, or deeds of trust or other similar obligations of a corporation, within subsections (a), (b), and (c) of section 1451 were it not for the fact that the maturity date of such obligations has been extended on or after January 1, 1934, and the liability assumed by the debtor exceeds 27½ percent of the interest, shall not exceed the rate of 27½ percent per annum.

(4) *Compensation of certain aliens.* Under regulations prescribed by the Secretary or his delegate, compensation for personal services may be exempted from deduction and withholding under subsection (a).

(5) *Special items.* In the case of gains described in section 402(a)(2), 403(a)(2), or 631 (b) or (c), gains subject to tax under section 871(a)(1)(D), and gains on transfers described in section 1235 made on or before October 4, 1966, the amount required to be deducted and withheld shall, if the amount of such gain is not known to the withholding agent, be such amount, not ex-

ceeding 30 percent of the amount payable, as may be necessary to assure that the tax deducted and withheld shall not be less than 30 percent of such gain.

(6) *Per diem of certain aliens.* No deduction or withholding under subsection (a) shall be required in the case of amounts of per diem for subsistence paid by the U.S. Government (directly or by contract) to any nonresident alien individual who is engaged in any program of training in the United States under the Mutual Security Act of 1954, as amended.

(7) *Certain annuities received under qualified plans.* No deduction or withholding under subsection (a) shall be required in the case of any amount received as an annuity if such amount is, under section 871(f), exempt from the tax imposed by section 871(a).

(d) *Exemption of certain foreign partnerships.* Subject to such terms and conditions as may be provided by regulations prescribed by the Secretary or his delegate, subsection (a) shall not apply in the case of a foreign partnership engaged in trade or business within the United States if the Secretary or his delegate determines that the requirements of subsection (a) impose an undue administrative burden and that the collection of the tax imposed by section 871(a) on the members of such partnership who are nonresident alien individuals will not be jeopardized by the exemption.

(e) *Alien resident of Puerto Rico.* For purposes of this section, the term "nonresident alien individual" includes an alien resident of Puerto Rico.

[Sec. 1441 as amended by sec. 544(f), Mutual Security Act 1954 (added by sec. 11(a), Mutual Security Act 1956 (70 Stat. 563)); sec. 40(b), Technical Amendments Act 1958 (72 Stat. 1638); sec. 110(d), Mutual Educational and Cultural Exchange Act 1961 (75 Stat. 536); sec. 302(c), Revenue Act 1964 (78 Stat. 146); sec. 103(h), Foreign Investors Tax Act 1966 (80 Stat. 1553). (Sec. 544(f), Mutual Security Act 1954, was repealed by sec. 11(b)(1), Mutual Security Act 1957 (71 Stat. 365), with the proviso that sec. 1441 was not affected by the repeal.)]

PAR. 3. Section 1.1441–1 is amended to read as follows:

§ 1.1441–1 Requirement for withholding of tax on nonresident aliens, foreign partnerships, and foreign corporations.

Except as otherwise provided in §§ 1.1441–3 and 1.1441–4, to the extent that the items specified in § 1.1441–2 constitute gross income from sources within the United States, withholding of a tax of 30 percent is required in the case of items of income specified in paragraphs (a) and (b) of § 1.1441–2 when such income is paid to a nonresident alien individual, a foreign partnership, or a foreign corporation, except that with respect to payments made after March 4, 1964, withholding of a tax of 14 percent is required in the case of items of income specified in paragraph (c) of § 1.1441–2. The rate of 30 percent or 14 percent shall be reduced as may be provided by a treaty with any country. See section 894, relating to income affected by treaty. For purposes of this section, the term "nonresident alien individual" includes an alien resident of Puerto Rico.

PAR. 4. Section 1.1441–2 is amended by revising paragraph (a)(1), by striking out the last sentence of paragraph (a)(3), by revising paragraph (b), and by revising paragraphs (c) (1) and (2). These amended provisions read as follows:

§ 1.1441–2 Income subject to withholding.

(a) *Fixed or determinable annual or periodical income.* (1) The gross amount of fixed or determinable annual or periodical income is subject to withholding. Section 1441(b) specifically includes in such income interest, dividends, rent, salaries, wages, premiums, annuities, compensations, remunerations, and emoluments; but other kinds of income are included, as, for instance, royalties. For purposes of the preceding sentence, the term "interest" includes interest on certain deferred payments, as provided in section 483 and the regulations thereunder. The term "fixed or determinable annual or periodical" income is merely descriptive of the character of a class of income. If an item of income falls within the class of income contemplated by the statute, it is immaterial whether payment of that item is made in a series of repeated payments or in a single lump sum. Thus, $5,000 in royalty income would come within the meaning of the term, whether paid in 10 payments of $500 each or in one payment of $5,000.

* * * * *

(3) Income derived from the sale in the United States of property, whether real or personal, is not fixed or determinable annual or periodical income.

(b) *Other income subject to withholding*—(1) *Payments in taxable years of recipients beginning before January 1, 1967.* For payments made in taxable years of recipients beginning before January 1, 1967, withholding at 30 percent is also required on the gross amount of the items described in section 402(a)(2), relating to treatment of total distributions from certain employees' trusts; in sections 631 (b) and (c), relating to treatment of gain on disposal of timber, coal, or domestic iron ore with a retained economic interest; in section 1235, relating to treatment of gain on sale or exchange of patents; and, after September 2, 1958, in section 403(a)(2), relating to treatment of payments under certain employee annuities, each of which items is considered to be gain from the sale or exchange of a capital asset.

(2) *Payments in taxable years of recipients beginning after December 31, 1966.* For payments made in taxable years of recipients beginning after December 31, 1966, withholding at 30 percent is also required on the gross amount of the following items:

(i) Gains described in section 402(a)(2), relating to the treatment of total distributions from certain employees' trusts; section 403(a)(2), relating to treatment of payments under certain employee annuities; and section 631 (b) or (c), relating to treatment of gain on disposal of timber, coal, or domestic iron ore with a retained economic interest;

(ii) [Reserved]

(iii) Gains subject to the 30-percent tax under section 871(a)(1)(D) or section 881(a)(4), relating to contingent payments received from the sale or exchange after October 4, 1966, of patents, copyrights, and similar intangible property; and

(iv) Gains on transfers described in section 1235, relating to treatment of gain on sale or exchange of patents, if the transfers are made on or before October 4, 1966.

(c) *Amounts received by participants in certain exchange or training programs*—(1) *Scholarship or fellowship grants.* Withholding of tax shall be at the rate of 14 percent (rather than 30 percent) on that portion of a scholarship or fellowship grant paid after March 4, 1964, to a nonresident alien individual who is temporarily present in the United States as a nonimmigrant under subparagraph (F) or (J) of section 101(a)(15) of the Immigration and Nationality Act, as amended, which is not excludable from such nonresident alien's gross income under section 117(a)(1) and paragraph (a) of § 1.117–1 because it exceeds the limitations set forth in section 117(b)(2)(B) and paragraph (b)(2) of § 1.117–2. Thus, if a nonresident alien scientist who was admitted to the United States under subparagraph (J) of section 101(a)(15) of the Immigration and Nationality Act, as amended, to engage in post-doctoral scientific studies received a fellowship grant from a grantor specified in section 117(b)(2)(A) which exceeded the $300-per-month-for-36-months limitation determined under paragraph (b) (2) and (3) of § 1.117–2, a tax at the rate of 14 percent rather than 30 percent must be withheld from the amount of the grant includible in the scientist's gross income.

(2) *Expenses for travel, research, etc.* Withholding shall also be at the rate of 14 percent on amounts paid after March 4, 1964, to nonresident alien individuals described in subparagraph (1) of this paragraph to cover expenses for travel, research, clerical help, or equipment which are incident to a scholarship or fellowship grant to which section 117(a)(1) applies, but only to the extent that such amounts are not excludable from gross income under paragraph (b)(1) of § 1.117–1 because they pertain to a portion of a scholarship or fellowship grant which is not excludable, or because the amount received is not specifically designated to cover such expenses under paragraph (b)(2)(i) of § 1.117–1.

(3) *Exchange visitors.* A nonresident alien individual who is temporarily present in the United States as a nonimmigrant under subparagraph (J) of section 101(a)(15) of the Immigration and Nationality Act, as amended, includes a nonresident alien individual admitted to the United States as an "exchange visitor" under section 201 of the U.S. Information and Educational Exchange Act of 1948, as amended (22 U.S.C. 1446), which section was repealed by section 111 of the Mutual Educational and Cultural Exchange Act of 1961 (Public Law 87–256, 75 Stat. 538).

* * * * *

PAR. 5. Section 1.1441–3 is amended by revising subparagraphs (1) and (2) of paragraph (b), by striking out subparagraphs (3) and (4) of paragraph (b), and inserting a new subparagraph (3) in lieu thereof, by revising paragraph (c)(1), by adding a new paragraph (c)(6), by revising paragraph (d), by revising paragraph (e)(2), and by revising paragraph (f). These amended and added provisions read as follows:

§ 1.1441–3 Exceptions and rules of special application.

* * * * *

(b) *Corporate distributions*—(1) *Nontaxable portion.* The tax shall be withheld at the source under § 1.1441–1 on the gross amount of any distribution made by a corporation other than—

(i) A nontaxable distribution payable in stock or stock rights, and

(ii) A distribution which is treated as a distribution in part or full payment in exchange for stock.

This rule shall apply without regard to any claim that all or a portion of the distribution is not taxable under section 871 or 881. The tax shall be withheld on the gross amount of the distribution even though the payee may be entitled to the benefits of section 116, relating to partial exclusion of dividends received by individuals. Appropriate adjustment, if any, will be made upon the payee's filing of a claim for refund, together with appropriate supporting evidence, in accordance with paragraph (h) of this section.

(2) *Dividends paid by a foreign corporation*—(i) *Payments in taxable years of recipients beginning before January 1, 1967.* In the case of dividends paid in taxable years of recipients beginning before January 1, 1967, no withholding under § 1.1441–1 is required in the case of dividends paid by a foreign corporation unless (*a*) the corporation is engaged in trade or business within the United States and (*b*) more than 85 percent of the gross income of the corporation for the 3-year period ending with the close of its taxable year preceding the declaration of the dividends (or for such part of such period as the corporation has been in existence) was derived from sources within the United States as determined under the provisions of part I (section 861 and following), subchapter N, chapter 1 of the Code, and the regulations thereunder.

(ii) *Payments in taxable years of recipients beginning after December 31, 1966.* In the case of dividends paid in taxable years of recipients beginning after December 31, 1966, all dividends paid by a foreign corporation which are treated as income from sources within the United States are subject to withholding under § 1.1441–1.

(3) *Dividends paid to shareholder whose status is not definite.* When a payer corporation or any other person, including a nominee, having the control, receipt, custody, disposal, or payment of dividends has no definite knowledge of the status of a shareholder, the tax shall be withheld under § 1.1441–1 if the shareholder's address is outside the United States. If the shareholder's address is within the United States, it may be assumed for the purpose of withholding on dividends that, in the case of an individual, the shareholder is a citizen or resident of the United States; and, in the case of a partnership or corporation, the shareholder is a domestic partnership or a domestic corporation, as the case may be. Unless the facts and circumstances indicate clearly that the shareholder is a nonresident alien individual, foreign partnership, or foreign corporation, an address in care of another person in the United States does not of itself warrant treating the shareholder as a person who is subject to withholding upon dividends under § 1.1441–1. If a shareholder changes his address from a place outside the United States to a place within the United States, the tax shall be withheld on dividends unless (i) proof is furnished showing that, in the case of an individual, he is a citizen or resident of the United States or, in the case of a partnership or corporation, it is a domestic partnership or corporation, or (ii) the withholding agent is otherwise satisfied that the shareholder is not a person who is subject to witholding under § 1.1441–1. For general provisions for claiming to be a person not subject to withholding under § 1.1441–1, see § 1.1441–5.

(c) *Interest*—(1) *Government obligations.* Withholding is required under § 1.1441–1 in case of interest paid on obligations issued on or after March 1, 1941, by the United States or any agency or instrumentality thereof. See section 103 and the regulations thereunder, relating to the taxation of such interest, and § 1.1461–1, relating to ownership certificates. See also section 895 and the regulations thereunder, relating to the exemption from tax with respect to interest received by a foreign central bank of issue or the Bank for International Settlements on obligations of the United States.

* * * * *

(d) *Special rules applicable to certain income*—(1) *Determination of amount to be withheld.* If in the case of amounts described in paragraph (b) of § 1.1441–2, other than amounts described in subparagraph (2)(ii) of such paragraph, the withholding agent does not know the amount of recognized gain, he is required to deduct and withhold such amount under § 1.1441–1 as may be necessary to assure that the tax withheld will not be less than 30 percent of the recognized gain. For this purpose, the recognized gain shall be determined without regard to the deduction allowed by section 1202 with respect to capital gains. The amount so withheld shall not exceed 30 percent of the amount payable by reason of the transaction giving rise to the recognized gain, except that the amount payable may be determined by excluding the net unrealized appreciation described in section 402(a)(2). Appropriate adjustment, if any, will be made by the payee's filing of a claim for refund, together with appropriate supporting evidence, in accordance with paragraph (h) of this section.

(2) *Statement showing recognized gain.* The withholding agent may, unless he has reason to believe to the contrary, rely on the statement of the person entitled to the gain described in subparagraph (1) of this paragraph as to the amount of gain which is recognized on the transaction involved and subject to withholding under § 1.1441–1. This statement shall be filed with the withholding agent in duplicate. It shall show the computation of the amount of gain subject to withholding, shall be dated, shall be signed by the person entitled to the income, shall contain the taxpayer's identifying number, if any, and shall contain, or be verified by, a written declaration that it is made under the penalties of perjury. No particular form is prescribed for this statement. The duplicate copy of each statement filed during any calendar year pursuant to this subparagraph shall be forwarded by the withholding agent with, and attached to, the Form 1042S required by paragraph (c) of § 1.1461–2 with respect to such gain for such calendar year.

(e) *Personal exemption.* * * *

(2) In the determination of the tax to be withheld at the source under § 1.1441–1 from remuneration paid for labor or personal services performed within the United States by a nonresident alien individual, the benefit of the deduction for personal exemptions provided in section 151, to the extent allowable under section 873(b)(3) and the regulations thereunder, shall be allowed, prorated upon a daily basis for the period during which labor or personal services are performed within the United States by the alien individual. The benefit of the deduction for such personal exemptions shall also be allowed in the determination of the tax of 14 percent to be withheld at the source under § 1.1441–1 and paragraph (c) of § 1.1441–2 from amounts paid after March 4, 1964, to nonresident alien individuals who are temporarily present in the United States as nonimmigrants under subparagraph (F) or (J) of the Immigration and Nationality Act, as amended, and such personal exemptions shall be prorated upon a daily basis for the period during which the described nonresident alien student or scholar receives the payments. The proration is on a basis of $1.70 per day for each exemption to which the nonresident alien individual is entitled. Thus, if A, a married nonresident alien individual without dependents is paid remuneration subject to withholding under § 1.1441–1 for performing personal services during a stay of 100 days in the United States, the amount of $170 will be allocated as the portion of the deduction to be allowed against the remuneration for personal services performed within the United States during that period; and withholding at 30 percent shall be applied against the balance, if any, of the remuneration. If, for example, the total remuneration paid to A for that period is $2,000, a total tax in the amount of $549 [($2,000−$170)×0.30] is required to be withheld under § 1.1441–1. However, if A is a resident of Canada or

Mexico, and his spouse has no gross income from sources within the United States, which is subject to income tax under chapter 1 of the Code, and is not the dependent of another taxpayer subject to such tax, an amount of $340 will be allocated as the portion of the deduction to be allowed against the remuneration for personal services performed within the United States. Thus, in such case, a total tax in the amount of $498 [($2,000—$340)×0.30] is required to be withheld under § 1.1441–1. As to what constitutes remuneration for labor or personal services performed within the United States see section 861(a)(3) and the regulations thereunder.

(f) *Partnerships and fiduciaries.* Domestic partnerships are required to withhold the tax at source under § 1.1441–1 on items of income described in paragraphs (a) and (b) of § 1.1441–2 which are included in the distributive share of a member of such partnership who is a nonresident alien individual or foreign corporation. Resident or domestic fiduciaries are required to withhold the tax at source under § 1.1441–1 on all items of income described in paragraphs (a) and (b) of § 1.1441–2 of beneficiaries who are nonresident alien individuals, foreign partnerships, or foreign corporations, to the extent that such items constitute gross income from sources within the United States. Income described in paragraphs (a) and (b) of § 1.1441–2 which is paid to a foreign partnership or nonresident alien fiduciary is subject to withholding under § 1.1441–1 even though the members of the partnership, or the beneficiaries of the estate or trust, are individuals who are citizens or residents of the United States or are domestic corporations.

* * * * *

PAR. 6. Section 1.1441–4 is amended by striking out paragraph (a) and inserting a new paragraph (a) in lieu thereof, by revising paragraph (b), and by adding new paragraphs (f), (g), and (h). These amended and added provisions read as follows:

§ 1.1441–4 Exemptions from withholding.

(a) *Income connected with a U.S. business*—(1) *In general.* No withholding is required under § 1.1441–1 in the case of any item of income if such income is effectively connected with the conduct of a trade or business within the United States by the person entitled to such income and is includible in his gross income under section 871(b)(2), section 842, or section 882(a)(2) for the taxable year and if he has filed the statement prescribed by subparagraph (2) of this paragraph. This subparagraph shall apply to income for services performed by a foreign partnership or a foreign corporation (other than a foreign corporation which has income to which section 543(a)(7) applies for the taxable year) but shall not apply to compensation for personal services performed by an individual. In determining whether an item of income from sources within the United States is, or is deemed to be, effectively connected with the conduct of a trade or business within the United States by the person entitled to the income, see section 864(c)(2), section 871(d), and sections 882(d) and (e), and the regulations thereunder.

(2) *Statement claiming exemption.* In order for the exemption provided by subparagraph (1) of this paragraph to apply for any taxable year, the person entitled to the income must file with the withholding agent a statement in duplicate that the income described in the statement is, or is expected to be, effectively connected with the conduct of a trade or business within the United States and that such income is includible in his gross income for the taxable year. This statement shall show (i) the name and address of the withholding agent and of the person entitled to the income, (ii) the taxpayer's identifying number, (iii) the nature of the item or items of income with respect to which the statement is filed, (iv) the trade or business with which such income is, or is expected to be, effectively connected, and (v) the taxable year in respect of which the statement is made. This statement shall be filed with the withholding agent for each taxable year of the person entitled to the income, and before payment of the income in respect of which it applies. Any statement so filed shall be effective only with respect to the item or items of income specified therein and shall constitute authorization to the withholding agent to pay such income during the taxable year without deduction of the tax at source under § 1.1441–1. The statement shall be amended by the person entitled to the income if subsequent circumstances arising during the taxable year indicate that the income is not, or is not expected to be, effectively connected with the conduct of a trade or business within the United States. Any statement required by this subparagraph may be made on a properly executed Form 4224, which shall be filed in duplicate with the withholding agent. The duplicate copy of each statement or form filed during any calendar year pursuant to this subparagraph shall be forwarded by the withholding agent with, and attached to, any Form 1042S required by paragraph (c) of § 1.1461–2 with respect to such income for such calendar year.

(b) *Compensation for personal services of an individual*—(1) *Exemption from withholding.* Withholding is not required under § 1.1441–1 from salaries, wages, remuneration, or any other compensation for personal services of a nonresident alien individual if—

(i) Such compensation is subject to withholding under section 3402, relating to withholding of tax at source on wages, and the regulations thereunder,

(ii) Such compensation would be subject to withholding under section 3402 but for the provisions of section 3401(a) (other than paragraph (6) thereof) and the regulations thereunder,

(iii) Such compensation is for services performed by a nonresident alien individual who is a resident of Canada or Mexico and who enters and leaves the United States at frequent intervals, or

(iv) Such compensation is, or will be, exempt from the income tax imposed by chapter 1 of the Code by reason of a provision of the Internal Revenue Code or a tax convention to which the United States is a party.

(2) *Statement claiming exemption.* In order for the exemption provided by subparagraph (1)(iv) of this paragraph to apply for any taxable year, the person entitled to such compensation must file for the taxable year with the withholding agent a statement in duplicate setting forth his name, address, and taxpayer identifying number, and certifying (i) that he is not a citizen or resident of the United States, (ii) that the compensation to be paid to him during the taxable year is, or will be, exempt from the tax imposed by chapter 1 of the Code, and (iii) the reason why such compensation is so exempt from tax. If the compensation is claimed to be exempt from tax by reason of a provision of an income tax convention to which the United States is a party, the statement shall also indicate the provision and tax convention under which the exemption is claimed, the country of which he is a resident, and sufficient facts to justify the claim to exemption. The statement shall be dated, shall identify the taxable year for which it is to apply and the compensation to which it relates, shall be signed by the person entitled to such compensation, and shall contain, or be verified by, a written declaration that it is made under the penalties of perjury. No particular form is prescribed for this statement. The duplicate copy of each statement filed during a calendar year pursuant to this subparagraph shall be forwarded by the withholding agent with, and attached to, the Form 1042S required by paragraph (c) of § 1.1461–2 with respect to such compensation for such calendar year.

* * * * *

(f) *Exemption of certain foreign partnerships and foreign corporations*—(1) *In general.* No withholding is required under § 1.1441–1 upon any item of income paid to a foreign partnership, or foreign corporation, engaged in trade or business in the United States at any time during the taxable year, if it is established to the satisfaction of the Director of International Operations that the requirements of section 1441(a), or 1442(a), and § 1.1441–1 impose an undue administrative burden for such taxable year and that the collection of the tax imposed by section 871(a) or section 881 on the members of such partnership, or by section 881 on such corporation, as the case may be, will not be jeopardized by the exemption from withholding. As a general rule, the requirements of section 1441(a), or 1442(a), and § 1.1441–1 will be considered to impose an undue administrative burden only in a case where (i) the person entitled to the income, such as a foreign insurance company, receives from the withholding agent income on securities issued by a single cor-

poration, some of which is, and some of which is not, effectively connected with the conduct of a trade or business within the United States and (ii) the criteria for determining the effective connection are unduly difficult to apply because of the circumstances under which such securities are held. Thus, for example, if a foreign corporation carrying on a life insurance business in the United States finds that, because of the requirements of State law which cause its U.S. reserves to fluctuate frequently, it is unduly difficult with respect to any class of income to identify the income which is, and the income which is not, effectively connected with its conduct of business in the United States during the taxable year, the corporation will be considered to have satisfied the requirements of subdivision (ii) of this subparagraph. No exemption from withholding shall be granted under this paragraph unless the person entitled to the income complies with such other requirements as may be imposed by the Director of International Operations and unless the Director of International Operations is satisfied that the collection of the tax on the income involved will not be jeopardized by the exemption from withholding.

(2) *Claiming exemption*—(i) *Statement required.* In order for the exemption provided by subparagraph (1) of this paragraph to apply for any taxable year the foreign partnership or the foreign corporation must file with the Director of International Operations, Internal Revenue Service, Washington, D.C. 20225, a statement indicating the reasons why specific classes of income should be exempted from the withholding requirements of § 1.1441–1 for such year. This statement shall show the name and address of the withholding agent and of the person entitled to the income, the taxpayer's identifying number, the class or classes of income to be exempted from withholding, the trade or business with which such income is in part effectively connected, the taxable year during which such exemption is to apply, and, in such form and to such extent as shall satisfy the Director of International Operations, the identity of the securities or other underlying property involved.

(ii) *Notification of determination.* The Director of International Operations shall notify the partnership or corporation by letter in duplicate of his determination in respect of the application for exemption. If the exemption from withholding is granted, the duplicate copy of the notice from the Director of International Operations shall be filed with the withholding agent and shall constitute authorization to pay the specified class or classes of income during the specified taxable year without deduction of the tax at source under § 1.1441–1.

(iii) *Bond requirement.* The Director of International Operations may, as a condition precedent to the allowance of the exemption from withholding for the taxable year, require a bond in such sum as the Commissioner may prescribe, conditioned upon the payment of the tax on the income involved and such further conditions as the Director of International Operations may require. This bond shall be executed by the foreign partnership or foreign corporation and shall conform to the requirements of § 301.7101–1 as to form of bond and surety required. No bond shall be required pursuant to this subparagraph from a foreign corporation which is required to file a declaration of estimated income tax under section 6016 for the taxable year in respect of which the exemption from withholding applies.

(g) *Annuities received under qualified plans.* Withholding is not required under § 1.1441–1 in the case of any amount received as an annuity if such amount is exempt under section 871(f) and the regulations thereunder from the tax imposed by section 871(a). In order for the exemption provided by this paragraph to apply for any taxable year in those cases where the withholding agent is not the employer by whom the annuity plan or qualified trust under or from which such annuity is paid was established, the person entitled to the annuity must file with the withholding agent a statement in duplicate setting forth his name, address, and taxpayer identifying number, if any, and certifying that he is not a citizen or resident of the United States and that the annuity in respect of which the statement is filed is excluded from gross income by reason of section 871(f). This statement shall be dated, shall identify the taxable year to which it relates, shall be signed by the person entitled to the annuity, and shall contain, or be verified by, a written declaration that it is made under the penalties of perjury. No particular form is prescribed for the statement. The duplicate copy of each statement filed during any calendar year pursuant to this paragraph shall be forwarded by the withholding agent with, and attached to, the Form 1042S required by paragraph (c) of § 1.1461–2 with respect to such annuity for such calendar year.

(h) *Interest on bonds sold between interest dates.* Except as provided by paragraph (b)(2)(ii) of § 1.1441–2, the tax is not required to be withheld under § 1.1441–1 on accrued interest paid by the buyer in connection with the sale of bonds between interest dates, even though the interest is subject to tax under section 871 or section 881. The exemption from withholding granted by this paragraph is not a determination that the accrued interest is not fixed or determinable annual or periodical income.

PAR. 7. Section 1.1441–5 is amended by revising the heading thereof, by revising paragraphs (b) and (d), and by striking out paragraph (e). These amended provisions read as follows:

§ 1.1441–5 Claiming to be a person not subject to withholding.

* * * * *

(b) *Partnerships and corporations.* For purposes of chapter 3 of the Code a written statement from a partnership or corporation claiming that it is not a foreign partnership or foreign corporation may be relied upon by the withholding agent as proof that such partnership or corporation is domestic. This statement shall be furnished to the withholding agent in duplicate. It shall contain the address of the taxpayer's office or place of business in the United States and shall be signed by a member of the partnership or by an officer of the corporation. The official title of the corporate officer shall also be given.

* * * * *

(d) *Definitions.* For determining whether an alien individual is a resident of the United States see § 1.871–2. For definition of the terms "foreign partnership" and "foreign corporation" see sections 7701(a)(4) and (5) and § 301.7701–5.

PAR. 8. Section 1.1442 is amended by revising section 1442 and by adding a historical note. These amended and added provisions read as follows:

§ 1.1442 Statutory provisions; withholding of tax on foreign corporations.

Sec. 1442. *Withholding of tax on foreign corporations*—(a) *General rule.* In the case of foreign corporations subject to taxation under this subtitle, there shall be deducted and withheld at the source in the same manner and on the same items of income as is provided in section 1441 or section 1451 a tax equal to 30 percent thereof; except that, in the case of interest described in section 1451 (relating to tax-free covenant bonds), the deduction and withholding shall be at the rate specified therein. For purposes of the preceding sentence, the references in section 1441(b) to sections 871(a)(1)(C) and (D) shall be treated as referring to sections 881(a)(3) and (4), the reference in section 1441(c)(1) to section 871(b)(2) shall be treated as referring to section 842 or section 882(a)(2), as the case may be, and the reference in section 1441(c)(5) to section 871(a)(1)(D) shall be treated as referring to section 881(a)(4).

(b) *Exemption.* Subject to such terms and conditions as may be provided by regulations prescribed by the Secretary or his delegate, subsection (a) shall not apply in the case of a foreign corporation engaged in trade or business within the United States if the Secretary or his delegate determines that the requirements of subsection (a) impose an undue administrative burden and that the collection of the tax imposed by section 881 on such corporation will not be jeopardized by the exemption.

[Sec. 1442 as amended by sec. 104(c), Foreign Investors Tax Act 1966 (80 Stat. 1557)]

PAR. 9. Section 1.1442–1 is amended to read as follows:

§ 1.1442–1 Withholding of tax on foreign corporations.

For regulations respecting the withholding of tax at source under section 1442 in the case of foreign corporations, see §§ 1.1441–1 and 1.1451–1.

PAR. 10. The following new section is inserted immediately after § 1.1442–1:

§ 1.1442–2 Exemption from withholding of tax on foreign corporations.

For regulations exempting certain foreign corporations from the withholding requirements of section 1442 in a case where an undue administrative burden is imposed, see paragraph (f) of § 1.1441–4.

PAR. 11. Section 1.1443–1 is amended to read as follows:

§ 1.1443–1 Rents paid to foreign tax-exempt organizations.

In the case of a foreign tax-exempt organization which is subject to the tax imposed by section 511, any rents paid to such organization in a taxable year beginning after December 31, 1966, which are includible under section 512 in determining its unrelated business taxable income, shall not be subject to withholding under § 1.1441–1. See paragraph (a)(2) of § 1.1441–4 for rules for claiming the exemption from withholding in the case of such rents.

PAR. 12. Section 1.1451–2 is amended by revising paragraph (c) to read as follows:

§ 1.1451–2 Exemptions from withholding under section 1451.

* * * * *

(c) *Other exemptions.* The exemptions allowed by paragraphs (d) and (h) of § 1.1441–4 shall also apply for purposes of section 1451.

PAR. 13. Section 1.1461–1 is amended by revising paragraphs (a), (b), (d), (e), (f)(3), and (i). These amended provisions read as follows:

§ 1.1461–1 Ownership certificates for bond interest.

(a) *Tax-free covenant bond interest of citizens and residents of the United States.* Citizens, resident individuals, fiduciaries, and partnerships, and nonresident partnerships all of the members of which are citizens or residents, owning bonds, mortgages, or deeds of trust, or other similar obligations issued by a domestic corporation, a resident foreign corporation, or a nonresident foreign corporation having a fiscal or paying agent in the United States, shall, when presenting interest coupons for payment, file ownership certificates for each issue of such obligations issued before January 1, 1934, and containing a tax-free covenant. This rule shall apply without regard to the amount of the interest coupons.

(b) *Nonresident aliens and foreign corporations.* (1) Nonresident alien individuals, foreign partnerships, foreign corporations, and unknown owners, owning bonds, mortgages, or deeds of trust, or other similar obligations of a corporation, shall, when presenting interest coupons for payment, file ownership certificates for each issue of all such obligations whether or not the obligation contains a tax-free covenant. This rule shall apply without regard to the amount of the interest coupons and without regard to the date on which the obligations were issued.

(2) Ownership certificates shall also be filed in the case of interest paid on obligations of the United States or of any agency or instrumentality thereof, irrespective of the date on which the obligations are issued or of the amount of the interest, if the obligations are owned by a nonresident alien individual, foreign partnership, foreign corporation, or an unknown owner.

(3) Notwithstanding subparagraphs (1) and (2) of this paragraph, ownership certificates are not required to be filed by—

(i) A nonresident alien individual, foreign partnership, or foreign corporation, engaged in a trade or business in the United States during the taxable year, if the interest is effectively connected with the conduct of a trade or business within the United States by such person and is exempted from withholding under section 1441 or section 1442 by reason of paragraph (a) of § 1.1441–4,

(ii) A nonresident alien individual, a foreign corporation, or a foreign partnership composed wholly of nonresident alien individuals and foreign corporations, if the interest is treated under section 861(a)(1) and the regulations thereunder as income not from sources within the United States, or

(iii) A foreign partnership or foreign corporation engaged in trade or business in the United States during the taxable year, with respect to interest which is exempted from withholding under section 1441 or 1442 by reason of paragraph (f) of § 1.1441–4.

* * * * *

(d) *Information shown on ownership certificate.* The ownership certificate shall show the name and address of the obligor, the name and address of the owner of the obligations, a description of the obligations, the amount of interest and its due date, the rate at which tax is to be withheld, and the date upon which the interest coupons were presented for payment. The certificate shall also show the amount of tax if any withheld; or if the certificate has been used under a tax treaty regulation to claim a release of tax withheld, then it shall show both the amount of tax withheld and also the amount of tax released. This paragraph shall apply to all special variations of Form 1001 referred to in paragraph (i) of this section.

(e) *Ownership certificates not required.* Ownership certificates are not required to be filed in the case of interest payments on—

(1) Obligations of a State, Territory, or possession of the United States, or any political subdivision of any of the foregoing, or of the District of Columbia;

(2) Bonds, mortgages, or deeds of trust, or other similar obligations issued by an individual or a partnership; and

(3) Obligations owned by a domestic corporation or foreign government.

(f) *Interest coupons unaccompanied by ownership certificates.* * * *

(3) The statement furnished pursuant to this paragraph shall be forwarded to the Director of International Operations, Internal Revenue Service, Washington, D.C. 20225, with the annual return on Form 1042.

* * * * *

(i) *Form of ownership certificate for nonresident aliens and foreign corporations.* Form 1001 shall be used in preparing ownership certificates of nonresident alien individuals, foreign partnerships, foreign corporations, and unknown owners. A special variation of Form 1001 (designated by a letter or letters following the number 1001) shall be used, however, in preparing ownership certificates of persons claiming the benefit of an exemption from tax, or reduced rate of tax, granted by an applicable income tax convention in respect of interest payments on coupon bonds. See the applicable tax treaty regulation and paragraph (d) of this section. Form 1001, and the special variations of such form, shall be filed in duplicate.

* * * * *

PAR. 14. Section 1.1465–1 is amended by revising paragraph (b)(1) to read as follows:

§ 1.1465–1 General provisions relating to withholding agents.

* * * * *

(b) *Person designated to act for withholding agent.* (1) A debtor corporation having an issue of bonds or other similar obligations which appoints a duly authorized agent to act on its behalf under the withholding provisions of chapter 3 of the Code is required to file a notice of such appointment with the Director of International Operations, Internal Revenue Service, Washington, D.C. 20225.

* * * * *

PAR. 15. Section 1.6042–3 is amended by revising subparagraphs (2) and (3) of paragraph (b) to read as follows:

§ 1.6042–3 Dividends subject to reporting.

* * * * *

(b) *Exceptions.* * * *

(2) Any distribution or payment which is subject to withholding under section 1441 or 1442 (relating to withholding of tax on nonresident aliens and foreign corporations, respectively) by the person making the distribution or payment, or which would be so subject to withholding but for the provisions of a treaty, or for the fact that it is attributable to income from sources outside the United States, or for the fact that withholding is not required by reason of paragraph (a) or (f) of § 1.1441–4.

(3) In the case of a nominee, any distribution or payment which he receives and with respect to which he is required to withhold under section 1441 or 1442, or would be so required to withhold but for the provisions of a treaty, or for the fact that the distribution or payment is attributable to income from sources outside the United States, or for the fact that withholding is not required by reason of paragraph (a) or (f) of § 1.1441–4.

* * * * *

PAR. 16. Section 1.6049–2 is amended by revising subparagraphs (3) and (4) of paragraph (b) to read as follows:

§ 1.6049–2 Interest subject to reporting.

* * * * *

(b) *Exceptions.* * * *

(3) Any interest which is subject to withholding under section 1441 or 1442 (relating to withholding of tax on nonresident aliens and foreign corporations, respectively) by the person making the

payment, or which would be so subject to withholding but for the provisions of a treaty, or for the fact that under section 861(a)(1) it is not from sources within the United States, or for the fact that withholding is not required by reason of paragraph (a) or (f) of § 1.1441–4.

(4) In the case of a nominee, any interest which he receives and with respect to which he is required to withhold under section 1441 or 1442, or would be so required to withhold but for the provisions of a treaty, or for the fact that under section 861(a)(1) it is not from sources within the United States, or for the fact that withholding is not required by reason of paragraph (a) or (f) of § 1.1441–4.

* * * * * *

PAR. 17. Section 1.6071–1 is amended by adding new subparagraphs (15) and (16) to paragraph (c). These added provisions read as follows:

§ 1.6071–1 Time for filing returns and other documents.

* * * * *

(c) *Time for filing certain information returns.* * * *

(15) For provisions relating to the time for filing ownership certificates with respect to interest payments on certain bonds, mortgages, deeds of trust, and other similar obligations, see § 1.1461–1.

(16) For provisions relating to the time for filing the annual information return on Form 1042S of the tax withheld under chapter 3 of the Code (relating to withholding of tax on nonresident aliens and foreign corporations and tax-free covenant bonds), see paragraph (c) of § 1.1461–2.

PAR. 18. Section 1.6072–4 is amended to read as follows:

§ 1.6072–4 Time for filing other returns of income.

(a) *Reports for recovery of excessive profits on Government contracts.* For the time for filing annual reports by persons completing Government contracts, see 26 CFR (1939) 17.16 (Treasury Decision 4906, approved June 23, 1939), and 26 CFR (1939) 16.15 (Treasury Decision 4909, approved June 28, 1939), as made applicable to section 1471 of the Internal Revenue Code of 1954 by Treasury Decision 6091, approved August 16, 1954 (19 F.R. 5167, C.B. 1954–2, 47).

(b) *Returns of tax on transfers to avoid income tax.* For the time for filing returns of tax under chapter 5 of the Code, see § 1.1494–1.

PAR. 19. Section 31.3401(a)–1 is amended by adding a new paragraph (b)(13) to read as follows:

§ 31.3401(a)–1 Wages.

* * * * *

(b) *Certain specific items.* * * *

(13) *Federal employees resident in Puerto Rico.* Except as provided in paragraph (d) of § 31.3401(a)(6)–1, the term "wages" includes remuneration for services performed by a nonresident alien individual who is a resident of Puerto Rico if such services are performed as an employee of the United States or any agency thereof. The place where the services are performed is immaterial for purposes of this subparagraph.

PAR. 20. Section 31.3401(a)(6) is amended by revising its heading and by revising the historical note. These amended provisions read as follows:

§ 31.3401(a)(6)A Statutory provisions; definitions; wages; remuneration for services of certain nonresident alien individuals.

* * * * *

[Sec. 3401(a)(6) as amended by sec. 110(g)(1), Mutual Educational and Cultural Exchange Act 1961 (75 Stat. 537); as in effect before amendment by sec. 103(k), Foreign Investors Tax Act 1966 (80 Stat. 1554)]

PAR. 21. Section 31.3401(a)(6)–1 is amended by revising the heading and by adding a new paragraph (e). These amended and added provisions read as follows:

§ 31.3401(a)(6)–1A Remuneration for services of certain nonresident alien individuals paid before January 1, 1967.

* * * * *

(e) This section shall not apply with respect to remuneration paid after December 31, 1966. For rules with respect to such remuneration see § 31.3401(a)(6)–1.

PAR. 22. The following new sections are inserted immediately after § 31.3401(a)(5)–1:

§ 31.3401(a)(6) Statutory provisions; definitions; wages; remuneration for services of certain nonresident alien individuals.

SEC. 3401. *Definitions*—(a) *Wages.* For purposes of this chapter, the term "wages" means all remuneration * * * for services performed by an employee for his employer * * *; except that such term shall not include remuneration paid—

* * * * *

(6) For such services, performed by a nonresident alien individual, as may be designated by regulations prescribed by the Secretary or his delegate; or

[Sec. 3401(a)(6) as amended by sec. 110(g)(1), Mutual Educational and Cultural Exchange Act 1961 (75 Stat. 537); sec. 103(k), Foreign Investors Tax Act 1966 (80 Stat. 1554)]

§ 31.3401(a)(6)–1 Remuneration for services of nonresident alien individuals paid after December 31, 1966.

(a) *In general.* All remuneration paid after December 31, 1966, for services performed by a nonresident alien individual, if such remuneration otherwise constitutes wages within the meaning of § 31.3401(a)–1, is subject to withholding under section 3402 unless excepted from wages under this section.

(b) *Remuneration for services performed outside the United States.* Remuneration paid to a nonresident alien individual (other than a resident of Puerto Rico) for services performed outside the United States is excepted from wages and hence is not subject to withholding.

(c) *Remuneration for services of residents of Canada or Mexico who enter and leave the United States at frequent tervals*—(1) *Transportation service.* Remuneration paid to a nonresident alien individual who is a resident of Canada or Mexico and who, in the performance of his duties in transportation service between points in the United States and points in such foreign country, enters and leaves the United States at frequent intervals, is excepted from wages and hence is not subject to withholding. This exception applies to personnel engaged in railroad, bus, truck, ferry, steamboat, aircraft, or other transportation services and applies whether the employer is a domestic or foreign entity. Thus, the remuneration of a nonresident alien individual who is a resident of Canada and an employee of a domestic railroad, for services as a member of the crew of a train operating between points in Canada and points in the United States, is not subject to withholding under section 3402.

(2) *Service on international projects.* Remuneration paid to a nonresident alien individual who is a resident of Canada or Mexico and who, in the performance of his duties in connection with the construction, maintenance, or operation of a waterway, viaduct, dam, or bridge traversed by, or traversing, the boundary between the United States and Canada or the boundary between the United States and Mexico, as the case may be, enters and leaves the United States at frequent intervals, is excepted from wages and hence is not subject to withholding. Thus, the remuneration of a nonresident alien individual who is a resident of Canada, for services as an employee in connection with the construction, maintenance, or operation of the Saint Lawrence Seaway and who, in the performance of such services, enters and leaves the United States at frequent intervals, is not subject to withholding under section 3402.

(3) *Limitation.* The exceptions provided by this paragraph do not apply to the remuneration of a resident of Canada or of Mexico who is employed wholly within the United States as, for example, where such a resident is employed to perform service at a fixed point or points in the United States, such as a factory, store, office, or designated area or areas within the United States, and who commutes from his home in Canada or Mexico, in the pursuit of his employment within the United States.

(4) *Certificate required.* In order for an exception provided by this paragraph to apply for any taxable year, the nonresident alien employee must furnish his employer a statement in duplicate for the taxable year setting forth the employee's name, address, and taxpayer identifying number, and certifying (i) that he is not a citizen or resident of the United States, (ii) that he is a resident of Canada or Mexico, as the case may be, and (iii) that he expects to meet the requirements of subparagraph (1) or (2) of this paragraph with respect to remuneration to be paid during the taxable year in respect of which the statement is filed.

The statement shall be dated, shall identify the taxable year to which it relates, shall be signed by the employee, and shall contain, or be verified by, a written declaration that it is made under the penalties of perjury. No particular form is prescribed for this statement. The duplicate copy of each statement filed during any calendar year pursuant to this paragraph shall be forwarded by the employer with, and attached to, the Form 1042S required by paragraph (c) of § 1.1461–2 with respect to such remuneration for such calendar year.

(d) *Remuneration for services performed by residents of Puerto Rico.* (1) Remuneration paid for services performed in Puerto Rico by a nonresident alien individual who is a resident of Puerto Rico for an employer (other than the United States or any agency thereof) is excepted from wages and hence is not subject to withholding.

(2) Remuneration paid for services performed outside the United States but not in Puerto Rico by a nonresident alien individual who is a resident of Puerto Rico for an employer (other than the United States or any agency thereof) is excepted from wages and hence is not subject to withholding if such individual does not expect to be a resident of Puerto Rico during the entire taxable year. In order for the exception provided by this subparagraph to apply for any taxable year, the nonresident alien employee must furnish his employer a statement for the taxable year setting forth the employee's name and address and certifying (i) that he is not a citizen or resident of the United States and (ii) that he is a resident of Puerto Rico but does not expect to be a resident of Puerto Rico during the entire taxable year. The statement shall be dated, shall identify the taxable year to which it relates, shall be signed by the employee, and shall contain, or be verified by, a written declaration that it is made under the penalties of perjury. No particular form is prescribed for this statement.

(3) Remuneration paid for services performed outside the United States by a nonresident alien individual who is a resident of Puerto Rico as an employee of the United States or any agency thereof is excepted from wages and hence is not subject to withholding if such individual does not expect to be a resident of Puerto Rico during the entire taxable year. In order for the exception provided by this subparagraph to apply for any taxable year, the nonresident alien employee must furnish his employer a statement for the taxable year setting forth the employee's name and address and certifying (i) that he is not a citizen or resident of the United States and (ii) that he is a resident of Puerto Rico but does not expect to be a resident of Puerto Rico during the entire taxable year. This statement shall be dated, shall identify the taxable year to which it relates, shall be signed by the employee, and shall contain, or be verified by, a written declaration that it is made under the penalties of perjury. No particular form is prescribed for this statement.

(e) *Income exempt from income tax.* Remuneration paid for services performed within the United States by a nonresident alien individual is excepted from wages and hence is not subject to withholding if such remuneration is, or will be, exempt from the income tax imposed by chapter 1 of the Code by reason of a provision of the Internal Revenue Code or an income tax convention to which the United States is a party. In order for the exception provided by this paragraph to apply for any taxable year, the nonresident alien employee must furnish his employer a statement in duplicate for the taxable year setting forth the employee's name, address, and taxpayer identifying number, and certifying (1) that he is not a citizen or resident of the United States, (2) that the remuneration to be paid to him during the taxable year is, or will be, exempt from the tax imposed by chapter 1 of the Code, and (3) the reason why such remuneration is so exempt from tax. If the remuneration is claimed to be exempt from tax by reason of a provision of an income tax convention to which the United States is a party, the statement shall also indicate the provision and tax convention under which the exemption is claimed, the country of which the employee is a resident, and sufficient facts to justify the claim to exemption. The statement shall be dated, shall identify the taxable year for which it is to apply and the remuneration to which it relates, shall be signed by the employee, and shall contain, or be verified by, a written declaration that it is made under the penalties of perjury. No particular form is prescribed for this statement. The duplicate copy of each statement filed during any calendar year pursuant to this paragraph shall be forwarded by the employer with, and attached to, the Form 1042S required by paragraph (c) of § 1.1461–2 with respect to such remuneration for such calendar year.

PAR. 23. Section 3401(a)(7) is amended by adding a historical note to read as follows:

[Sec. 3401(a)(7) as in effect before its deletion by sec. 103(k), Foreign Investors Tax Act 1966 (80 Stat. 1554)]

PAR. 24. Section 31.3401(a)(7)–1 is amended by revising the heading and by adding a new paragraph (e). These amended and added provisions read as follows:

§ 31.3401(a)(7)–1 Remuneration paid before January 1, 1967, for services performed by nonresident alien individuals who are residents of a contiguous country and who enter and leave the United States at frequent intervals.

* * * * *

(e) *Effective date.* This section shall not apply with respect to remuneration paid after December 31, 1966. For rules with respect to such remuneration see § 31.3401(a)(6)–1.

PAR. 25. Section 31.3402(f)(6)–1 is amended to read as follows:

§ 31.3402(f)(6)–1 Withholding exemptions for nonresident alien individuals.

A nonresident alien individual subject to withholding under section 3402 is on any 1 day entitled under section 3402(f)(1) and § 31.3402(f)(1)–1 to the number of withholding exemptions corresponding to the number of personal exemptions to which he is entitled on such day by reason of the application of section 873(b)(3) or section 876, whichever applies. Thus, a nonresident alien individual who is not a resident of Canada or Mexico and who is not a resident of Puerto Rico during the entire taxable year, is allowed under section 3402(f)(1) only one withholding exemption.

PAR. 26. Section 31.6001–5 is amended by revising paragraph (a)(7) to read as follows:

§ 31.6001–5 Additional records in connection with collection of income tax at source on wages.

(a) * * *

(7) Copies of any statements furnished by the employee pursuant to §§ 31.3401(a)(6)–1 and 31.3401(a)(7)–1, relating to nonresident alien individuals.

* * * * *

[F.R. Doc. 66–14066; Filed, Dec. 30, 1966; 8:49 a.m.]

[T.D. 6907]

PART 15—TEMPORARY INCOME TAX REGULATIONS RELATING TO EXPLORATION EXPENDITURES IN THE CASE OF MINING

In order to prescribe temporary regulations, which shall remain in force and effect until superseded by permanent regulations, relating to the manner of making the elections provided by the Act of September 12, 1966 (Public Law 89–570, 80 Stat. 759), relating to the income tax treatment of exploration expenditures in the case of mining, the following regulations are hereby prescribed:

Sec.
15.1 Statutory provisions; allowance of deduction; recapture; elections.
15.0–1 Scope of regulations in this part.
15.1–1 Elections to deduct.
15.1–2 Revocation of election to deduct.
15.1–3 Elections as to method of recapture.
15.1–4 Special rules.

AUTHORITY: The provisions of this Part 15 issued under sec. 7805, Internal Revenue Code of 1954 (68A Stat. 917; 26 U.S.C. 7805).

§ 15.1 Statutory provisions; allowance of deduction; recapture; elections.

(a) Section 615 (e) and (f) of the Internal Revenue Code of 1954, added by section 2(a) of the Act of September 12, 1966:

SEC. 615. *Exploration expenditures.* * * *

(e) *Election to have section apply.* This section (other than subsections (f) and (g)) shall apply only if the taxpayer so elects in such manner as the Secretary or his delegate may by regulations prescribe. Such election shall be made before the expiration of 3 years after the time prescribed by law (determined without any extension thereof) for

filing the return for the first taxable year ending after the date of the enactment of this subsection in which expenditures described in subsection (a) are paid or incurred after such date. Such election may not be revoked after the expiration of such 3 years.

(f) *Section 615 and section 617 elections to be mutually exclusive.* A taxpayer who has made an election under subsection (e) (which he has not revoked) may not make an election under section 617(a). A taxpayer who has made an election under section 617(a) (which he has not revoked) may not make an election under subsection (e) of this section.

* * * * *

[Sec. 615 (e) and (f) of the Internal Revenue Code of 1954, added by sec. 2(a) of the Act of Sept. 12, 1966 (Public Law 89-570, 80 Stat. 763)]

(b) Section 617 (a) and (b) of the Internal Revenue Code of 1954, added by section 1(a) of the Act of September 12, 1966:

SEC. 617. *Additional exploration expenditures in the case of domestic mining*—(a) *Allowance of deduction*—(1) *General rule.* At the election of the taxpayer, expenditures paid or incurred during the taxable year for the purpose of ascertaining the existence, location, extent, or quality of any deposit of ore or other mineral in the United States or on the Outer Continental Shelf (within the meaning of sec. 2 of the Outer Continental Shelf Lands Act, as amended and supplemented; 43 U.S.C. 1331), and paid or incurred before the beginning of the development stage of the mine, shall be allowed as a deduction in computing taxable income. This subsection shall apply only with respect to the amount of such expenditures which, but for this subsection, would not be allowable as a deduction for the taxable year. This subsection shall not apply to expenditures for the acquisition or improvement of property of a character which is subject to the allowance for depreciation provided in section 167, but allowances for depreciation shall be considered, for purposes of this subsection, as expenditures paid or incurred. In no case shall this subsection apply with respect to amounts paid or incurred for the purpose of ascertaining the existence, location, extent, or quality of any deposit of oil or gas or of any mineral with respect to which a deduction for percentage depletion is not allowable under section 613.

(2) *Elections*—(A) *Method.* Any election under this subsection shall be made in such manner as the Secretary or his delegate may by regulations prescribe.

(B) *Time and scope.* The election provided by paragraph (1) for the taxable year may be made at any time before the expiration of the period prescribed for making a claim for credit or refund of the tax imposed by this chapter for the taxable year. Such an election for the taxable year shall apply to all expenditures described in paragraph (1) paid or incurred by the taxpayer during the taxable year or during any subsequent taxable year. Such an election may not be revoked after the last day of the third month following the month in which the final regulations issued under the authority of this subsection are published in the FEDERAL REGISTER, unless the Secretary or his delegate consents to such revocation.

(C) *Deficiencies.* The statutory period for the assessment of any deficiency for any taxable year, to the extent such deficiency is attributable to an election or revocation of an election under this subsection, shall not expire before the last day of the 2-year period beginning on the day after the date on which such election or revocation of election is made; and such deficiency may be assessed at any time before the expiration of such 2-year period, notwithstanding any law or rule of law which would otherwise prevent such assessment.

(b) *Recapture on reaching producing stage*—(1) *Recapture.* If, in any taxable year, any mine with respect to which expenditures were deducted pursuant to subsection (a) reaches the producing stage, then—

(A) If the taxpayer so elects with respect to all such mines reaching the producing stage during the taxable year, he shall include in gross income for the taxable year an amount equal to the adjusted exploration expenditures with respect to such mines, and the amount so included in income shall be treated for purposes of this subtitle as expenditures which (i) are paid or incurred on the respective dates on which the mines reach the producing stage, and (ii) are properly chargeable to capital account.

(B) If subparagraph (A) does not apply with respect to any such mine, then the deduction for depletion under section 611 with respect to the property shall be disallowed until the amount of depletion which would be allowable but for this subparagraph equals the amount of the adjusted exploration expenditures with respect to such mine.

(2) *Elections*—(A) *Method.* Any election under this subsection shall be made in such manner as the Secretary or his delegate may by regulations prescribe.

(B) *Time and scope.* The election provided by paragraph (1) for any taxable year may be made or changed not later than the time prescribed by law for filing the return (including extensions thereof) for such taxable year.

* * * * *

[Sec. 617 (a) and (b) of the Internal Revenue Code of 1954, added by sec. 1(a) of the Act of Sept. 12, 1966 (Public Law 89-570, 80 Stat. 759)]

(c) Section 703(b) of the Internal Revenue Code of 1954, as amended by section 2(b) of the Act of September 12, 1966:

SEC. 703. *Partnership computations.* * * *

(b) *Elections of the partnership.* Any election affecting the computation of taxable income derived from a partnership shall be made by the partnership, except that the election under section 901, relating to taxes of foreign countries and possessions of the United States, and any election under section 615 (relating to exploration expenditures) or under section 617 (relating to additional exploration expenditures in the case of domestic mining), shall be made by each partner separately.

[Sec. 703(b) of the Internal Revenue Code of 1954, as amended by sec. 2(b) of the Act of Sept. 12, 1966 (Public Law 89-570, 80 Stat. 764)]

(d) Section 3 of the Act of September 12, 1966:

SEC. 3. The amendments made by this Act shall apply to taxable years ending after the date of the enactment of this Act but only in respect of expenditures paid or incurred after such date.

[Sec. 3 of the Act of Sept. 12, 1966 (Public Law 89-570, 80 Stat. 764)]

§ 15.0-1 Scope of regulations in this part.

The regulations in this part relate to expenditures of the type described in section 615(a) or in section 617(a)(1) paid or incurred after September 12, 1966. The regulations in this part do not apply to the income tax treatment of mining exploration expenditures paid or incurred before September 13, 1966, and no election made pursuant to the provisions of the regulations in this part shall have any effect on the income tax treatment of exploration expenditures paid or incurred before such date. See § 15.1-4 for rules relating to treatment of exploration expenditures paid or incurred during taxable years beginning before September 13, 1966, and ending after September 12, 1966.

§ 15.1-1 Elections to deduct.

(a) *Manner of making election*—(1) *Election to deduct under section 617(a).* The election to deduct exploration expenditures as expenses under section 617 (a) may be made by deducting such expenditures in the taxpayer's income tax return for the first taxable year ending after September 12, 1966, for which the taxpayer desires to deduct exploration expenditures which are paid or incurred by him during such taxable year and after September 12, 1966. This election may be exercised by deducting such expenditures either in the taxpayer's return for such taxable year or in an amended return filed before the expiration of the period for filing a claim for credit or refund of income tax for such taxable year. Where the election is made in an amended return for a taxable year prior to the most recent year for which the taxpayer has filed a return, the taxpayer shall file amended income tax returns, reflecting any increase or decrease in tax attributable to the election, for all taxable years affected by the election. See section 617(a)(2)(C) for provisions relating to the tolling of the statute of limitations for the assessment of any deficiency for any taxable year, to the extent the deficiency is attributable to an election under section 617(a). In applying the election to the years affected there shall be taken into account the effect that any adjustments resulting from the election shall have on other items affected thereby, such as the deduction for charitable contributions, the foreign tax credit, net operating loss, and other deductions or credits the amount of which is limited by the taxpayer's taxable income, and the effect that adjustments of any such items have on other taxable years. Amended returns filed for taxable years subsequent to the taxable year for which the election under section 617(a) is made by amended return shall apply the recapture provisions of subsections (b)(1)(B), (c), and (d) of section 617.

(2) *Election to deduct under section 615*—(i) *General rule.* The election to deduct exploration expenditures under section 615 shall be made in a statement filed with the district director, or director of the regional service center, with whom the taxpayer's income tax return is required to be filed. If the election is made within the time period prescribed for filing an income tax return (including extensions thereof) for the first taxable year ending after September 12, 1966, during which the taxpayer pays or

incurs expenditures which are within the scope of section 615 and which are paid or incurred by him after September 12, 1966, this statement shall be attached to the taxpayer's income tax return for such taxable year. If the election is made after the time prescribed for filing such return but before the expiration of the period (described in paragraph (d)(1) of this section) for making the election under section 615(e), the statement must be signed by the taxpayer or his authorized representative. The statement shall be filed even though the taxpayer charges to capital account all such expenditures paid or incurred by him during such taxable year after such date. The statement shall clearly indicate that the taxpayer elects to have section 615 apply to all amounts deducted by him with respect to mining exploration expenditures paid or incurred after September 12, 1966. If the taxpayer desires, he may file this statement by attaching it to his return for a taxable year prior to the first taxable year ending after September 12, 1966, in which he pays or incurs mining exploration expenditures. Except as provided in subdivision (ii) of this subparagraph, if the taxpayer does not file such a statement within the period prescribed by section 615(e) and paragraph (d)(1) of this section, any amounts deducted by him with respect to exploration expenditures paid or incurred by him after September 12, 1966, will be deemed to have been deducted pursuant to an election under section 617(a).

(ii) *Exception.* The last sentence of subdivision (i) of this subparagraph shall not apply if all mining exploration expenditures which are paid or incurred by the taxpayer after September 12, 1966, and which are deducted by him in his income tax return for the first taxable year ending after September 12, 1966, during which he pays or incurs such expenditures are outside the scope of section 617(a). For example, assume that, in his return for his first taxable year ending after September 12, 1966, a taxpayer deducts mining exploration expenditures paid or incurred after September 12, 1966, and does not attach to his return the statement described in subdivision (i) of this subparagraph. However, all of the exploration expenditures paid or incurred by the taxpayer after September 12, 1966, and before the end of the taxable year were paid or incurred with respect to minerals located neither in the United States nor on the Outer Continental Shelf. The taxpayer will be deemed to have made an election under section 615(e) by deducting all or part of those expenditures as expenses in his income tax return.

(b) *Information to be furnished.* A taxpayer who makes or has made an election under either section 615(e) or section 617(a) to deduct expenditures paid or incurred after September 12, 1966, shall indicate clearly on his income tax return for each taxable year for which he deducts any such expenditures the amount of the deduction claimed under section 615 (a) or (b) or section 617(a) with respect to each property or area of interest. Such property or area of interest shall be identified by a description sufficiently adequate to permit application of the recapture rules of section 617 (b), (c), and (d) and the rules of section 615(g) (relating to effect of transfer of mineral property).

(c) *Effect of election.* A taxpayer who has made an election under section 615(e) may never make an election under section 617(a) unless, within the period set forth in section 615(e) and paragraph (b)(1) of § 15.1–2, he revokes his election under section 615(e). A taxpayer who has made an election under section 617(a) may never make an election under section 615(e) unless, within the period set forth in section 615(e) and paragraph (b)(1) of § 15.1–2, he revokes his election under section 617(a). A taxpayer who has made, and has not revoked, an election under section 617(a) may not, in his return for the taxable year for which the election is made or for any subsequent taxable year, charge to capital account any expenditures which are within the scope of section 617(a), and he must deduct all such expenditures as expenses. Except as provided in paragraph (a)(2) of § 1.615–2 of this chapter (Income Tax Regulations), a taxpayer who makes an election under 615(e) may not change his treatment of exploration expenditures deducted, deferred, or capitalized pursuant to such election unless he revokes the election made under section 615(e).

(d) *Time for making election*—(1) *Election under section 615(e).* A taxpayer may not make an election under section 615(e) after the expiration of the 3-year period beginning with the date prescribed by section 6072 or other provision of law for filing the taxpayer's income tax return for the first taxable year ending after September 12, 1966, in which the taxpayer pays or incurs expenditures to which section 615(a) would apply if an election were made under section 615(e). This 3-year period shall be determined without regard to any extension of time for filing the taxpayer's income tax return. An election under section 615(e) may not be made after the expiration of the 3-year period even though the taxpayer charged to capital account, or erroneously deducted as development expenditures under section 616, all mine exploration expenditures paid or incurred by him after September 12, 1966, and before the end of his first taxable year ending after September 12, 1966, in which he paid or incurred such expenditures.

(2) *Election under section 617(a).* The election under section 617(a) may be made at any time before the expiration of the period prescribed for filing a claim for credit or refund of the tax imposed by chapter 1 for the first taxable year for which the taxpayer desires to deduct exploration expenditures under section 617.

(3) *Timely mailing treated as timely filing.* Section 7502 (relating to timely mailing treated as timely filing) shall apply in determining the date when an election under either section 615(e) or section 617(a) is made.

§ 15.1–2 Revocation of election to deduct.

(a) *Manner of revoking election.* A taxpayer may revoke an election made by him under section 615(e) or section 617(a) by filing with the internal revenue officer with whom the taxpayer's income tax return is required to be filed, within the periods set forth in paragraph (b) of this section, a statement, signed by the taxpayer or his authorized representative, which sets forth that the taxpayer is revoking the election previously made by him with respect to the deduction of mining exploration expenditures paid or incurred after September 12, 1966, and states with whom the document making the election was filed. A taxpayer revoking such an election shall file amended income tax returns, reflecting any increase or decrease in tax attributable to the revocation of election, for all taxable years affected by the revocation of election. See section 617(a)(2)(C) for provisions relating to the tolling of the statute of limitations for the assessment of any deficiency for any taxable year, to the extent the deficiency is attributable to an election or revocation of election under section 617(a). In applying the revocation of an election to the years affected there shall be taken into account the effect that any adjustments resulting from the revocation of election shall have on other items affected thereby, such as the deduction for charitable contributions, the foreign tax credit, net operating loss, and other deductions or credits the amount of which is limited by the taxpayer's taxable income, and the effect that adjustments of any such items have on other taxable years.

(b) *Time for revoking election*—(1) *Election under section 615(e).* An election under section 615(e) may be revoked at any time before the expiration of the 3-year period described in paragraph (d)(1) of § 15.1–1. Such an election may not be revoked after the expiration of the 3-year period.

(2) *Election under section 617(a).* An election under section 617(a) may be revoked before the expiration of the last day of the third month following the month in which the final regulations issued under the authority of section 617 are published in the FEDERAL REGISTER. After the expiration of this period, a taxpayer who has made an election under section 617(a) may not revoke that election unless he obtains the consent of the Secretary or his delegate in the manner to be set forth in the final regulations under section 617.

(c) *Additional information to be furnished by a transferor of mineral property.* If, before revoking his election, the taxpayer has transferred any mineral property with respect to which he deducted exploration expenditures paid or incurred after September 12, 1966, to another person in a transaction as a result of which the basis of such property in the hands of the transferee is determined by reference to the basis in the hands of the transferor, the statement submitted pursuant to paragraph (a) of this section shall state that such prop-

erty has been so transferred and shall identify the transferee, the property transferred, and the date of the transfer.

§ 15.1–3 Elections as to method of recapture.

(a) *In general.* If the taxpayer so elects with respect to all mines with respect to which deductions have been allowed under section 617(a) and which reach the producing stage during a taxable year, he shall include in gross income for the taxable year an amount equal to the adjusted exploration expenditures with respect to such mines (determined under section 617(f)(1)). The amount so included in income shall be treated for purposes of subtitle A of the Internal Revenue Code as expenditures which are paid or incurred on the respective dates on which the mines reach the producing stage and which are properly chargeable to capital account. If the taxpayer does not make this election for a taxable year during which any mine with respect to which deductions have been allowed under section 617(a) reaches the producing stage, the deduction for depletion under section 611 with respect to the property (whether determined under § 1.611–2 of this chapter (Income Tax Regulations) or under section 613) shall be disallowed until the amount of depletion which would be allowable but for section 617(b)(1)(B) equals the amount of the adjusted exploration expenditures with respect to the mine. The fact that a taxpayer does not make the election described in the first sentence of this paragraph for a taxable year during which mines with respect to which deductions have been allowed under section 617(a) reach the producing stage shall not preclude the taxpayer from making the election with respect to other mines which reach the producing stage during a subsequent taxable year. However, an election may not be made for any taxable year with respect to any mines which reached the producing stage during a preceding taxable year.

(b) *Manner of making election.* A taxpayer will be considered to have made an election in accordance with the manner in which the adjusted exploration expenditures with respect to the mines reaching the producing stage during a taxable year are treated in his return for such taxable year.

(c) *Time for making election.* The election described in paragraph (a) of this section may be made, or changed by filing an amended return, not later than the time prescribed by law for filing the return (including extensions thereof) for the taxable year.

§ 15.1–4 Special rules.

(a) *Taxable years beginning before September 13, 1966, and ending after September 12, 1966*—(1) *General rule.* An election made under section 615(e) or section 617(a) applies only to expenditures paid or incurred after September 12, 1966. The income tax treatment of exploration expenditures paid or incurred before September 13, 1966, will be determined in accordance with the provisions of section 615 prior to its amendment by the Act of September 12, 1966 (Public Law 89–570, 80 Stat. 759). If a taxpayer makes an election under section 615(e) in his income tax return for a taxable year beginning before September 13, 1966, and ending after September 12, 1966, amounts deducted under section 615 with respect to expenditures paid or incurred during such taxable year but before September 13, 1966, will be taken into account in determining whether the $100,000 limitation set forth in section 615(a) is reached during 1966. Similarly, a taxpayer making an election under section 615(e) shall take into account expenditures deducted under section 615 for periods prior to September 13, 1966, in determining when the $400,000 overall limitation set forth in section 615(c) is reached. The fact that a taxpayer deducts under section 615 expenditures paid or incurred prior to September 13, 1966, shall not affect his right to make an election under section 617(a) to deduct under section 617 expenditures paid or incurred after September 12, 1966.

(2) *Allocation in case of inadequate records.* If a taxpayer pays or incurs exploration expenditures during a taxable year beginning before September 13, 1966, and ending after September 12, 1966, but his records as to any mine or property are inadequate to permit a determination of the amount paid or incurred during the portion of the year ending after September 12, 1966, and the amount paid or incurred on or before such date, the exploration expenditures as to which the records are inadequate paid or incurred with respect to the mine or property during the taxable year shall be allocated to each part year (that is, the part occurring before September 13, 1966, and the part occurring after September 12, 1966) in the ratio which the number of days in such part year bears to the number of days in the entire taxable year. For example, if the records of a calendar year taxpayer for 1966 are inadequate to permit a determination of the amount of exploration expenditures paid or incurred with respect to a certain mine or property after September 12, 1966, and the amount paid or incurred before September 13, 1966, $^{255}/_{365}$ of the total exploration expenditures paid or incurred by the taxpayer with respect to the mine or property during 1966 shall be allocated to the period beginning January 1, 1966, and ending September 12, 1966, and $^{110}/_{365}$ of the total exploration expenditures paid or incurred with respect to the mine or property during 1966 shall be allocated to the period beginning September 13, 1966, and ending December 31, 1966.

(3) *Partnership elections.* With respect to exploration expenditures paid or incurred by a partnership before September 13, 1966, the option to deduct under section 615(a) and the election to defer under section 615(b) shall be made by the partnership, rather than by the individual partners. All elections under sections 615(e), 617(a), or 617(b) as to the tax treatment of a partner's distributive share of exploration expenditures paid or incurred by any partnership of which he is a member shall be made by the individual partner, rather than by the partnership.

(b) *Effect of transfer of mineral property.* The binding effect of a taxpayer's election under section 615(e) shall not be affected by his receiving property with respect to which deductions have been allowed under section 617(a). The binding effect of a taxpayer's election under section 617(a) shall not be affected by his receiving property with respect to which deductions have been allowed under section 615 pursuant to an election made under section 615(e). However, see section 615(g)(2) for rules under which amounts deducted under section 615 by a transferor may be subject to recapture in the hands of a transferee who has made an election under section 617(a).

Because of the need for immediate guidance with respect to the elections described in this Treasury decision, it is found impracticable to issue it with notice and public procedure thereon under section 4(a) of the Administrative Procedure Act, approved June 11, 1946, or subject to the effective date limitations of section 4(c) of that Act.

[SEAL] SHELDON S. COHEN,
Commissioner of Internal Revenue.

Approved: December 27, 1966.

FRED B. SMITH,
General Counsel of the Treasury.

[F.R. Doc. 66–14050; Filed, Dec. 30, 1966; 8:48 a.m.]

Title 29—LABOR

Chapter XIV—Equal Employment Opportunity Commission

PART 1602—RECORDS AND REPORTS

Employer Reporting Requirements

Pursuant to the authority vested in it by section 709(c) of the Civil Rights Act of 1964, 78 Stat. 263, and after consideration of the testimony and statements submitted to it in response to its notice of proposed rule making published November 30, 1966 (31 F.R. 15022), and at the public hearing held on Wednesday, December 21, 1966, at 10 a.m., e.s.t., 1800 G Street NW., Washington, D.C., with respect to a proposed amendment to § 1602.7 of Subpart B, Chapter XIV, Title 29, of the Code of Federal Regulations, the Commission finds that in view of the publicity already accorded to the proposed amended regulation and the fact that the regulation will require the filing on or before March 31, 1967, and annually thereafter of Standard Form 100 (Equal Employment Opportunity Employer Information Report EEO–1) by certain employers subject to its jurisdiction, this amended rule shall become effective on the date of its publication in the FEDERAL REGISTER.

The rule is therefore amended as follows:

§ 1602.7 Requirement for filing of report.

On or before March 31, 1967, and annually thereafter, every employer subject to Title VII of the Civil Rights Act of 1964 which meets the 100-employee test set forth in section 701(b) thereof shall file with the Commission or its delegate executed copies of Standard Form 100, as revised (otherwise known as "Employer Information Report EEO–1") in conformity with the directions set forth in the form and accompanying instructions. Notwithstanding the provisions of § 1602.14, every such employer shall retain at all times at each reporting unit, or at company or divisional headquarters, a copy of the most recent report filed for each such unit and shall make the same available if requested by an officer, agent, or employee of the Commission under the authority of section 710(a) of Title VII. Appropriate copies of Standard Form 100 in blank will be supplied to every employer known to the Commission to be subject to the reporting requirements, but it is the responsibility of all such employers to obtain necessary supplies of same prior to the filing date from the Joint Reporting Committee, Federal Depot, 1201 East 10th Street, Jeffersonville, Ind. 47130.

Signed at Washington, D.C., this 27th day of December 1966.

STEPHEN N. SHULMAN,
Chairman.

[F.R. Doc. 66–14067; Filed, Dec. 30, 1966; 8:49 a.m.]

Title 31—MONEY AND FINANCE: TREASURY

Chapter II—Fiscal Service, Department of the Treasury

SUBCHAPTER C—OFFICE OF THE TREASURER OF THE UNITED STATES

[Dept. Circular 1001 (Rev.)]

PART 365—ISSUE OF SUBSTITUTES OF LOST, DESTROYED, MUTILATED AND DEFACED CHECKS DRAWN ON THE TREASURER OF THE UNITED STATES

Performance of Functions of the Treasurer

Part 365, Chapter II, Title 31 of the Code of Federal Regulations (appearing also as Treasury Department Circular No. 1001 (Revised), 27 F.R. 8491, Aug. 24, 1962) is hereby amended by adding immediately after § 365.6 a new section to read as follows:

§ 365.7 Performance of functions of the Treasurer.

The Treasurer of the United States may authorize any officer of the Treasury Department to perform any of his functions under this part and to redelegate such authority within such limits as the Treasurer may prescribe.

(R.S. 3646, as amended; 31 U.S.C. 528)

Dated: December 27, 1966.

[SEAL] JOHN K. CARLOCK,
Fiscal Assistant Secretary.

[F.R. Doc. 66–14045; Filed, Dec. 30, 1966; 8:48 a.m.]

Title 41—PUBLIC CONTRACTS AND PROPERTY MANAGEMENT

Chapter 101—Federal Property Management Regulations

SUBCHAPTER H—UTILIZATION AND DISPOSAL

PART 101–47—UTILIZATION AND DISPOSAL OF REAL PROPERTY

Miscellaneous Amendments

Part 101–47 is amended to effect revisions and corrections as noted for each particular section.

Subpart 101–47.3—Surplus Real Property Disposal

1. Section 101–47.302–2(b) is revised as follows to make it clear that the holding agency, where it requests General Services Administration to dispose of fixtures, structures, and improvements without the underlying land, shall be responsible for the payment of any demolition and removal costs not offset by the sale of the property:

§ 101–47.302–2 Holding agency.

* * * * *

(b) GSA may act as the disposal agency for the type of property described in paragraph (a) (1) and (2) of this section, whenever requested by the holding agency to perform the disposal functions. Where GSA acts as the disposal agency for the disposal of leases and similar real estate interests as described in paragraph (a) (1) of this section, the holding agency nevertheless shall continue to be responsible for the payment of the rental until the lease is terminated and for the payment of any restoration or other direct costs incurred by the Government as an incident to the termination. Likewise, where GSA acts as disposal agency for the disposal of fixtures, structures, and improvements as described in paragraph (a)(2) of this section, the holding agency nevertheless shall continue to be responsible for payment of any demolition and removal costs not offset by the sale of the property.

2. Section 101–47.308–4(j) is revised as follows to indicate that the Department of Health, Education, and Welfare shall accomplish transfers within 60 days (rather than 90 days) after the date of assignment of the property to that agency:

§ 101–47.308–4 Property for educational and public health purposes.

* * * * *

(j) The Department of Health, Education, and Welfare shall prepare the transfer document and take all other actions necessary to accomplish the transfer of the property within 60 days after the date of the assignment of the property to the Secretary of Health, Education, and Welfare.

* * * * *

3. Section 101–47.309 is amended by revising the proviso appearing at the end of § 101–47.309 as follows to indicate that the conveyance of Government-owned improvements to the Government's lessor in return for the cancellation of the Government's restoration obligations is not considered a disposal of surplus real property so as to require a submission of an explanatory statement to the Government Operations Committees:

§ 101–47.309 Disposal of leases, permits, licenses, and similar instruments.

* * * * *

Provided, That any negotiated disposals shall be subject to the applicable provisions of §§ 101–47.304–9 and 101–47.304–12. The cancellation of the Government's restoration obligations in return for the conveyance of the Government-owned improvements to the lessor is considered a settlement of a contractual obligation rather than a disposal of surplus real proprety and, therefore, is not subject to the provisions of §§ 101–47.304–9 and 101–47.304–12.

Subpart 101–47.6—Delegations

Sections 101–47.601(c), 101–47.602(c), and 101–47.603(c) are revised editorially as follows:

§ 101–47.601 Delegation to Department of Defense.

* * * * *

(c) The authority conferred in this § 101–47.601 shall be exercised in accordance with the Act and regulations issued pursuant thereto, except that the reporting of such property to GSA under Subpart 101–47.2 shall not be required.

* * * * *

§ 101–47.602 Delegation to the Department of Agriculture.

* * * * *

(c) The authority conferred in this § 101–47.602 shall be exercised in accordance with the Act and regulations issued pursuant thereto, except that the reporting of such property to GSA under Subpart 101–47.2 shall not be required.

* * * * *

§ 101–47.603 Delegation to the Department of the Interior.

* * * * *

(c) The authority conferred in this § 101–47.603 shall be exercised in accordance with the Act and regulations issued pursuant thereto, except that the reporting of such property to GSA under Subpart 101–47.2 shall not be required.

* * * * *

(Sec. 205(c), 63 Stat. 390; 40 U.S.C. 486(c))

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

Dated: December 27, 1966.

LAWSON B. KNOTT, Jr.,
Administrator of General Services.

[F.R. Doc. 66–14052; Filed, Dec. 30, 1966; 8:49 a.m.]

Title 46—SHIPPING

Chapter I—Coast Guard, Department of the Treasury

SUBCHAPTER J—ELECTRICAL ENGINEERING

[CGFR 66-71]

ELECTRICAL REQUIREMENTS

Miscellaneous Amendments

The electrical engineering regulations published in the FEDERAL REGISTER and the Code of Federal Regulations were compared with the text of the Coast Guard publication entitled, "Electrical Engineering Regulations" (CG-259), a number of minor variations were noted. The purpose of this document is to bring the electrical engineering regulations up to date by correcting the identification of referenced industrial specifications, by correcting the abbreviation identifications or names of certain organizations, by correcting references, or by revising text of certain requirements so they will be in agreement with other published regulations.

As the amendments in this document are changes deemed to be editorial in effect, it is hereby found that compliance with the Administrative Procedure Act (respecting notice of proposed rule making, public rule making procedures thereon, and effective date requirements) is unnecessary.

By virtue of the authority vested in me as Commandant, U.S. Coast Guard, by section 632 of Title 14, United States Code, and Treasury Department Order 120, dated July 31, 1950 (15 F.R. 6521), and others specifically listed with the amendments below, the following amendments are prescribed and shall be effective on date of pubication in the FEDERAL REGISTER.

PART 110—GENERAL PROVISIONS

Subpart 110.10—Reference Specifications, Standards, and Codes

1. Section 110.10-1 is amended by revising paragraph (d) (1) and (2) and first sentence of paragraph (g) to read as follows:

§ 110.10-1 General.

* * * * *

(d) * * *

(1) IEEE Standard No. 45—Recommended Practice for Electrical Installations on Shipboard.

(2) USA Standards Institute (formerly American Standard) Definitions of Electrical Terms, ASA C42.

* * * * *

(g) Standards of issue in effect on the date the vessel is contracted for, issued by USA Standards Institute, 70 East 45th Street, New York, N.Y. 10017. * * *

Subpart 110.15—Definition of Terms Used in This Subchapter

§ 110.15-15 [Amended]

2. Section 110.15-15 *Cable terms* is amended by changing in first sentence of subparagraph (b)(1) the reference from "Table 110.10-15(b)(1)" to "Table 110.15-15(b)(1)."

§ 110.15-40 [Amended]

3. Section 110.15-40 *Corrosion-resistant finishes* is amended by changing in paragraph (b) the word from "sheradizing" to "sherardizing".

§ 110.15-55 [Amended]

4. Section 110.15-55 *Embarkation deck* is amended by changing the phrase from "passenger as assembled" to "passengers are assembled".

(R.S. 4405, as amended, 4462, as amended; 46 U.S.C. 375, 416. Interpret or apply R.S. 4399, as amended, 4400, as amended, 4417, as amended, 4417a, as amended, 4418, as amended 4421, as amended, 4426, as amended, 4427, as amended, 4433, as amended, 4453, as amended, 4421, as amended, 4426, as amended, sec. 14, 29 Stat. 690, as amended, sec. 10, 35 Stat. 428, as amended, 41 Stat. 305, as amended, sec. 5, 49 Stat. 1384, as amended, secs. 1, 2, 49 Stat. 1544, 1545, as amended, sec. 17, 54 Stat. 166, as amended, sec. 3, 54 Stat. 347, as amended, sec. 3, 70 Stat. 152, sec. 3, 68 Stat. 675; 46 U.S.C. 361, 362, 391, 392, 399, 404, 405, 391a, 411, 435, 481, 489, 366, 395, 363, 369, 367, 526p, 1333, 390b, 50 U.S.C. 198; E.O. 11239, July 31, 1965, 30 F.R. 9671, 3 CFR 1965 Supp. Treasury Department Orders 120, July 31, 1950, 15 F.R. 6521; 167-14, Nov. 26, 1954, 19 F.R. 8026; 167-20, June 18, 1956, 21 F.R. 4894; CGFR 56-28, July 24, 1956, 21 F.R. 5659; 167-38, Oct. 26, 1959, 24 F.R. 8857)

PART 111—ELECTRICAL SYSTEM; GENERAL REQUIREMENTS

Subpart 111.05—General Requirements

§ 111.05-1 [Amended]

5. Section 111.05-1 *Construction and installation* is amended by changing in paragraph (a) the name from "American Institute of Electrical Engineers" to "Institute of Electrical and Electronic Engineers" and by changing the reference from "§ 110.10-1(e)" to "§ 110.10-1(d)".

§ 111.05-10 [Amended]

6. Section 111.05-10 *Testing and inspection* is amended by changing in subparagraph (d)(1) the phrase from "electrical condition of performance" to "electrical condition and performance".

§ 111.05-25 [Amended]

7. Section 111.05-25 *Nature of electrical supply* is amended by deleting the word "and" following subparagraph (a)(2) and by changing after subparagraph (a)(3) the period to a semicolon and by inserting the word "and".

Subpart 111.35—Switchboards and Propulsion Controls

§ 111.35-5 [Amended]

8. Section 111.35-5 *Switchboard bus bars and wiring* is amended by changing in paragraph (b) the phrase from "Table 32 (Appendix) of AIEE Standard No. 45" to "Table 34 (Appendix) of IEEE Standard No. 45".

§ 111.35-10 [Amended]

9. Section 111.35-10 *Switchboard mounted equipment* is amended by changing in paragraph (c) the designation from "AIEE" to "IEEE".

Subpart 111.45—Motor Circuits and Controllers

§ 111.45-20 [Amended]

10. Section 111.45-20 *Motor-branch-circuit overcurrent protection* is amended by changing in Table 111.45-20(b3) in the last column under the heading "circuit breakers (nonadjustable trip)" the 15th number from "20" to "30".

Subpart 111.55—Overcurrent Protection

§ 111.55-1 [Amended]

11. Section 111.55-1 *Installation of overcurrent devices* is amended by changing the heading for subparagraph (b)(10) from "steering gear" to "steering gear circuits"; and by changing in the heading and in the first sentence of paragraph (d) the word from "undergrounded" to "ungrounded" (2 places).

Subpart 111.60—Wiring Methods and Materials

§ 111.60-1 [Amended]

12. Section 111.60-1 *Electric cable* is amended by changing in paragraph (b) the designation from "AIEE" to IEEE."

§ 111.60-30 [Amended]

13. Section 111.60-30 *Receptacle outlets and attachment plugs* is amended by deleting from paragraph (b) the commas before and after the word "for" in the phrase "quarters for passengers or crew" and by inserting in the second sentence of footnote 1 at end of paragraph (b) the word "for" so the phrase is changed from "vessels contracted before January 1, 1964" to "vessels contracted for before January 1, 1964."

Subpart 111.65—Special Requirements for Certain Locations and Systems

§ 111.65-3 [Amended]

14. Section 111.65-3 *Special requirements for intrinsically safe systems* is amended by redesignating and retitling certain figures published in the FEDERAL REGISTER of December 6, 1966 (31 F.R. 15293-15295) as follows:

A. For figure 111.65-3(d)(3)(ii) change the heading from "Inductance vs. Current, C Group" to "Capacitance vs. Voltage, B Group" and the figure number from "111.65-3(d)(3)(ii)" to "111.65-3(d)(3)(iv)". (31 F.R. 15293)

B. For figure 111.65-3(d)(3)(iii) change the heading from "Inductance vs. Voltage, D Group" to "Inductance vs. Current, C Group" and the figure number from "111.65-3(d)(3)(iii)" to "111.65-3(d)(3)(ii)". (31 F.R. 15294)

C. For figure 111.65-3(d)(3)(iv) change the heading from "Capacitance vs. Current, B Group" to "Inductance vs. Current, D Group" and the figure number from "111.65-3(d)(3)(iv)" to

"111.65–3(d)(3)(iii)". (31 F.R. 15294)

D. For figure 111.65–3(d)(3)(v) change the heading from "Capacitance vs. Voltage, C Group" to "Capacitance vs. Voltage, D Group" and the figure number from "111.65–3(d)(3)(v)" to "111.65–3(d)(3)(vi)". (31 F.R. 15295)

E. For figure 111.65–3(d)(3)(vi) change the heading from "Capacitance vs. Voltage, D Group" to "Capacitance vs. Voltage, C Group" and the figure number from "111.65–3(d)(3)(vi)" to "111.65–3(d)(3)(v)". (31 F.R. 15295)

§ 111.65–20 [Amended]

15. Section 111.65–20 *Special requirements for electric elevators and dumbwaiters* is amended by changing in paragraph (b) the name from "American Standards Association" to "USA Standards Institute".

§ 111.65–40 [Amended]

16. Section 111.65–40 *Special requirements of electric power-operated lifeboat winches* is amended by changing in subparagraph (d)(3) the phrase from "watertight construction" to "waterproof construction"; and by changing in Table 111.65–40(d)(2) the heading over the first column from "Potential involved in volts" to "Location" and by inserting over columns 2, 3, and 4 the heading "Potential involved in volts"; and by canceling subparagraph (i)(3) and by redesignating subparagraph (i)(4) as (i)(3).

Subpart 111.70—Special Requirements for Tank Vessels

§ 111.70–10 [Amended]

17. Section 111.70–10 *Special requirements for tank vessels contracted for on or after November 19, 1955—TB/ALL* is amended by changing in subdivision (b)(4)(ii)(e) the phrase from "inflammable vapors" to "flammable vapors", and by changing in subdivision (c)(1)(ii) the phrase from "where the lighting subparagraph, if used, would not provide arrangement of subdivision (i) of this the required illumination" to "where the lighting arrangement of subdivision (i) of this subparagraph, if used, would not provide the required illumination".

Subpart 111.90—Electrical Equipment and Installations on Vessels Contracted for Prior to November 19, 1952

§ 111.90–20 [Amended]

18. Section 111.90–20 *Vessels contracted for between January 2, 1939 and June 1, 1941* is amended in paragraph (a) by changing the name from "American Institute of Electrical Engineers" to "Institute of Electrical and Electronic Engineers".

(R.S. 4405, as amended, 4462, as amended; 46 U.S.C. 375, 416. Interpret or apply R.S. 4399, as amended, 4400, as amended, 4417, as amended, 4417a, as amended, 4418, as amended, 4421, as amended, 4426, as amended, 4427, as amended, 4433, as amended, 4453, as amended, 4488, as amended, 4491, as amended, sec. 14, 29 Stat. 690, as amended, sec. 10, 35 Stat. 428, as amended, 41 Stat. 305, as amended, sec. 5, 49 Stat. 1384, as amended, secs. 1, 2, 49 Stat. 1544, 1545, as amended, sec. 17, 54 Stat. 166, as amended, sec. 3, 54 Stat. 347, as amended, sec. 3, 70 Stat. 152, sec. 3, 68 Stat. 675; 46 U.S.C. 361, 362, 391, 391a, 392, 399, 404, 405, 411, 435, 481, 489, 366, 395, 363, 369, 367, 526p, 1333, 390b, 50 U.S.C. 198; E.O. 11239, July 31, 1965, 30 F.R. 9671, 3 CFR, 1965 Supp. Treasury Department Orders 120, July 31, 1950, 15 F.R. 6521; 167–14, Nov. 26, 1954, 19 F.R. 8026; 167–20, June 18, 1956, 21 F.R. 4894; CGFR 56–28, July 24, 1956, 21 F.R. 5659; 167–38, Oct. 26, 1959, 24 F.R. 8857)

PART 113—COMMUNICATION AND ALARM SYSTEMS AND EQUIPMENT

Subpart 113.15—Manual Fire Alarm Systems

§ 113.15–90 [Amended]

19. Section 113.15–90 *Equipment and installations on vessels contracted for prior to November 19, 1952* is amended by changing in paragraph (b) the name from "American Institute of Electrical Engineers" to "Institute of Electrical and Electronic Engineers".

Subpart 113.20—Automatic Sprinkler Systems

§ 113.20–90 [Amended]

20. Section 113.20–90 *Equipment and installations on vessels contracted for prior to November 19, 1952* is amended by changing in paragraph (b) the name from "American Institute of Electrical Engineers" to "Institute of Electrical and Electronic Engineers".

Subpart 113.25—General Alarm Systems

§ 113.25–10 [Amended]

21. Section 113.25–10 *General requirements* is amended by changing in subparagraph (b)(1) the phrase from "number or zone feeders" to "number of zone feeders".

Subpart 113.50—Emergency Loudspeaker System

§ 113.50–15 [Amended]

22. Section 113.50–15 *Location of loudspeakers and amplifiers* is amended by changing in Table 113.50–15 for the last figure in the fourth column, the footnote reference from "2" to "3" for the total "78".

Subpart 113.65—Whistle Operators

§ 113.65–5 [Amended]

23. Section 113.65–5 *General requirements* is amended by changing in paragraph (a) a reference from "Part 26" to "Part 25".

(R.S. 4405, as amended, 4462, as amended; 46 U.S.C. 375, 416. Interpret or apply R.S. 4399, as amended, 4400, as amended, 4417, as amended, 4417a, as amended, 4418, as amended, 4421, as amended, 4426, as amended, 4427, as amended, 4433, as amended, 4453, as amended, 4488, as amended, 4491, as amended, sec. 14, 29 Stat. 690, as amended, sec. 10, 35 Stat. 428, as amended, 41 Stat. 305, as amended, sec. 5, 49 Stat. 1384, as amended, secs. 1, 2, 49 Stat. 1544, 1545, as amended, sec. 17, 54 Stat. 166, as amended, sec. 3, 54 Stat. 347, as amended, sec. 3, 70 Stat. 152, sec. 3, 68 Stat. 675; 46 U.S.C. 361, 362, 391, 391a, 392, 399, 404, 405, 411, 435, 481, 489, 366, 395, 363, 369, 367, 526p, 1333, 390b; 50 U.S.C. 198; E.O. 11239, July 31, 1965, 30 F.R. 9671, 3 CFR, 1965 Supp. Treasury Department Orders 120, July 31, 1950, 15 F.R. 6521; 167–14, Nov. 26, 1954, 19 F.R. 8026; 167–20, June 18, 1956, 21 F.R. 4894; CGFR 56–28, July 24, 1956, 21 F.R. 5659; 167–38, Oct. 26, 1959, 24 F.R. 8857)

Dated: December 23, 1966.

[SEAL] W. J. SMITH,
Admiral, U.S. Coast Guard, Commandant.

[F.R. Doc. 66–14012; Filed, Dec. 30, 1966; 8:46 a.m.]

Title 47—TELECOMMUNICATION

Chapter I—Federal Communications Commission

[Docket No. 16755; FCC 66–1184]

PART 87—AVIATION SERVICES

Single Sideband Operation by Civil Air Patrol Stations

In the matter of amendment of Part 87—Aviation Services, to provide for the use of single sideband operation by Civil Air Patrol stations, Docket No. 16755, RM–942.

1. The Commission on July 13, 1966, adopted a notice of proposed rule making in the above entitled matter (FCC 66–628) which made provision for the filing of comments and was duly published in the FEDERAL REGISTER on July 19, 1966 (31 F.R. 9746). The time for filing comments has passed.

2. Single sideband (SSB) operations by Civil Air Patrol (CAP) stations are not provided for in the rules. The notice proposed revisions of the rules to allow regular use of single sideband emissions by CAP stations. In the other Aviation Services, operation with carrier suppressed more than 6 db below peak envelope (types 3A3A and 3A3J) may be authorized but only on a developmental basis except for stations operating in the aeronautical fixed service. This restriction is necessary to insure compatibility of operation with existing double sideband equipment in air-ground operations. Since Civil Air Patrol operations are in controlled and directed nets using frequencies shared with Air Force stations, compatibility outside CAP is not a factor. The present consideration is limited to CAP stations and it should not affect or conflict with any other radio services. The use of SSB will be permissive.

3. Comments were filed by the Federal Aviation Agency and Collins Radio Co. both favored the proposal. The Collins comments were received, 2 days after the comment period closed, during the reply comment period and are accepted as a late filing.

4. As pointed out in the notice, CAP stations in many instances use military surplus radio equipment which is of early World War II vintage. The present

amendments should encourage the procurement of more modern equipment and help advance the state of the art in CAP operations. The rules are essentially as proposed except for changing the power for single sideband emissions to reflect its proper amount in peak envelope power.

5. In view of the foregoing: *It is ordered*, Pursuant to the authority contained in section 4(i) and 303 (e), (f), and (r) of the Communications Act of 1934, as amended, that effective February 3, 1967. Part 87 of the Commission's rules is amended as set forth below. *It is further ordered*, That this proceeding is terminated.

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

Adopted: December 21, 1966.

Released: December 27, 1966.

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

§ 87.67 [Amended]

1. Footnote 2 to the table in § 87.67 (b) (1) is amended to read as follows:

[2] Operation with carrier suppressed more than 6 db below peak envelope power (types 3A3A and 3A3J) may be authorized only on a developmental basis except for Civil Air Patrol stations and stations operating in the aeronautical fixed service. 3A3A, 3A3H and 3A3J emissions will be authorized only below 25,000 kc/s.

2. Paragraphs (a) through (f) of § 87.513 are amended to read as follows:

§ 87.513 Frequencies available.

The following frequencies are available for assignment to Civil Air Patrol land and mobile stations within the United States, its territories and possessions, except as otherwise provided in this section.

(a) (1) 2374 kc/s, A1, A2, A3 emission, 400 watts maximum power.

(2) 2375.5 kc/s (2374.0 carrier frequency) A3A, A3H, A3J emission, 1600 watts maximum power.

(b) (1) 4467.5 kc/s, A1, A2, A3 emission, 400 watts maximum power.

(2) 4469.0 kc/s (4467.5 kc/s carrier frequency) A3A, A3H, A3J emission, 1600 watts maximum power.

(3) Assignment of the frequencies 4467.5 kc/s and 4469.0 kc/s is limited to stations in the District of Columbia and the following States:

Alabama.	New Jersey.
Connecticut.	New York.
Delaware.	North Carolina.
Florida.	Pennsylvania.
Georgia.	Rhode Island.
Maine.	South Carolina.
Maryland.	Tennessee.
Massachusetts.	Vermont.
Mississippi.	Virginia.
New Hampshire.	West Virginia.

(c) (1) 4507.5 kc/s, A1, A2, A3 emission, 400 watts maximum power.

(2) 4509.0 kc/s (4507.5 kc/s carrier frequency) A3A, A3H, A3J emission, 1600 watts maximum power.

(3) Assignment of the frequencies 4507.5 kc/s and 4509.0 kc/s is limited to stations in the following States:

Arizona.	Montana.
Arkansas.	Nebraska.
California.	Nevada.
Colorado.	New Mexico.
Idaho.	North Dakota.
Illinois.	Ohio.
Indiana.	Oklahoma.
Iowa.	Oregon.
Kansas.	South Dakota.
Kentucky.	Texas.
Louisiana.	Utah.
Michigan.	Washington.
Minnesota.	Wisconsin.
Missouri.	Wyoming.

(d) (1) 4585 kc/s, A1, A2, A3 emission, 400 watts maximum power.

(2) 4586.5 kc/s (4585.0 kc/s carrier frequency) A3A, A3H, A3J emission, 1600 watts maximum power.

(e) (1) 4602.5 kc/s, A1, F1, A3 emission, 400 watts maximum power.

(2) 4604.0 kc/s (4602.5 kc/s carrier frequency) A3A, A3H, A3J emission, 1600 watts maximum power.

(3) Assignment of the frequencies 4602.5 kc/s and 4604.0 kc/s is limited to stations in the following States:

Colorado.	Montana.
Idaho.	Ohio.
Illinois.	Utah.
Indiana.	Wisconsin.
Kentucky.	Wyoming.
Michigan.	

(f) (1) 4630 kc/s, A1, F1, A3 emission, 400 watts maximum power.

(2) 4631.5 kc/s (4630.0 kc/s carrier frequency) A3A, A3H, A3J emission, 1600 watts maximum power.

(3) Assignment of the frequencies 4630 kc/s and 4631.5 kc/s is limited to stations in the following States:

Arizona.	New Mexico.
Arkansas.	Oklahoma.
Louisiana.	Texas.

* * * * *

[F.R. Doc. 66-14046; Filed, Dec. 30, 1966; 8:48 a.m.]

Title 43—PUBLIC LANDS: INTERIOR

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

[Circular 2220]

MISCELLANEOUS AMENDMENTS TO CHAPTER

Basis and purpose. Notice is hereby given that pursuant to the authority granted under R.S. 2478; 43 U.S.C. 1201, the regulations in Title 43 CFR are amended as set forth below. On December 9, 1966, an amendment of § 1821.2–1 was published in the FEDERAL REGISTER (31 F.R. 15541), specifically indicating the location of each land office and its areas of jurisdiction. The purpose of the regulation changes now being made is to eliminate similar information from each of the listed sections and provide a cross reference to § 1821.2–1 where the complete information is found.

These rules involve matters relating to public property and are not required by law to be published as proposed rule making. Although this Department customarily gives such notice, that procedure is deemed unnecessary in this case because the amendment imposes no burdens on applicants. Accordingly, these rules shall become effective on the date of publication in the FEDERAL REGISTER.

SUBCHAPTER A—GENERAL MANAGEMENT (1000)

PART 1820—APPLICATION PROCEDURES

1. Section 1821.2–3 is amended to read as follows:

§ 1821.2–3 Simultaneous applications.

All applications, which term includes offers to lease, filed pursuant to the regulations in any part of this chapter will be regarded as having been filed simultaneously within the meaning of this section where by reason of an order of restoration or opening, or a notice of the filing of a plat of survey or resurvey, they are filed in the manner and within the period of time for the filing of simultaneous applications provided for in such order or notice. When no order of restoration or notice of opening is involved, the applications will be treated as having been filed simultaneously if they are received by the proper land office (see § 1821.2–1 of this chapter), over the counter at the same time, or are received in the same mail. Unless otherwise provided in a particular order, or regulation, applications which are filed simultaneously will be processed in accordance with the following rules:

(a) All such applications received will be examined and appropriate action will be taken on those which do not conflict in whole or in part.

(b) All such applications which conflict in whole or in part will be included in a drawing which, except as provided in paragraph (c) of this section will fix the order in which the applications will be processed.

(1) Notwithstanding the provisions of paragraph (a) of this section, the priorities of all applications or offers to lease made and filed in accordance with the provisions of § 3123.9 of this chapter will be determined by public drawing whether or not they are in conflict.

(c) All applications included in the drawing will be subject to any priority to which any particular applicant may be entitled on account of a preference right conferred by law or regulations.

2. Paragraph (c) of § 1821.3–2 is amended to read as follows:

§ 1821.3–2 Officers qualified.

* * * * *

(c) The papers in cases arising under the statutes above specified must be filed in the proper land office (see § 1821.2–1 of this chapter). An application is not acceptable if dated more than 10 days before being deposited in the mails for filing in the appropriate office.

PART 1850—HEARINGS PROCEDURES

Section 1852.1–3 is amended to read as follows:

§ 1852.1–3 Initiation of contest.

Any person desiring to initiate a private contest must file a complaint in the proper land office, (see § 1821.2–1 of this chapter). The contestant must serve a copy of the complaint on the contestee not later than 30 days after filing the complaint and must file proof of such service, as required by § 1850.0–6(e), in the office where the complaint was filed within 30 days after service.

SUBCHAPTER B—LAND TENURE MANAGEMENT (2000)

PART 2020—SPECIAL RESOURCE VALUES

Paragraph (a) of § 2022.3 is amended to read as follows:

§ 2022.3 Petitions for restoration.

(a) Petitions for restoration of lands withdrawn or classified for power purposes, under the provisions of section 24 of the Federal Power Act, must be filed, in duplicate, in the proper land office (see § 1821.2–1 of this chapter). No particular form of petition is required, but it must be typewritten or in legible handwriting. Each petition must be accompanied by a service charge of $10 which is not returnable.

* * * * *

PART 2210—OCCUPANCY

1. Paragraph (a) of § 2211.6–2 is amended to read as follows:

§ 2211.6–2 Petitions and applications.

(a) A person who desires to enter public lands under the enlarged homestead laws must file an application together with a petition on forms approved by the Director, properly executed. However, if the lands have been already classified and opened to entry under the enlarged homestead laws, only an application should be filed. The documents must be filed in the proper land office (see § 1821.2–1 of this chapter).

* * * * *

2. Paragraph (a) of § 2214.5–2 is amended to read as follows:

§ 2214.5–2 Applications.

(a) Claimants under the act of 1925 have a preferred right of application for a period of 90 days from the date of filing of the plat of survey of lands claimed by them. Applications for public lands under the act of 1954 must be filed within 1 year after August 24, 1954, or 1 year from the date of the official plat or resurvey, whichever is later. All applications must be filed in the proper land office (see § 1821.2–1 of this chapter).

* * * * *

3. Paragraph (a) of § 2215.2 is amended to read as follows:

§ 2215.2 Applications.

(a) Applicants must file applications on or before October 23, 1967, in the proper land office (see § 1821.2–1 of this chapter).

* * * * *

PART 2220—GRANTS

1. Paragraph (c) of § 2221.3–3 is amended to read as follows:

§ 2221.3–3 Use of rights.

* * * * *

(c) *Selection of land and application.* The owner of a soldier's additional right who desires to personally exercise the same must first select a tract of land and then file formal application therefor in the proper land office (see § 1821.2–1 of this chapter), accompanying the same with the evidence as to existence and ownership of the right as indicated in § 2221.3–4.

* * * * *

2. Paragraph (a)(1) of § 2226.1–1 is amended to read as follows:

§ 2226.1–1 Petitions and applications.

(a) *Filing and fees.* (1) A person who desires to enter public lands under the desert land laws must file an application together with a petition on forms approved by the Director, properly executed. However, if the lands described in the application have been already classified and opened for disposition under the desert land laws, no petition is required. The documents must be filed in the proper land office (see § 1821.2–1 of this chapter).

* * * * *

PART 2230—SPECIAL USES

1. Paragraph (b)(4) of § 2234.1–1 is amended to read as follows:

§ 2234.1–1 Scope; definitions.

(b) * * *

(4) "Manager" means manager of the land office for the district in which the lands applied for are situated (see § 1821.2–1 of this chapter).

* * * * *

2. Paragraph (e) of § 2235.1–2 is amended to read as follows:

§ 2235.1–2 Use by public agencies—Federal Airport Act of May 13, 1946.

* * * * *

(e) *Publication and posting.* Before a transfer of fee title to public lands is made, the Bureau of Land Management will require the applicant to publish, at its own expense in a newspaper of general circulation in the county in which the land is situated, a notice stating that a request has been made by the Administrator on behalf of the applicant (giving its name and address) to acquire title to public lands (describing them) under the act, for the purpose of carrying out a project under the act, or for the operation of a public airport, as the case may be, and that the purpose of the notice is to give persons claiming an interest in the land or having bona fide objections to the proposed transfer an opportunity to file within 30 days after the date of the first publication, a protest, together with evidence that the protest has been served on the applicant. If the notice is published in a daily paper, the notice should be published for four consecutive weeks in the Wednesday issue, if a weekly, in four consecutive issues, and if a semiweekly or triweekly, in any of the issues on the same day each week for 4 consecutive weeks. The notice will also be posted during the entire period of publication in the proper land office (see § 1821.2–1 of this chapter). No transfer will be made until proof of publication and posting of the notice has been filed.

* * * * *

PART 2240—SALES AND EXCHANGES

1. Paragraph (f) of § 2243.0–5 is amended to read as follows:

§ 2243.0–5 Definitions.

* * * * *

(f) The term "proper land office" means the land office of the Bureau of Land Management for the State or Land District in which the lands are situated (see § 1821.2–1 of this chapter).

* * * * *

2. Paragraph (c)(3) of § 2243.2–1 is amended to read as follows:

§ 2243.2–1 General.

* * * * *

(c) * * *

(3) The term "proper land office" means the land office of the Bureau of Land Management for the State or Land District in which the lands are situated (see § 1821.2–1 of this chapter).

* * * * *

3. Paragraph (a) of § 2244.6–2 is amended to read as follows:

§ 2244.6–2 Procedures.

(a) *Preliminary negotiations; informal application and procedure theron.* All preliminary negotiations relating to an exchange under the above act are to be conducted with the Fish and Wildlife Service. Any owner of land subject to exchange who desires to take advantage of the privileges conferred by the said act, must file with the local representatives of the Fish and Wildlife Service, an informal application describing the privately owned land which is offered to the United States and the public land which is selected in exchange therefor. The land offered to the United States must be chiefly valuable for migratory bird or other wildlife refuges, while the land selected in exchange must be unappropriated and unreserved nonmineral public land of the United States, which may be surveyed or unsurveyed. If the Director, Fish and Wildlife Service is of the opinion that the offered land is chiefly valuable for migratory bird or other wildlife refuges, he will advise the applicant thereof, together with his determination as to the values of the offered and selected lands giving the

prices thereof and whether in his opinion the exchange should be consummated and shall instruct the applicant to file in the proper land office (see § 1821.2–1 of this chapter).

* * * * *

4. Paragraph (b) of § 2244.7–1 is amended to read as follows:

§ 2244.7–1 North Dakota, South Dakota, Montana, and Washington.

* * * * *

(b) *Application for public lands in exchange for State lands.* Applications for public lands sought under the provisions of the act of May 7, 1932, must be filed by the proper officers of the State, in the proper land office (see § 1821.2–1 of this chapter).

(1) A statement as to the nonmineral and nonsaline character of the land applied for, and showing that said land is unappropriated and is not occupied by and does not contain improvements placed thereon by any Indian.

(2) A certificate of the selecting agent showing that the selection is made under and pursuant to the laws of the State.

(3) A corroborated statement must be furnished relative to springs and water holes upon the land applied for, in accordance with existing regulations pertaining thereto in §§ 2321.1–1 to 2321.1–2 in the case of all similar State selections.

(4) A statement that the land relinquished and the land selected are equal in value and as near as may be of equal area.

* * * * *

PART 2250—SPECIAL AREAS

Section 2254.1–3 is amended to read as follows:

§ 2254.1–3 Cash entries by purchasers at State sale.

Section 5 of the act of January 17, 1920 (41 Stat. 393; 43 U.S.C. 1045), provides that purchasers of unentered lands at such sales by the State have 90 days from the date of sale and purchasers of entered but unpatented lands have 90 days from the expiration of the period of redemption provided for in the drainage laws under which the lands were sold, no redemption having been made within which to pay $5 per acre, together with the usual fees and commissions both original and final, charged in entry of lands under the homestead laws, and make entry. The required payments and application for entry must be filed in the proper land office (see § 1821.2–1 of this chapter).

PART 2310—PROCEDURE

Paragraph (a) of § 2312.1–1 is amended to read as follows:

§ 2312.1–1 Notice of intention.

(a) Agencies holding withdrawn or reserved lands which they no longer need will file, in duplicate, a notice of intention to relinquish such lands in the proper land office (see § 1821.2–1 of this chapter).

SUBCHAPTER C—MINERALS MANAGEMENT (3000)

PART 3000—INTRODUCTION

1. Section 3001.0–6 is amended to read as follows:

§ 3001.0–6 Place of filing.

Documents must be filed in the proper land office (see § 1821.2–1 of this chapter).

PART 3120—OIL AND GAS

2. Paragraph (b) of § 3123.1 is amended to read as follows:

§ 3123.1 Application.

* * * * *

(b) Five copies of the official form, or valid reproduction thereof, for each offer to lease shall be filed in the proper land office (see § 1821.2–1 of this chapter). For the purpose of this part an offer will be considered filed when it is received in the proper office during business hours.

* * * * *

PART 3210—ACQUIRED LANDS LEASING ACT

Paragraph (b) of § 3212.4 is amended to read as follows:

§ 3212.4 Offer to lease and issuance of lease.

* * * * *

(b) Seven copies of the official form, or valid reproduction thereof, for each offer to lease shall be filed in the proper land office (see § 1821.2–1 of this chapter). For the purpose of this part an offer will be considered filed when it is received in the proper office during business hours.

* * * * *

PART 3320—ACTS CONCERNING LIMITED AREAS

Section 3322.1–6 is amended to read as follows:

§ 3322.1–6 Form of lease.

Leases shall be issued on a form approved by the Director. A copy of this, as well as of every other form mentioned in this part, may be obtained from the appropriate land office (see § 1821.2–1 of this chapter).

PART 3440—SURVEYS OF MINING CLAIMS

Section 3440.1 is amended to read as follows:

§ 3440.1 Application for survey.

The claimant is required, in the first place, to have a correct survey of his claim made under authority of the proper cadastral engineer, such survey to show with accuracy the exterior surface boundaries of the claim, which boundaries are required to be distinctly marked by monuments on the ground. He is required to have a correct survey where patent is applied for and where the mining claim is in vein or lode formation, or covers lands not surveyed in accordance with the U.S. system of rectangular surveys, or where the mining claim fails to conform with the legal subdivisions of the federal surveys. Application for authorization of survey should be made to the appropriate land office (see § 1821.2–1 of this chapter).

SUBCHAPTER D—RANGE MANAGEMENT (4000)

PART 4120—GRAZING ADMINISTRATION (OUTSIDE GRAZING DISTRICTS)

Paragraphs (d) and (f) of § 4122.0–5 are amended to read as follows:

§ 4122.0–5 Definitions.

* * * * *

(d) "Manager" means manager of the proper land office (see § 1821.2–1 of this chapter).

* * * * *

(f) "Field office" means any office of the Bureau of Land Management, including the land office, near the lands applied for and in the State in which such lands are situated. (See § 1821.2–1 of this chapter).

* * * * *

CHARLES F. LUCE,
Under Secretary of the Interior.

DECEMBER 23, 1966.

[F.R. Doc. 66–14033; Filed, Dec. 30, 1966; 8:47 a.m.]

Title 32A—NATIONAL DEFENSE, APPENDIX

Chapter X—Oil Import Administration, Department of the Interior

[Rev. 5, Amdt. 2]

OI REG. 1—OIL IMPORT REGULATION

Miscellaneous Amendments

In the FEDERAL REGISTER for October 4, 1966 (31 F.R. 12924) notice was given of proposals to amend sections 10, 11, and 13 of Oil Import Regulation 1 (Revision 5) (31 F.R. 7745). After consideration of the comments received, it has been decided to make no change in the number of steps in the graduated scales in sections 10 and 11 for determining allocations of imports of crude oil and unfinished oils to refiners in Districts I–IV and District V and to make no change in section 13 with respect to the degrees API gravity of imports of finished products. The proposal to make a quantity of imports of finished products other than residual fuel oil to be used as fuel available to the Oil Import Appeals Board, which was favorably received, is adopted.

Sections 5, 9, 10, 11, 13, and 17 and paragraph (n) of section 22, respectively, are amended to provide that all applications for allocations must be filed not later than 60 calendar days prior to the beginning of an allocation period; to provide for the "percent of inputs" in the

light of the levels of authorized imports established for the allocation period beginning January 1, 1967, and for the reduction of "historical allocations" in conformity with the provisions of subparagraph (b)(1), section 3, of Proclamation 3279 as amended; to permit persons to import a greater percentage of their allocations as unfinished oils; to permit persons with allocations based upon both petrochemical plant inputs and refinery inputs to process their imported oil in either plant or to exchange it for domestic oil which may also be processed in either plant; and to permit persons who produce carbon black by the channel black process to become eligible as petrochemical plants on the same basis as persons who produce carbon black by the furnace black process. Because allocations of imports must be made and licenses issued by December 31, 1961, it is impracticable to give notice of proposed rule making on, or to delay the effective date of, this Amendment. Accordingly, this Amendment 2 is effective immediately.

Sections 5, 9, 10, 11, 13, and 17 and paragraph (n) of section 22, of Oil Import Regulation 1 (Revision 5), respectively, are amended to read as follows:

Sec. 5. Applications for allocations and licenses.

Applications for allocations of imports of crude oil, unfinished oils, or finished products and for a license or licenses must be filed with the Administrator, in such form as he may prescribe, not later than 60 calendar days prior to the beginning of the allocation period for which the allocations are required. However, if the 60th day is a Saturday, Sunday, or holiday, the application may be filed on the next succeeding business day. Allocation periods are provided for in section 3 of this regulation. This section does not apply to an application for an allocation pursuant to paragraph (c) of section 15 or to an application for imports into District I of residual fuel oil to be used as fuel.

Sec. 9. Allocations—crude and unfinished oils—petrochemical plants—Districts I–IV, District V.

(a) For the allocation period January 1, 1967, through December 31, 1967, each eligible person with a petrochemical plant in Districts I–IV shall receive an allocation of imports of crude oil and unfinished oils equal to the average barrels per day of petrochemical plant inputs to his petrochemical plants in these districts during the year ending September 30, 1966, multiplied by 7.6 percent.

(b) For the allocation period January 1, 1967, through December 31, 1967, each eligible person with a petrochemical plant in District V shall receive an allocation of imports of crude oil and unfinished oils equal to the average barrels per day of petrochemical plant inputs to his petrochemical plants in this district during the year ending September 30, 1966, multiplied by 15.7 percent.

(c) No allocation made pursuant to paragraph (a) of this section shall entitle a person to a license which will allow the importation of unfinished oils in excess of 15 percent of the allocation, and no allocation made pursuant to paragraph (b) of this section shall entitle a person to a license which will allow the importation of unfinished oils in excess of 25 percent of the allocation. However, a person obtaining an allocation for imports of crude oil or unfinished oils pursuant to this section may petition the Administrator to adjust the percentage of imports of unfinished oils upward to 100 percent of such person's allocation if the petitioner certifies that the imported unfinished oils will not be exchanged, that the oils will be processed entirely in the petitioner's own petrochemical plant, and that more than 50 percent of the yields (by weight) from the unfinished oils will be petrochemicals, or that more than 75 percent (by weight) of recovered product output will consist of petrochemicals.

(d) No allocation made pursuant to this section may be sold, assigned, or otherwise transferred.

Sec. 10. Allocations—crude and unfinished oils—refiners—Districts I–IV.

(a) For the allocation period January 1, 1967, through December 31, 1967, the quantity of imports of crude oil and unfinished oils available for allocation to refineries in Districts I–IV is 689.000 B/D. Of this quantity approximately 4,000 B/D are reserved from allocation by the Administrator and made available to the Oil Import Appeals Board. The balance of imports shall be allocated by the Administrator among eligible applicants as provided in paragraphs (b) and (c) of this section.

(b) Except as provided in paragraph (c) of this section, each eligible applicant shall receive an allocation based on refinery inputs for the year ending September 30, 1966, and computed according to the following schedule:

Average B/D input	*Percent of input*
0–10,000	20.0
10–30,000	11.4
30–100,000	8.0
100,000 plus	4.28

(c)(1) Except as provided in subparagraph (2) of this paragraph, if an eligible applicant imported crude oil pursuant to an allocation under the Voluntary Oil Import Program and if an allocation computed under paragraph (b) of this section would be less than 51.0 percent of the applicant's last allocation of imports of crude oil under the Voluntary Oil Import Program, the applicant shall, nevertheless, receive an allocation under this section equal to 51.0 percent of his last allocation of imports of crude oil under the Voluntary Oil Import Program.

(2) If an applicant imported crude oil pursuant to an allocation under the Voluntary Oil Import Program which reflected imports of crude oil that would now be exempt from restrictions pursuant to clause (4) of paragraph (a) of section 1 of Proclamation 3279, as amended, and if an allocation computed under paragraph (b) of this section would be less than 37.75 percent of the applicant's last allocation of imports of crude oil under the Voluntary Oil Import Program, the applicant shall, nevertheless, receive an allocation under this section equal to 37.75 percent of his last allocation of imports of crude oil under the Voluntary Oil Import Program.

(d) No allocation made pursuant to this section shall entitle a person to a license which will allow the importation of unfinished oils in excess of 15 percent of the allocation.

(e) No allocation made pursuant to this section may be sold, assigned, or otherwise transferred.

Sec. 11. Allocations—crude and unfinished oils—refiners—District V.

(a) For the allocation period January 1, 1967, through December 31, 1967, the quantity of imports of crude oil and unfinished oils available for allocation to refiners in District V is 210,682 B/D. Of this quantity approximately 1,000 B/D are reserved from allocation by the Administrator and made available to the Oil Import Appeals Board. The balance of imports shall be allocated by the Administrator among eligible applicants as provided in paragraphs (b) and (c) of this section.

(b) Except as provided in paragraph (c) of this section, each eligible applicant shall receive an allocation based on refinery inputs for the year ending September 30, 1966, and computed according to the following schedule:

Average B/D input	*Percent of input*
0–10,000	48.5
10–30,000	18.2
30–100,000	9.8
100,000 plus	6.0

(c)(1) Except as provided in subparagraph (2) of this paragraph, if an eligible applicant imported crude oil pursuant to an allocation under the Voluntary Oil Import Program and if an allocation computed under paragraph (b) of this section would be less than 43.0 percent of the applicant's last allocation of imports of crude oil under the Voluntary Oil Import Program, the applicant shall, nevertheless, receive an allocation under this section equal to 43.0 percent of his last allocation of imports of crude oil under the Voluntary Oil Import Program.

(2) If an applicant imported crude oil pursuant to an allocation under the Voluntary Oil Import Program which reflected imports of crude oil that would now be exempt from restrictions pursuant to clause (4) of paragraph (a) of section 1 of Proclamation 3279, as amended, and if an allocation computed under paragraph (b) of this section would be less than 34.0 percent of the applicant's last allocation of imports of crude oil under the Voluntary Oil Import Program, the applicant shall, nevertheless, receive an allocation under this section equal to 34.0 percent of his last allocation of imports of crude oil under the Voluntary Oil Import Program.

(d) No allocation made pursuant to this section shall entitle a person to a license which will allow the importation

of unfinished oils in excess of 25 percent of the allocation.

(e) No allocation made pursuant to this section may be sold, assigned, or otherwise transferred.

Sec. 13. Allocations of finished products—Districts I–IV, Districts II–IV, District V.

(a) For the allocation period January 1, 1967, through December 31, 1967, 76,636 B/D of imports of finished products other than residual fuel oil to be used as fuel are available for allocation in Districts I–IV, and 6,813 B/D of imports of finished products other than residual fuel oil to be used as fuel are available for allocation in District V. Of these quantities, 5,000 B/D in Districts I–IV and 500 B/D in District V are reserved from allocation by the Administrator and made available to the Oil Import Appeals Board until September 30, 1967, in order that any relief granted by the Board in the first 9 calendar months of the allocation period may be made effective in that period. (If, by October 1, 1967, the quantities reserved have not been exhausted by the Board, the amounts remaining shall, on that date, become available for allocation by the Administrator, who shall promptly pro rate such amounts among all eligible applicants in the respective districts.) The balance of imports of finished products other than residual fuel oil to be used as fuel, 71,636 B/D in Districts I–IV and 6,313 B/D in District V, and the quantity of imports of residual fuel oil to be used as fuel available for allocation in Districts II–IV and in District V for any particular allocation period, shall be allocated by the Administrator to each eligible applicant in the proportion that the applicant's imports of such products in the respective districts during the calendar year 1957 bore to the imports of such products during that year by all eligible applicants. Separate allocations shall be made for imports of residual fuel oil to be used as fuel and for imports of finished products other than residual fuel oil to be used as fuel.

(b) No allocation made pursuant to this section may be sold, assigned, or otherwise transferred.

Sec. 17. Use of imported crude oil and unfinished oils.

(a) Except as provided in paragraph (b) of this section, each person who imports crude oil or unfinished oils under a license issued pursuant to an allocation made under sections 9, 10, 11, or 15 of this regulation must process the oils so imported in his own refinery or petrochemical plant.

(b) (1) Subject to the provisions of this paragraph (b), a person who imports crude oil or unfinished oils under an allocation made under sections 9, 10, or 11, or paragraph (a) of section 15 of this regulation may exchange his imported crude oil either for domestic crude oil or for domestic unfinished oils or exchange his imported unfinished oils either for domestic unfinished oils or for domestic crude oil. However, a person receiving an allocation under section 9 may be restricted in the exchange of imported unfinished oils, as provided in paragraph (c) of that section.

(2) A proposed agreement for each such exchange must be reported to the Administrator before any action involved in the exchange is taken.

(3) Each such exchange must be effected on a ratio of not less than one barrel of domestic oil for each barrel of imported oil unless a different exchange ratio is approved by the Administrator.

(4) In any such exchange, the person who is exchanging oil imported pursuant to an allocation under sections 9, 10, 11, or 15 for domestic oil must take delivery of the domestic oil and process it in his own refinery or petrochemical plant, located in the same district for which the allocation is granted, not later than 120 days after the day on which the imported oil is delivered to the other party to the exchange.

(5) Each such exchange must be on an oil-for-oil basis, and no exchange involving adjustments, settlements, or accounting on a monetary basis is permissible.

(6) Any such exchange must not be otherwise unlawful.

Sec. 22. Definitions.

* * * * *

(n) "Petrochemical plant" means a facility or a unit or a group of units within a facility to which petrochemical plant inputs are charged, and in which more than 50 percent (by weight) of such inputs are converted by chemical reaction into petrochemicals, or in which over 75 percent (by weight) of recovered product output consists of petrochemicals;

* * * * *

STEWART L. UDALL,
Secretary of the Interior.

DECEMBER 28, 1966.

[F.R. Doc. 66-14074; Filed, Dec. 30, 1966; 8:49 a.m.]

Proposed Rule Making

DEPARTMENT OF THE TREASURY

Internal Revenue Service

[26 CFR Part 1]

CONSOLIDATED RETURNS; ALLOCATION OF TAX LIABILITY AMONG MEMBERS OF AN AFFILIATED GROUP

Notice of Proposed Rule Making

Notice is hereby given, pursuant to the Administrative Procedure Act, approved June 11, 1946, that the regulations set forth in tentative form below are proposed to be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury or his delegate. Prior to the final adoption of such regulations, consideration will be given to any comments or suggestions pertaining thereto which are submitted in writing, in duplicate, to the Commissioner of Internal Revenue, Attention: CC:LR:T, Washington, D.C. 20224, within the period of 30 days from the date of publication of this notice in the FEDERAL REGISTER. Any person submitting written comments or suggestions who desires an opportunity to comment orally at a public hearing on these proposed regulations should submit his request, in writing, to the Commissioner within the 30-day period. In such case, a public hearing will be held, and notice of the time, place, and date will be published in a subsequent issue of the FEDERAL REGISTER. The proposed regulations are to be issued under the authority contained in section 7805 of the Internal Revenue Code of 1954 (68A Stat. 917; 26 U.S.C. 7805).

[SEAL] SHELDON S. COHEN,
Commissioner of Internal Revenue.

In order to provide additional methods of allocating the consolidated tax liability among the members of an affiliated group of corporations, and in order to conform the regulations under section 1552 of the Internal Revenue Code of 1954 to section 234(b)(8) of the Revenue Act of 1964 (78 Stat. 116), the Income Tax Regulations (26 CFR Part 1) under sections 1502 and 1552 are amended as follows:

PARAGRAPH 1. Section 1.1502–33 is amended by adding a new paragraph (d) at the end thereof to read as follows:

§ 1.1502–33 Earnings and profits.

* * * * *

(d) *Federal income tax liability.*—(1) *In general.* For the purpose of determining the earnings and profits of each member of a group for a consolidated return year beginning after December 31, 1965, the tax liability of the group for such year may be allocated among the members in accordance with subparagraph (2) (i) or (ii) of this paragraph, if elected in accordance with subparagraph (3) of this paragraph. Allocations provided in subparagraph (2) of this paragraph shall be treated as allocations of the tax liability of the group for taxable years beginning after December 31, 1965, even though the amount allocated may exceed the tax liability of the group as determined under section 1552.

(2) *Methods of allocation.*—(i) The tax liability of the group shall be allocated to the members in accordance with paragraph (a) (1), (2), or (3) of § 1.1552–1, whichever is applicable, but—

(*a*) The amount of tax liability allocated to each member for a taxable year shall not exceed the excess of (*i*) the total of the tax liabilities of such member on a separate return basis for all taxable years to which the election under this paragraph applies (including the current taxable year), computed as if separate returns were filed for all such years, over (*ii*) the total of the tax liabilities (including the allocated portion of the tax liability of the group for any consolidated return year) of such member for all previous taxable years to which the election under this paragraph applies; and

(*b*) The amount of any excess tax liability which would be allocated to a member but for (*a*) of this subdivision (i) shall be apportioned among the other members in direct proportion to, and to the extent of, the reduction in tax liability resulting to such other members as measured by the excess of (*i*) the total of their tax liabilities on a separate return basis for all taxable years to which the election under this paragraph applies (including the current taxable year), computed as if separate returns were filed for all such years, over (*ii*) the total of their tax liabilities (including the allocated portion of the tax liability of the group for any consolidated return year) for all taxable years to which the election under this paragraph applies (including for the current taxabe year only the amount allocated under § 1.1552–1(a) (1), (2), or (3)).

If any excess tax liability remains after being apportioned among members with a reduction in tax liability to the extent of such reduction, as provided in (*b*) of this subdivision (i), such remaining amount shall be allocated to the members in accordance with § 1.1552–1(a) (1), (2), or (3), whichever is applicable.

(ii) (*a*) The tax liability of the group shall be allocated to the members in accordance with paragraph (a) (1), (2), or (3) of § 1.1552–1, whichever is applicable;

(*b*) An additional amount shall be allocated to each member equal to a fixed percentage (which does not exceed 100 percent) of the excess of (*i*) the separate return tax liability of such member for the taxable year, over (*ii*) the tax liability allocated to such member in accordance with (*a*) of this subdivision (ii); and

(*c*) The total of any additional amounts allocated pursuant to (*b*) of this subdivision (ii) shall be credited to the earnings and profits of those members which had deductions or credits to which such total is attributable.

(3) *Method of election.* In the event a group desires to allocate its tax liability in accordance with subparagraph (2) (i) or (ii) of this paragraph, a statement to that effect shall be submitted, on or before the due date (including any extensions of time) of the consolidated return for the first taxable year to which the election applies, to the district director with whom the group files such return. Such statement shall indicate whether it is in conjunction with the method provided in paragraph (a) (1), (2), or (3) of § 1.1552–1; in addition, if the method elected is in accordance with subparagraph (2) (ii) of this paragraph, such statement shall state the percentage used pursuant to subparagraph (2) (ii) (*b*) of this paragraph. An election once made under this subparagraph shall be irrevocable and shall be binding upon the group with respect to the year for which made and for all future consolidated return years of the group unless the Commissioner authorizes a change to another method prior to the time prescribed by law for filing the return for the year in which such change is to be effective. If a group does not make an election under this subparagraph for a taxable year beginning on or before January 1, 1968, it may not thereafter make such an election without the approval of the Commissioner unless the election is made for the first consolidated return year of the group. Further, an election under this subparagraph shall not be effective unless the group has also made an election under paragraph (c) (4) (iii) of this section.

(4) The provisions of this paragraph and § 1.1552–1 may be illustrated by the following examples:

Example (1). Corporation P is the common parent owning all of the stock of corporations S1 and S2, members of an affiliated group. A consolidated return is filed for the taxable year beginning January 1, 1966, by P, S1, and S2. Such corporations had the following separate taxable incomes (and taxable income or losses computed on a separate return basis) for 1966:

P	$0
S1	2,000
S2	(1,000)

The group has not made an election under section 1552 of this paragraph. Accordingly, the method of allocation provided by section 1552(a)(1) is in effect for the group. Assuming that each member's portion of

consolidated taxable income attributable to it is the same as its separate taxable income, the tax liability of the group for the year (assuming a 22 percent rate) is $220, all of which is allocated to S1. S1 accordingly reduces its earnings and profits in the amount of $220. If S1 pays the $220 tax liability there will be no further effect upon the income, earnings, and profits, or the basis of stock of any member. If, however, P pays the $220 tax liability (and such payment is not treated as a loan from P to S1), then P shall be treated as having made a contribution to the capital of S1 in the amount of $220. On the other hand, if S2 pays the $220 tax liability (and such payment is not treated as a loan from S2), then S2 shall be treated as having made a distribution with respect to its stock to P in the amount of $220, and P shall be treated as having made a contribution to the capital of S1 in the amount of $220.

Example (2). Assume the same facts as in example (1) except that the group elected in accordance with subparagraph (3) of this paragraph to use the method of allocation provided in subparagraph (2)(i) of this paragraph. Further, for the 1967 taxable year, P, S1, and S2 had the following separate taxable incomes (and taxable incomes computed on a separate return basis without regard to any carryover from 1966):

P	$0
S1	1,000
S2	3,000

The tax liability of the group for 1966 is allocated in the same manner as in example (1). Assuming that each member's portion of the consolidated taxable income attributable to it is the same as its separate taxable income, the tax liability of the group for 1967 is $880; $440 is allocated to S1 and $440 is allocated to S2, determined as follows: If S2 had filed separate returns for 1966 and 1967 it would have had no tax liability for 1966 and a tax liability for 1967 of $440 due to a $1,000 net operating loss carryover from 1966. Thus, $440 is the maximum amount which may be allocated to S2 pursuant to the method of allocation elected by the group. The entire excess $220 (which would otherwise be allocated to S2 under section 1552(a)(1)) is allocated to S1 because S1 had a $220 reduction in tax liability. Such reduction is the excess of S1's 1966 and 1967 tax liabilities on a separate return basis ($660) over its allocated portion of the tax liability of the group for 1966 ($220) plus the amount allocated to it for 1967 under § 1.1552-1(a)(1) ($220).

Example (3). Assume the same facts as in example (2) except that the group elected in accordance with subparagraph (3) of this paragraph to use the method of allocation provided in subparagraph (2)(ii) of this paragraph and which allocates to each member an additional amount under subparagraph (2)(ii)(*b*) of this paragraph equal to 100 percent. Thus, for 1966, $440 is allocated to S1 (the $220 tax liability of the group, and an additional $220 pursuant to subparagraph (2)(ii)(*b*) of this paragraph). The earnings and profits of S2 are increased in the amount of $220 because the $220 allocated to S1 which is in addition to the tax liability of the group is attributable to deductions of S2. If S1 pays the $220 tax liability of the group and pays $220 to S2, no further adjustments will be made, as a result of the 1966 tax liability, to the income, earnings and profits, or basis of stock of any member. (See example (1).) If S1 pays the $220 tax liability of the group, and pays the other $220 to P instead of S2, because, for example, of an agreement among P, S1, and S2, S2 is treated as having made a distribution with respect to its stock to P in the year that S1 makes the payment to P.

For 1967, $220 is allocated to S1 and $660 is allocated to S2. No additional amounts are allocated pursuant to subparagraph (2)(ii)(*b*) of this paragraph.

PAR. 2. Section 1.1552 is amended by revising section 1552(a)(3) and by adding a historical note. These amended provisions and historical note read as follows:

§ 1.1552 Statutory provisions; earnings and profits.

SEC. 1552. *Earnings and profits*—(a) *General rule.* * * *

(3) The tax liability of the group (excluding the tax increases arising from the consolidation) shall be allocated on the basis of the contribution of each member of the group to the consolidated taxable income of the group. Any tax increases arising from the consolidation shall be distributed to the several members in direct proportion to the reduction in tax liability resulting to such members from the filing of the consolidated return as measured by the difference between their tax liabilities determined on a separate return basis and their tax liabilities based on their contributions to the consolidated taxable income.

* * * * *

[Sec. 1552 as amended by sec. 234(b)(8), Rev. Act 1964 (78 Stat. 116)]

PAR. 3. Section 1.1552–1 is amended by revising paragraphs (a)(3) and (b) thereof to read as follows:

§ 1.1552–1 Earnings and profits.

(a) *General rule.* * * *

(3) The tax liability of the group (excluding the tax increases arising from the consolidation) shall be allocated on the basis of the contribution of each member of the group to the consolidated taxable income of the group. Any tax increases arising from the consolidation shall be distributed to the several members in direct proportion to the reduction in tax liability resulting to such members from the filing of the consolidated return as measured by the difference between their tax liabilities determined on a separate return basis and their tax liabilities (determined without regard to the 2-percent increase provided by section 1503(a) and paragraph (a) of § 1.1502–30A for taxable years beginning before January 1, 1964) based on their contributions to the consolidated taxable income.

* * * * *

(b) *Method of election.* The election under section 1552(a)(1), (2), or (3) shall be made not later than the time prescribed by law for filing the first consolidated return of the group for a taxable year beginning after December 31, 1953, and ending after August 16, 1954 (including extensions thereof). If the group elects to allocate its tax liability in accordance with the method prescribed in section 1552(a)(1), (2), or (3), a statement shall be attached to the return so stating. Such statement shall be made by the common parent corporation and shall be binding upon all members of the group. In the event that the group desires to allocate its tax liability in accordance with any other method pursuant to section 1552(a)(4), approval of such method by the Commissioner must be obtained within the time prescribed above. If such approval is not obtained in such time, the group shall allocate in accordance with the method prescribed in section 1552(a)(1). The request shall state fully the method which the group wishes to apply in apportioning the tax liability. An election once made shall be irrevocable and shall be binding upon the group with respect to the year for which made and for all future years for which a consolidated return is filed or required to be filed unless the Commissioner authorizes a change to another method prior to the time prescribed by law for filing the return for the year in which such change is to be effective. However, each group may elect to use the method prescribed in section 1552(a)(1), (2), or (3), in conjunction with an election under subparagraph (3) of § 1.1502–33(d). Thus, each group may make an election under subparagraph (3) of § 1.1502–33(d) irrespective of its previous method of allocation under this section.

* * * * *

[F.R. Doc. 66–14070; Filed, Dec. 30, 1966; 8:49 a.m.]

DEPARTMENT OF AGRICULTURE

Consumer and Marketing Service

[7 CFR Part 52]

PASTEURIZED ORANGE JUICE AND ORANGE JUICE FROM CONCENTRATE

Proposed Standards for Grades

On December 2, 1966, proposals to issue two separate U.S. grade standards were published in the FEDERAL REGISTER as follows:

U.S. Standards for Grades of Pasteurized Orange Juice (52.5641–52.5652)—F.R. Doc. 66–12970; 31 F.R. 15149.

U.S. Standards for Grades of Orange Juice from Concentrate (52.5681–52.5692)—F.R. Doc. 66–12971; 31 F.R. 15151.

In consideration of a request from Sunkist Growers, Ontario, Calif., to be allowed additional time to properly evaluate the proposed standards, notice is hereby given of an additional period of time, until January 31, 1967, within which written data, views, or arguments may be submitted by interested persons for consideration in connection with the aforementioned proposed U.S. grade standards.

All persons who desire to submit written data, views, or arguments within the additional time for consideration in connection with the aforementioned proposed standards should file the same with the Hearing Clerk, U.S. Department of Agriculture, Room 112, Administration Building, Washington, D.C. 20250. All written submissions made pursuant to this notice will be available for public inspection at the office of the Hearing Clerk during regular business hours (7 CFR 1.27(b)).

(Secs. 202–208, 60 Stat. 1087, as amended; 7 U.S.C. 1621–1627)

Dated: December 28, 1966.

ROY W. LENNARTSON,
Acting Administrator.

[F.R. Doc. 66–14060; Filed, Dec. 30, 1966; 8:49 a.m.]

CIVIL AERONAUTICS BOARD

[14 CFR Part 399]

[Docket No. 18022]

NONSTOP AUTHORITY FOR LOCAL SERVICE CARRIERS IN MARKETS ON THEIR RESPECTIVE LINEAL ROUTE SEGMENTS

Proposed Policy; Extension of Time for Comments

DECEMBER 28, 1966.

The Board in 31 F.R. 15747 and by circulation of PSDR–16, dated December 8, 1966, gave notice that it had under consideration an amendment to Part 399 which would establish a new Board policy with respect to nonstop authority for local service carriers in markets on their respective lineal route segments. Interested persons were invited to participate in the rule making proceeding by submission of ten (10) copies of written data, views or arguments to the Docket Section of the Board on or before January 13, 1967. In addition, all interested persons were invited to submit ten (10) copies of written data, views or arguments pertaining solely to the communications to be filed by other persons, pursuant to the invitation set forth above, on or before February 2, 1967.

Various carriers have requested an extension of time of 30 days in which to submit written comments pertaining to the proposed new policy.

The undersigned finds that good cause has been shown for an extension of time and that such extension should be for a 21-day period. Accordingly, pursuant to authority delegated in section 7.3C of Public Notice PN–15, dated July 3, 1961, the undersigned hereby extends the time for submitting comments to February 3, 1967, and, in addition, hereby extends the time for submitting responsive comments to February 23, 1967.

All initial comments received on or before February 3, 1967, and all responsive comments received on or before February 23, 1967, will be considered by the Board before taking action on the proposal. Copies of communications will be available for examination in the Docket Section, Room 710 Universal Building, 1825 Connecticut Avenue NW., Washington, D.C., upon receipt thereof.

(Secs. 204(a) and 407(a) of the Federal Aviation Act of 1958, as amended, 72 Stat. 743, 766; 49 U.S.C. 1324, 1377)

By the Civil Aeronautics Board.

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

[F.R. Doc. 66–14041; Filed, Dec. 30, 1966; 8:49 a.m.]

FEDERAL AVIATION AGENCY

[14 CFR Parts 23, 25, 43, 91]

[Docket No. 7831; Notice 66–44]

ALTIMETER SYSTEM REQUIREMENTS

Notice of Proposed Rule Making

The Federal Aviation Agency has under consideration a proposal to amend Parts 23, 25, 43, and 91 of the Federal Aviation Regulations to revise the design standards concerning static pressure systems and to revise the test requirements applicable to the maintenance of altimeter systems.

Interested persons are invited to participate in the making of the proposed rule by submitting such written data, views, or arguments as they may desire. Communications should identify the notice or docket number, and be submitted in duplicate to the Federal Aviation Agency, Office of the General Counsel, Attention: Rules Docket, 800 Independence Avenue SW., Washington, D.C. 20553. Communications should be received on or before February 15, 1967, in order to insure proper consideration. All comments submitted will be available both before and after the closing date for comments, in the Rules Docket for examination by interested persons.

Section 91.170 of the Federal Aviation Regulations prohibits any person from operating an airplane in controlled airspace under IFR unless, within the preceding 24 calendar months, each static pressure system and each altimeter instrument has been tested and inspected and found to comply with Appendix E of Part 43. As presently written, the regulation specifies that the altimeter tests must be conducted by an appropriately rated repair station.

Subsequent to the adoption of § 91.170, various problems involving compliance with the required tests and inspections were brought to the attention of the Agency. While certain of these problems merely involved matters requiring a clarification, others indicated the need for substantive change to the regulation. In this connection and for the purpose of identifying other possible problem areas, the Agency held a conference on October 18, 1966, on the altimeter and static pressure system test and inspection requirements. Set forth hereinafter are various proposed changes to the altimeter system requirements considered appropriate in the light of the Agency's investigation of the compliance problems and the comments received during the October conference.

One of the major objections to the current requirements is the 100-foot per minute leak rate specified in §§ 23.1325 (b)(2) and 25.1325(c)(2). In this connection, representatives of industry recognized that a 100-foot per minute leak rate at maximum cabin differential pressure would result in altitude errors of from 0 to 3 feet on most aircraft. Furthermore, on many aircraft, the altitude error resulting from leak rates as high as 3,000 feet per minute at maximum cabin differential pressure would not exceed 20 feet. It was recommended that a leak rate equivalent to 2 percent of the maximum cabin differential pressure at the maximum cabin differential pressure is considered an adequate performance criteria for pressurized aircraft, while aircraft without cabin pressurization should have static systems with leak rates that do not exceed 100 feet per minute at a test pressure equivalent to 1,000 feet pressure differential. It was pointed out that the leak test should be considered a convenient and simple method of proving the integrity of the static pressure system and not a quantitative test of the system error. The Agency agrees with these comments and changes to the leak rate requirements of §§ 23.1325 and 25.1325 consistent with the recommendations are proposed herein.

In addition to the foregoing, it is also proposed to change the requirements of § 23.1325 to require that a correction card be provided if the altimeter indication on the alternate system differs by more than 50 feet from the altimeter indication on the nomal system. The present requirement permits the use of a correction card if the reading of an altimeter on the alternate static pressure system exceeds a 2-percent tolerance. The Agency considers that this latter value is too small at low altitudes and too large at high altitudes.

In line with industry suggestions, it is proposed to amend the provisions of the hysteresis test set forth in Appendix E of Part 43, to allow rates of descent from 5,000 to 20,000 feet per minute. Rates of descent of approximately 20,000 feet per minute as presently required are considered too high for altimeters that are to be used on aircraft operating under 30,000 feet. It is also proposed to change the equivalent pressures in Table I of the Appendix to read to three decimal places. This will provide a better base for testing since the acceptance band of the test equipment can be determined more accurately.

As presently written, § 91.170 provides that the altimeter tests must be conducted by an appropriately rated repair station. However, some confusion exists as to what repair station ratings are covered by the regulation. For this reason, it is proposed to clarify the requirement by listing the appropriate repair station ratings. Moreover, at the recommendation of industry, it is proposed to permit manufacturers of aircraft to conduct the systems tests and inspections required under § 91.170 regardless of whether such manufacturers hold repair station certificates with a limited rating for manufacturers.

As proposed herein, the records requirement in the Appendix would be amended to require persons performing the altimeter tests to record on the altimeters the maximum altitude to which the altimeter has been tested and the person approving the aircraft for return to service to enter that data in the airplane log or other permanent record. Since this information will be available to airplane operators and since operation of an airplane at altitudes for which

the accuracy of the altimeter has not been checked is not in the interest of safety, it is proposed to add a new paragraph to § 91.170 to prohibit any person from operating an airplane under IFR in controlled airspace at an altitude above the altitude to which an altimeter of that airplane has been checked.

This proposal is made under the authority of sections 313(a), 601, and 603 of the Federal Aviation Act of 1958 (49 U.S.C. 1354(a), 1421 and 1423).

In consideration of the foregoing, it is proposed to amend Parts 23, 25, 43, and 91 of the Federal Aviation Regulations as follows:

A. By amending § 23.1325(b) (2) and (3) to read as follows:

§ 23.1325 Static pressure system.

* * * * *

(b) * * *

(2) A proof test must be conducted to demonstrate the integrity of the static pressure system in the following manner:

(i) *Unpressurized aircraft.* Evacuate the static pressure system to a pressure differential of approximately 1 inch of mercury or to a reading of 1,000 feet on the altimeter at sea level. Without additional pumping for a period of 1 minute, the loss of indicated altitude must not exceed 100 feet on the altimeter.

(ii) *Pressurized aircraft.* Evacuate the static pressure system until a pressure differential equivalent to the maximum cabin pressure differential for which the aircraft is type certificated is achieved. Without additional pumping for a period of 1 minute, the loss of indicated altitude must not exceed 2 percent of the equivalent altitude of the maximum cabin differential pressure or 100 feet, which ever is greater.

(3) If a static pressure system is provided for any instrument, device or system required by the operating rules of this chapter, each static pressure port must be designed or located in such a manner that the correlation between air pressure in the static pressure system and true ambient atmospheric static pressure is not altered when the aircraft encounters icing conditions. An anticing means or an alternate source of static pressure may be used in showing compliance with this requirement. If the reading of the altimeter, when on the alternate static pressure system differs from the reading of the altimeter when on the primary static system by more than 50 feet, a correction card must be provided for the alternate static system.

B. By amending § 25.1325(c)(2) to read as follows:

§ 25.1325 Static pressure systems.

* * * * *

(c) * * *

(2) It is airtight except for the port into the atmosphere. A proof test must be conducted to demonstrate the integrity of the static pressure system in the following manner:

(i) *Unpressurized aircraft.* Evacuate the static pressure system to a pressure differential of 1 inch of mercury or to a reading of 1,000 feet on the altimeter at sea level. Without additional pumping for a period of 1 minute, the loss of indicated altitude must not exceed 100 feet on the altimeter.

(ii) *Pressurized aircraft.* Evacuate the static pressure system until a pressure differential equivalent to the maximum cabin pressure differential for which the aircraft is type certificated is achieved. Without additional pumping for a period of 1 minute, the loss of indicated altitude must not exceed 2 percent of the equivalent altitude of the maximum cabin differential pressure or 100 feet, whichever is greater.

C. By amending Appendix E of Part 43 as follows:

1. By amending the second sentence of subparagraph (ii) of section (b)(1) to read as follows:

(ii) *Hysteresis.* * * * Pressure shall be increased at a rate simulating a descent in altitude at the rate of 5,000 to 20,000 feet per minute until within 3,000 feet of the first test point (50 percent of maximum altitude). * * *

2. By amending section (c) to read as follows:

(c) *Records.* Comply with the provisions of § 43.9 of this chapter as to content, form and disposition of the records. The person performing the altimeter tests shall record on the altimeter the date and maximum altitude to which the altimeter has been tested and the person approving the aircraft for return to service shall enter that data in the aircraft log or other permanent record.

3. By amending Table I to read as follows:

TABLE I

Altitude (feet)	Equivalent pressure (inches of mercury)	Tolerance ±(feet)
1,000	31.018	20
0	29.921	20
500	29.385	20
1,000	28.856	20
1,500	28.335	25
2,000	27.821	30
3,000	26.817	30
4,000	25.842	35
6,000	23.978	40
8,000	22.225	60
10,000	20.577	80
12,000	19.029	90
14,000	17.577	100
16,000	16.216	110
18,000	14.942	120
20,000	13.750	130
22,000	12.636	140
25,000	11.104	155
30,000	8.885	180
35,000	7.041	205
40,000	5.538	230
45,000	4.355	255
50,000	3.425	280

D. By amending Part 91 as follows:

§ 91.165 [Amended]

1. By amending § 91.165 by inserting the phrase "and § 91.170" following the reference "§ 91.169".

2. By amending paragraph (a) of § 91.170 and by adding a new paragraph (c) to read as follows:

§ 91.170 Altimeter system tests and inspections.

(a) No person may operate an airplane in controlled airspace under IFR unless, within the preceding 24 calendar months, each static pressure system and each altimeter instrument has been tested and inspected and found to comply with Appendix E of Part 43. The altimeter instrument tests and inspections may be conducted by—

(1) The manufacturer of the aircraft on which the tests and inspections are to be performed; or

(2) A certificated repair station properly equipped to perform these functions and holding—

(i) An instrument rating, Class I;

(ii) A limited instrument rating appropriate to the make and model altimeter to be tested;

(iii) A limited rating appropriate to the test to be performed;

(iv) An airframe rating appropriate to the aircraft to be tested; or

(v) A limited rating for a manufacturer issued for the altimeter in accordance with § 145.101(b)(4) of this chapter.

* * * * *

(c) No person may operate an airplane under IFR in controlled airspace at an altitude above the maximum altitude to which an altimeter of that airplane has been tested.

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

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

[F.R. Doc. 66-14015; Filed, Dec. 30, 1966; 8:45 a.m.]

[14 CFR Part 71]

[Airspace Docket No. 66-WE-86]

CONTROL ZONE AND TRANSITION AREA

Proposed Alteration

The Federal Aviation Agency is considering amendments to Part 71 of the Federal Aviation Regulations that would alter controlled airspace in the Yakima, Wash., area.

Having completed a comprehensive review of the airspace requirements for Yakima Municipal Airport, Yakima, Wash., it has been determined that additional 700- and 1,200-foot above ground level transition area is required for prescribed instrument approach, departure, and holding procedures. Additionally, a 7,500-foot MSL floor transition area is required to provide controlled airspace for turbulent air jet-holding patterns. These changes are based upon the establishment of DME approach procedures, and new departure and holding procedures for DC-9 jet aircraft.

It is proposed to amend the Yakima, Wash., control zone in § 71.171 (31 F.R. 2148) as follows:

YAKIMA, WASH.

Within a 5-mile radius of the Yakima Municipal Airport (latitude 46°33'55" N., longitude 120°32'25" W.), and within 2 miles each side of the Yakima ILS localizer E course, extending from the 5-mile radius zone to 2.5 miles W of the LOM.

It is proposed to amend the Yakima, Wash., transition area in § 71.181 (31 F.R. 2274) as follows:

YAKIMA, WASH.

That airspace extending upward from 700 feet above the surface within 2 miles each side of the Yakima VORTAC 129° T (108° M) and 309° T (288° M) radials, extending from 2 miles NW to 6.5 miles SE of the VORTAC; within 2 miles each side of the Yakima ILS localizer E course, extending from 2.5 miles W to 8 miles E of the LOM; and within 2 miles each side of the Yakima VORTAC 276° T (255° M) radial, extending from the VORTAC to 12 miles W of the VORTAC; that airspace extending upward from 1,200 feet above the surface within 5 miles E and 8 miles W of the Ellensburg, Wash., VORTAC 191° T (170° M) radial, extending from 9 miles S to 13 miles N of the INT of the Ellensburg VORTAC 191° T (170° M) and the Yakima VORTAC 305° T (284° M) radials; within 9 miles NE and 6 miles SW of the Yakima VORTAC 129° T (108° M) radials, extending from the VORTAC to 33 miles SE of the VORTAC; that airspace NE and E of Yakima within a 16-mile radius of the Yakima VORTAC, extending clockwise from the E edge of V-25 to the NE edge of V-4, that airspace S of Yakima within a 21-mile radius of the Yakima VORTAC, extending clockwise from the SW edge of V-4 to the NW edge of V-448; and that airspace extending upward from 7,500 feet MSL within 11 miles NW and 16 miles SE of the Yakima VORTAC 242° T (221° M) radial, extending from 8 miles SW to 52 miles SW of the VORTAC.

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, Western Region, Attention: Chief, Air Traffic Division, Federal Aviation Agency, 5651 West Manchester Avenue, Post Office Box 90007, Airport Station, Los Angeles, Calif. 90009. 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 amendments. No public hearing is contemplated at this time, but arrangements for informal conferences with Federal Aviation Agency officials may be made by contacting the Regional Air Traffic Division Chief. Any data, views, or arguments presented during such conferences must also be submitted in writing in accordance with this notice in order to become part of the record for consideration. The proposals contained in this notice may be changed in the light of comments received.

A public docket will be available for examination by interested persons in the office of the Regional Counsel, Federal Aviation Agency, 5651 West Manchester Avenue, Los Angeles, Calif. 90045.

These amendments are proposed under the authority of section 307(a) of the Federal Aviation Act of 1958, as amended (72 Stat. 749; 49 U.S.C. 1348).

Issued in Los Angeles, Calif., on December 23, 1966.

JOSEPH H. TIPPETS,
Director, Western Region.

[F.R. Doc. 66-14022; Filed, Dec. 30, 1966; 8:46 a.m.]

[14 CFR Part 71]

[Airspace Docket No. 66-SO-91]

TRANSITION AREA

Proposed Alteration

The Federal Aviation Agency is considering an amendment to Part 71 of the Federal Aviation Regulations that would alter the Hattiesburg, Miss., transition area.

The Hattiesburg transition area, described in § 71.181 (31 F.R. 2149 and 15087), would be altered by redesignating the 700-foot portion as follows:

That airspace extending upward from 700 feet above the surface within a 7-mile radius of the Hattiesburg Municipal Airport (latitude 31°16'01" N., longitude 89°15'16" W.); within 2 miles each side of the Hattiesburg VORTAC 155° radial extending from the 7-mile radius area to the VORTAC; within 2 miles each side of the 315° bearing from the Hattiesburg RBN (latitude 31°17'59" N., longitude 89°17'59" W.), extending from the 7-mile radius area to 12 miles NW of the airport.

The portion of the transition area extending upward from 1,200 feet above the surface would not be affected.

The existing transition area was predicated on Criteria I operations at Hattiesburg Municipal Airport. Current operations require Criteria II application, necessitating an increase in the dimensions of the 700-foot transition area. The proposed amendment would provide the additional controlled airspace required for the protection of instrument operations at Hattiesburg.

The amendment would also provide for certain minor changes in the description to reflect predication on appropriate facilities and courses. The Hattiesburg VOR has been converted to a VORTAC facility and the final approach course of the prescribed instrument approach procedure has been realigned one degree.

The site of the Hattiesburg RBN, basis for a special ADF instrument approach procedure, has been substituted for the airport reference in the interest of accuracy.

Interested persons may submit such written data, views or arguments as they may desire. Communications should be submitted in triplicate to the Area Manager, Memphis Area Office, Attention: Chief, Air Traffic Branch, Federal Aviation Agency, Post Office Box 18097, Memphis, Tenn. 38118. All communications received within 30 days after publication of this notice in the FEDERAL REGISTER will be considered before action is taken on the proposed amendment. No hearing is contemplated at this time, but arrangements for informal conferences with Federal Aviation Agency officials may be made by contacting the Chief, Air Traffic Branch. Any data, views or arguments presented during such conferences must also be submitted in writing in accordance with this notice in order to become part of the record for consideration. The proposal contained in this notice may be changed in the light of comments received.

The official docket will be available for examination by interested persons at the Southern Regional Office, Federal Aviation Agency, Room 724, 3400 Whipple Street, East Point, Ga.

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

Issued in East Point, Ga., on December 20, 1966.

JAMES G. ROGERS,
Director, Southern Region.

[F.R. Doc. 66-14023; Filed, Dec. 30, 1966; 8:46 a.m.]

[14 CFR Part 71]

[Airspace Docket No. 66-SO-92]

TRANSITION AREA

Proposed Alteration

The Federal Aviation Agency is considering an amendment to Part 71 of the Federal Aviation Regulations that would alter the Charlotte, N.C., transition area.

The Charlotte transition area, described in § 71.181 (31 F.R. 2149 and 5824), would be altered by redesignating the 700-foot portion as follows:

That airspace extending upward from 700 feet above the surface within an 8-mile radius of Douglas Airport (latitude 35°12'58" N., longitude 80°56'22" W.); within 2 miles each side of the Charlotte VORTAC 003° radial extending from the 8-mile radius area to 14 miles N of the VORTAC; within 2 miles each side of the Fort Mill, S.C., VORTAC 005° radial extending from the 8-mile radius area to 33 miles N of the VORTAC; within 2 miles each side of the Fort Mill VORTAC 011° radial, extending from the 8-mile radius area to the VOR; within 2 miles each side of the Charlotte VORTAC 058° radial, extending from the 8-mile radius area to 14 miles NE of the VORTAC; within 2 miles each side of the Charlotte VORTAC 171° radial, extending from the 8-mile radius area to 14 miles S of the VORTAC; within 2 miles each side of the Charlotte VORTAC 223° radial, extending from the 8-mile radius area to 14 miles SW of the VORTAC.

The proposed amendment would provide controlled airspace for the protection of aircraft en route from the Mount Holly intersection to the Railroad 5-mile DME/radar fix at 1,800 feet MSL for a straight-in VOR/DME approach.

Interested persons may submit such written data, views, or arguments as they may desire. Communications should be submitted in triplicate to the Area Manager, Atlanta Area Office, Attention: Chief, Air Traffic Branch, Federal Aviation Agency, Post Office Box 20636, Atlanta, Ga. 30320. All communications received within 30 days after publication of this notice in the FEDERAL REGISTER will be considered before action is taken on the proposed amendment. No hearing is contemplated at this time, but arrangements for informal conferences with Federal Aviation Agency officials may be made by contacting the Chief, Air Traffic Branch. Any data, views, or arguments presented during such conferences must also be submitted in writing in accordance with this notice in

order to become part of the record for consideration. The proposal contained in this notice may be changed in the light of comments received.

The official docket will be available for examination by interested persons at the Southern Regional Office, Federal Aviation Agency, Room 724, 3400 Whipple Street, East Point, Ga.

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

Issued in East Point, Ga., on December 20, 1966.

JAMES G. ROGERS,
Director, Southern Region.

[F.R. Doc. 66-14024; Filed, Dec. 30, 1966; 8:46 a.m.]

Notices

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

[New Mexico 595]

NEW MEXICO

Notice of Proposed Classification

DECEMBER 22, 1966.

Pursuant to section 2 of the Act of September 19, 1964 (43 U.S.C. 1412), notice is hereby given of a proposal to classify the lands described below for disposal through exchange, under the Act of June 28, 1934 (48 Stat. 1269; 43 U.S.C. 315g), as amended, for lands within Grant and Hidalgo Counties, N. Mex.

The District Advisory Board, local governmental officials, and other interested parties have been notified of this application. Information derived from discussions and other sources indicate that these lands meet the criterion of 2410.1–3(c)(4), which authorizes classification of lands "for exchange under appropriate authority where they are found to be chiefly valuable for public purposes because they have special values, arising from the interest of exchange proponents, for exchange for other lands which we need for the support of a Federal program." Information concerning the lands, including the record of public discussions, is available for inspection and study in the Land Office, Bureau of Lands Management, U.S. Post Office and Federal Building, Santa Fe, N. Mex., and the Las Cruces District Office, 1705 North Seventh Street, Las Cruces, N. Mex. For a period of 60 days from the date of this publication, interested parties may submit comments to the district manager of the Las Cruces district.

The lands affected by this proposal are located in Grants and Hidalgo Counties and are described as follows:

NEW MEXICO PRINCIPAL MERIDIAN, NEW MEXICO

T. 24 S., R. 14 W.,
Sec. 5, lots 2, 3, 4, SW¼NE¼, S½NW¼, SW¼ and W½SE¼;
Sec. 6, lots 2, 3, 4, 5, 6, SW¼NE¼, SE¼NW¼, NE¼SW¼ and NW¼SE¼.
T. 23 S., R. 15 W.,
Sec. 25, SW¼SE¼;
Sec. 31, lot 4, SE¼SW¼ and S½SE¼.
T. 24 S., R. 15 W.,
Sec. 1, lots 1, 2, 3, 4, S½N½ and N½S½;
Sec. 4, SE¼;
Sec. 5, lot 2 and SW¼NW¼;
Sec. 6, lots 1 to 6, inclusive, S½NE¼, SE¼NW¼, NE¼SW¼ and N½SE¼;
Sec. 11, NE¼, E½NW¼, NE¼SW¼ and N½SE¼;
Sec. 12, N½ and N½S½.
T. 22 S., R. 16 W.,
Sec. 34, S½SW¼.

NEW MEXICO PRINCIPAL MERIDIAN, NEW MEXICO—Continued

T. 23 S., R. 16 W.,
Sec. 1, lots 1, 2, 3, 4, S½N½ and S½;
Sec. 13;
Sec. 17, SE¼;
Sec. 19, lots 3, 4, E½SW¼ and SE¼;
Sec. 20, NE¼ and S½;
Secs. 23, 25 and 26;
Sec. 27, E½;
Sec. 34, E½E½.
T. 24 S., R. 16 W.,
Sec. 3, lot 1 and SE¼NE¼;
Sec. 4, SW¼NW¼ and NW¼SE¼;
Sec. 5, lots 1, 2, 3, 4 and S½N½;
Sec. 6, lots 1, 2 and S½NE¼.
T. 22 S., R. 17 W.,
Sec. 31, E½ and E½W½;
Sec. 34, N½NW¼ and SW¼NW¼.
T. 23 S., R. 17 W.,
Sec. 1, lots 1, 2, 3, 4, S½N½ and S½;
Sec. 3, lots 1, 2, 3, 4, S½N½ and S½;
Sec. 4, lots 1, 2, 3, 4, S½N½ and S½;
Sec. 5, lots 1 and 2;
Sec. 7, SE¼NE¼;
Sec. 8, S½N½;
Secs. 9, 10, 11, 12, 13, 14, and 15;
Sec. 18, lots 1, 2, 3, 4 and E½W½;
Sec. 19, lots 1, 2, 3, 4, W½NE¼, SE¼NE¼, E½W½ and SE¼;
Sec. 20, S½N½ and S½;
Sec. 21, S½N½ and S½;
Sec. 23;
Sec. 24, N½, N½SW¼, SW¼SW¼, and NE¼SE¼;
Sec. 25, NE¼NE¼, S½NE¼ and SW¼;
Sec. 26, NW¼ and S½;
Secs. 27 and 28;
Sec. 29, E½;
Sec. 30, E½SW¼ and SE¼;
Sec. 31, NE¼NW¼.
T. 23 S., R. 18 W.,
Sec. 1, lot 4, NE¼SW¼, E½NW¼SW¼, S½NW¼NW¼SW¼, SW¼NW¼SW¼ and N½SE¼.

The areas described aggregate 21,582.57 acres.

W. T. ANDERSON,
State Director.

[F.R. Doc. 66-14034; Filed, Dec. 30, 1966; 8:47 a.m.]

[New Mexico 929; Classification No. 30-06-02]

NEW MEXICO

Notice of Proposed Classification of Public Lands for Multiple Use Management

DECEMBER 22, 1966.

Pursuant to the Act of September 19, 1964 (43 U.S.C. 1411–18) and to the regulations in 43 CFR Parts 2410 and 2411, it is proposed to classify for multiple use management, the public lands described below, together with any lands therein that may become public lands in the future. Publication of this notice segregates the lands from appropriation under the agricultural land laws (43 U.S.C. Parts 7 and 9, 25 U.S.C. 334) and from sale under section 2455 of the Revised Statutes (43 U.S.C. 1171).

The public lands located within the following described areas are shown on maps on file in Roswell District Office, Bureau of Land Management, Roswell, N. Mex., and Land Office, Bureau of Land Management, U.S. Post Office and Federal Building, Santa Fe, N. Mex. 87501. The overall description of the areas is as follows:

Unit 06–02 is bounded as follows: On the east by a line starting approximately 5 miles west of Hope, N. Mex., and extending southward along blocked public domain areas to the east boundary of the Lincoln National Forest in T. 22 S., R. 21 E.; on the south by Lincoln National Forest boundary; on the west by a line starting near the northwest corner of the Sacramento Division of the Lincoln Forest and extending north a distance of 10 miles and on the north by a line from the last point to a point approximately 5 miles west of Hope, N. Mex.

Unit 06–03 is north of the Artesia-Lovington Highway and is bounded as follows: On the east by the Mescalero Ridge (Caprock) to a point some 12 to 13 miles south of Kenna, N. Mex.; then in a meandering line governed by land pattern in a southwesterly direction to just east of the Pecos River near Lake Arthur, N. Mex., then south along the east side of the river to the Artesia-Lovington Highway.

Unit 06–04 is bounded as follows: On the north by a line starting approximately 5 miles west of Lake McMillan Reservoir, extending westerly about 17 miles; on the west by a line beginning from the last point running southerly to approximately the east boundary of the Lincoln National Forest in T. 22 S., R. 21 E.; on the south extending from the last point in an easterly direction to the Pecos Valley near Carlsbad, N. Mex., and the east by the Pecos Valley between Carlsbad, N. Mex., and Lake McMillan.

Unit 06–06 is bounded as follows: On the east by the Pecos Valley between Carlsbad and the Texas-New Mexico boundary; on the north by a line extending from the Pecos Valley near Carlsbad, N. Mex., westerly to the Lincoln National Forest; on the west by the Lincoln National Forest, excluding the Carlsbad National Park Area; and on the south by the Texas-New Mexico boundary.

The total area of public lands included within the purview of this notice of proposed classification aggregates approximately 1,053,000 acres.

For a period of 60 days from the date of publication of this notice in the FEDERAL REGISTER, all persons who wish to submit comments, suggestions, or objections in connection with the proposed classification may present their views in writing to the District Manager, Bureau of Land Management, Post Office Box 1397, Roswell, N. Mex. 88201.

A public hearing on the proposed classification will he held on January 16, 1967, at 10 a.m., in the Central Valley Electric Building, Public Room, North 13th Street, in Artesia, N. Mex.

W. J. ANDERSON,
State Director.

[F.R. Doc. 66-14035; Filed, Dec. 30, 1966; 8:47 a.m.]

Fish and Wildlife Service

ASSISTANT DIRECTOR FOR RESOURCE DEVELOPMENT, BUREAU OF COMMERCIAL FISHERIES

Delegation of Authority

DECEMBER 14, 1966.

To: Assistant Director for Resource Development, Bureau of Commercial Fisheries; From: Acting Director, Bureau of Commercial Fisheries; Subject: Delegation of Authority With Respect to Execution of Satisfaction of Mortgages.

The authority delegated to me in the following sections of Part 241.1, General Program Delegation, of the Departmental Manual is hereby redelegated to you:

(a) 241.1.1, The authority of the Director, Bureau of Commercial Fisheries, with respect to the execution of Satisfaction of Mortgages.
(b) 241.1.2, The authority included in Part 241.1.1 does not include the authority to approve fisheries loan authorizations.
(c) 241.1.3, The authority included in (a) above may be redelegated in writing to the Chief (or Acting Chief) Branch of Loans and Grants and/or to the Accounting Officer of that Branch.

H. E. CROWTHER,
Acting Director,
Bureau of Commercial Fisheries.

[F.R. Doc. 66-14040; Filed, Dec. 30, 1966; 8:49 a.m.]

CHIEF, BRANCH OF LOANS AND GRANTS

Redelegation of Authority

DECEMBER 22, 1966.

To: Chief, Branch of Loans and Grants; From: Assistant Director for Resource Development, Bureau of Commercial Fisheries; Subject: Delegation of Authority.

The authority of the Director, Bureau of Commercial Fisheries, contained in the following section of Part 241.1, General Program Delegation, of the Departmental Manual and redelegated to me in writing by the Acting Director's memorandum dated December 14, 1966, is hereby redelegated to the Chief, Branch of Loans and Grants:

241.1.1, The authority of the Director, Bureau of Commercial Fisheries, with respect to the execution of Satisfaction of Mortgages.

RALPH C. BAKER,
Assistant Director for Resource Development, Bureau of Commercial Fisheries.

[F.R. Doc. 66-14018; Filed, Dec. 30, 1966; 8:49 a.m.]

[Docket No. A-422]

DONDIK CO. ET AL.

Notice of Loan Application

DECEMBER 27, 1966.

Donald M. Daniels and Richard R. Cooper, doing business as Dondik Co., Box 53, Valdez, Alaska 99686, has applied for a loan from the Fisheries Loan Fund to aid in financing the purchase of a new 25-foot length wood vessel to engage in the fishery for salmon, shrimp, halibut, and bottomfish.

Notice is hereby given pursuant to the provisions of Public Law 89-85 and Fisheries Loan Fund Procedures (50 CFR Part 250, as revised Aug. 11, 1965) that the above entitled application is being considered by the Bureau of Commercial Fisheries, Fish and Wildlife Service, Department of the Interior, Washington, D.C. 20240. Any person desiring to submit evidence that the contemplated operation of such vessel will cause economic hardship or injury to efficient vessel operators already operating in that fishery must submit such evidence in writing to the Director, Bureau of Commercial Fisheries, within 30 days from the date of publication of this notice. If such evidence is received it will be evaluated along with such other evidence as may be available before making a determination that the contemplated operations of the vessel will or will not cause such economic hardship or injury.

J. L. MCHUGH,
Acting Director,
Bureau of Commercial Fisheries.

[F.R. Doc. 66-14031; Filed, Dec. 30, 1966; 8:47 a.m.]

[Docket No. G-377]

BILL W. MARLOW

Notice of Loan Application

DECEMBER 27, 1966.

Bill W. Marlow, 2974 Montclaire Avenue, Fort Myers, Fla. 39904, has applied for a loan from the Fisheries Loan Fund to aid in financing the purchase of a used 62.6-foot registered length vessel to engage in the fishery for shrimp.

Notice is hereby given pursuant to the provisions of Public Law 89-85 and Fisheries Loan Fund Procedures (50 CFR Part 250, as revised August 11, 1965) that the above entitled application is being considered by the Bureau of Commercial Fisheries, Fish and Wildlife Service, Department of the Interior, Washington, D.C. 20240. Any person desiring to submit evidence that the contemplated operation of such vessel will cause economic hardship or injury to efficient vessel operators already operating in that fishery must submit evidence in writing to the Director, Bureau of Commercial Fisheries, within 30 days from the date of publication of this notice. If such evidence is received it will be evaluated along with such other evidence as may be available before making a determination that the contemplated operation of the vessel will or will not cause such economic hardship or injury.

J. L. MCHUGH,
Acting Director,
Bureau of Commercial Fisheries.

[F.R. Doc. 66-14032; Filed, Dec. 30, 1966; 8:47 a.m.]

[Depredation Order]

DEPREDATING GOLDEN EAGLES

Order Permitting Taking to Seasonally Protect Domestic Livestock in Certain New Mexico Counties

Pursuant to authority in section 2 of the Act of June 8, 1940 (54 Stat. 250), as amended, and in accordance with regulations under Part 11, Title 50, Code of Federal Regulations, the Secretary of the Interior has authorized the taking of golden eagles without a permit to seasonally protect domesticated livestock during the period from January 1, 1967, through June 15, 1967, in New Mexico, subject to the following conditions:

1. Golden eagles may be taken without a permit only for the protection of domesticated livestock and only by livestock owners and their agents.

2. Golden eagles may be taken by any suitable means or methods except by the use of poison or from aircraft.

3. Golden eagles or any parts thereof taken pursuant to this authorization may not be possessed, purchased, sold, traded, bartered, or offered for sale, trade, or barter.

4. Taking without a permit is authorized only in the following named Counties:

Eddy.	Lincoln.
Guadalupe.	Sierra.
Torrance.	Valencia.
Grant.	De Baca.
Catron.	Bernalillo.
Lea.	Otero.
Chaves.	Socorro.
San Miguel.	McKinley.

5. Any person taking golden eagles pursuant to this authorization must at all reasonable times, including during actual operations, permit any Federal or State game law enforcement officer free and unrestricted access over the premises on which such operations have been or are being conducted; and shall furnish promptly to such officer whatever information he may require concerning such operations.

NOBLE E. BUELL,
Acting Director, Bureau of Sport Fisheries and Wildlife.

DECEMBER 29, 1966.

[F.R. Doc. 66-14073; Filed, Dec. 30, 1966; 8:49 a.m.]

DEPARTMENT OF COMMERCE

National Bureau of Standards

NBS RADIO STATIONS

Standard Frequency and Time Broadcasts

In accordance with National Bureau of Standards policy of giving monthly

notices regarding changes of phases in seconds pulses, notice is hereby given that there will be no change in the phase of seconds pulses emitted from radio station WWVB, Fort Collins, Colo., on February 1, 1967. The carrier frequency of WWVB is 60 kHz and is broadcast without offset. These emissions are made following the stepped atomic time (SAT) system as coordinated by the Bureau International de l'Heure (BIH).

Notice is also hereby given that there will be no change in the phase of time pulses emitted from radio stations WWVB, Fort Collins, Colo., and WWVH, Maui, Hawaii, on February 1, 1967. These pulses at present occur at intervals which are longer than one second by 300 parts in 10^{10}. This is due to the offset maintained in the carrier frequencies of these stations, following the universal time (UTC) systems as coordinated by the BIH.

A. V. ASTIN,
Director.

[F.R. Doc. 66-14016; Filed, Dec. 30, 1966; 8:46 a.m.]

DEPARTMENT OF THE TREASURY

Office of the Treasurer

[Order No. 29]

COMMISSIONER OF ACCOUNTS

Delegation of Authority To Issue Substitute Checks

By virtue of the authority vested in the Treasurer of the United States by § 365.7 of Part 365 of Title 31 of the Code of Federal Regulations (also appearing as Treasury Department Circular No. 1001 (Revised), dated August 24, 1962, as amended), I hereby authorize the Commissioner of Accounts to issue substitutes for checks in payment of Government salaries and wages, drawn by disbursing officers under authority of Executive Order No. 6166 of June 10, 1933, as amended, mailed individually to employees or to financial organizations for the credit of employees' accounts, and not received by the employee or financial institution. The Commissioner of Accounts may redelegate such authority within the Division of Disbursement.

In each case in which the authority contained herein is exercised, stoppage of payment against the original check shall be submitted to the Treasurer of the United States concurrently with the issuance of a substitute check, followed by a statement of nonreceipt of the original check over the signature of the payee.

Dated: December 27, 1966.

[SEAL] W. T. HOWELL,
Acting Treasurer of the United States.

[F.R. Doc. 66-14051; Filed, Dec. 30, 1966; 8:48 a.m.]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Office of the Secretary

PUBLIC HEALTH SERVICE

Statement of Organization and Delegations of Authority

Effective January 1, 1967, Part 4 of the Statement of Organization and Delegations of Authority of the Department (22 F.R. 1045) as amended is hereby amended to read as follows:

SECTION 4.00 *Mission.* The Public Health Service is responsible for protecting and improving the health of the people of the United States in accordance with Federal laws and regulations.

SEC. 4.10 (a) *Organization.* The Public Health Service shall be administered by the Surgeon General under the supervision and direction of the Secretary and shall consist of the following major components:

- Office of the Surgeon General:
  - Immediate Office of the Surgeon General.
  - Office of Information.
  - Office of Administrative Management:
    - Management Policy Staff.
    - Data Systems Development Staff.
    - Division of Finance.
    - Division of Internal Audit.
    - Division of Procurement and Materiel Management.
    - Division of Buildings and Facilities.
    - Division of Grants and Contracts.
  - Office of Program Planning and Evaluation.
  - Office of Extramural Programs.
  - Office of Legislation.
  - Office of Personnel:
    - Division of Program Planning and Evaluation.
    - Division of Research and Standards.
    - Division of Career Development.
    - Division of Operations and Services.
  - Office of International Health.
  - Office of Equal Health Opportunity.
  - Office of Comprehensive Health Planning and Development.
- National Center for Health Statistics:
  - Immediate Office of the Director.
  - Office of Information and Publications.
  - Office of Administrative Management.
  - Office of Program Planning and Evaluation.
  - Office of International Statistical Programs.
  - Office of Statistical Methods.
  - Office of State Services.
  - Office of Health Statistics Analysis:
    - Division of Vital Statistics.
    - Division of Health Examination Statistics.
    - Division of Health Records Statistics.
    - Division of Health Interview Statistics.
    - Division of Health Resources Statistics.
    - Division of Data Processing.
- National Library of Medicine:
  - Immediate Office of the Director.
  - Office of Administrative Management.
  - Office of Associate Director for Extramural Programs:
    - Research and Training Division.
    - Facilities and Resources Division.
    - Publications and Translations Division.
  - Office of Associate Director for Intramural Programs:
    - Technical Services Division.
    - Reference Services Division.
    - Bibliographic Services Division.
    - Information Systems Division.
    - History of Medicine Division.
- National Institutes of Health:
  - Immediate Office of the Director.
  - Office of Research Information.
  - Office of Administrative Management.
  - Office of Program Planning and Evaluation.
  - Office of International Research.
  - Clinical Center.
  - Division of Computer Research and Technology.
  - Division of Research Services.
  - Division of Research Grants.
  - Division of Biologics Standards.
  - Division of Research Facilities and Resources.
  - Division of Regional Medical Programs.
  - Division of Environmental Health Sciences.
  - National Cancer Institute.
  - National Heart Institute.
  - National Institute of Allergy and Infectious Diseases.
  - National Institute of Arthritis and Metabolic Diseases.
  - National Institute of Child Health and Human Development.
  - National Institute of Dental Research.
  - National Institute of General Medical Sciences.
  - National Institute of Neurological Diseases and Blindness.
- Bureau of Disease Prevention and Environmental Control:
  - Immediate Office of the Director.
  - Office of Information.
  - Office of Administrative Management.
  - Office of Program Planning and Evaluation.
  - Office of Research and Development.
  - Office of Standards and Intelligence.
  - Office of Compliance and Control.
  - National Center for Radiological Health.
  - National Center for Urban and Industrial Health.
  - National Center for Chronic Disease Control.
  - National Center for Air Pollution Control.
  - National Communicable Disease Center.
- National Institute of Mental Health:
  - Immediate Office of the Director.
  - Office of Communications.
  - Office of Administrative Management.
  - Office of Program Planning and Evaluation.
  - Office of Program Liaison.
  - Division of Extramural Research Programs.
  - Division of Manpower and Training Programs.
  - Division of Mental Health Service Programs.
  - Division of Special Mental Health Programs.
  - Division of Field Investigations.
  - Mental Health Intramural Research Program:
    - Division of Clinical, Behavioral, and Biological Research.
    - Division of Special Mental Health Research.
- Bureau of Health Services:
  - Immediate Office of the Director.
  - Office of Information.
  - Office of Administrative Management.
  - Office of Program Planning and Evaluation.
  - Office of Research and Development.
  - Office of Health Economics.
  - Division of Community Health Services.
  - Division of Direct Health Services.
  - Division of Federal Employee Health.
  - Division of Health Mobilization.
  - Division of Hospital and Medical Facilities.
  - Division of Indian Health.
  - Division of Medical Care Administration.
  - Division of Mental Retardation.
  - Medical Program, Bureau of Employees Compensation.
  - Medical Program, Bureau of Prisons.
  - Medical Program, Peace Corps.
  - Medical Program, U.S. Coast Guard.
  - Appalachian Health Program.

Bureau of Health Manpower:
Immediate Office of the Director.
Office of Information.
Office of Administrative Management.
Office of Program Planning and Evaluation.
Office of International Health Manpower.
Office of Educational and Training Communications.
Division of Physician Manpower.
Division of Allied Health Manpower.
Division of Health Manpower Educational Services.
Division of Nursing.
Division of Dental Health.

(b) *Order of Succession.* During the absence or disability of the Surgeon General or in the event of a vacancy in that office, the first official listed below who is available shall act as Surgeon General, except during a planned period of absence for which a different order has been designated under (2) below:

(1) (a) Deputy Surgeon General;

(b) Associate Surgeon General;

(c) Director, National Institutes of Health;

(d) Director, Bureau of Health Services;

(e) Director, National Institute of Mental Health;

(f) Director, Bureau of Disease Prevention and Environmental Control;

(g) Director, Bureau of Health Manpower;

(h) Assistant Surgeons General in order of grade and seniority excluding officers detailed to other agencies.

(2) For a planned period of absence, the Surgeon General may specify a different order of succession.

SEC. 4.20 *Statement of functions.* (a) Except as provided in sec. 2.30 and sec. 4.30 of this Statement, the Surgeon General shall exercise the following:

(1) The functions transferred to the Secretary by virtue of Reorganization Plan No. 3 of 1966.

(2) The functions which were, on June 24, 1966, or thereafter, vested in or delegated to the Surgeon General under the Public Health Service Act, as amended (42 U.S.C. 201 et seq.).

(3) The functions authorized by the Act of August 5, 1954 (68 Stat. 674, as amended, 42 U.S.C. 2001 et seq.). (Indian Health Program.)

(4) The functions relating to vital statistics which were transferred to the Federal Security Administrator by section 2 of Reorganization Plan No. 2 of 1946 and thereafter transferred to the Secretary by section 5 of Reorganization Plan No. 1 of 1953 (5 U.S.C. 623).

(5) The functions relating to Freedmen's Hospital which were transferred to the Federal Security Administrator by section 11(b) of Reorganization Plan No. IV (1940) and thereafter transferred to the Secretary by section 5 of Reorganization Plan No. 1 of 1953 (5 U.S.C. 623).

(6) The functions under the Act of June 21, 1950 (P.L. 81–569), as amended by the Act of August 7, 1959 (P.L. 86–145, 37 U.S.C. 352 et seq.), relating to the appointment of boards from available medical officers or physicians under the Surgeon General's jurisdiction, to determine the mental competency of (i) members of the uniformed services who are under medical care or treatment at PHS facilities; and (ii) members of the PHS Commissioned Corps for whom the hospitalization or medical care is not provided by the United States.

(7) The functions under the Dependents' Medical Care Act (70 Stat. 250, 10 U.S.C. 1071 et seq.) and the regulations issued pursuant to the Act, except where consultation by the Secretary of Health, Education, and Welfare with the Secretary of Defense is required by the Act.

(8) The functions under Executive Order 11001, sections 3(a) through 3(e) and 3(h), and those portions of sections 6, 7, 9, 10, 11, and 12 pertaining to emergency health and water.

(9) The functions under Executive Order 10958, section 1101, pertaining to stockpiles of medical supplies and equipment.

(10) Delegations from the Office of Emergency Planning under the Major Disaster Act of 1950 (P.L. 81–875, 42 U.S.C. 1855 to 1855g) relating to disaster functions.

(11) The functions under section 104(k) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1704), as amended, and Executive Order 10560, as amended, relating to the use of foreign currencies to promote and support health activities, as delegated by the Secretary to the Surgeon General April 5, 1961.

(12) Authority to make grants-in-aid and expend funds under the Public Works Acceleration Act (P.L. 87–658, 42 U.S.C. 2641 and 2642).

(13) The functions involved in providing assistance in staffing and administering the health and medical services of the Peace Corps in accordance with the Memorandum of Understanding between the Public Health Service and Peace Corps, and any amendments thereto, as authorized by the Peace Corps Act (P.L. 87–293, 22 U.S.C. 2501 et seq.) and Executive Order 11041.

(14) The functions vested in the Secretary by sections 740–745, Part C, Title VII, of the Public Health Service Act, 42 U.S.C. 294 to 294e, as added by the Health Professions Educational Assistance Act of 1963, P.L. 89–129, 77 Stat. 170, and as amended by P.L. 88–654, 78 Stat. 1086, and P.L. 89–290, 79 Stat. 1052, relating to student loans.

(15) The functions under Title XVII of the Social Security Act, as amended (42 U.S.C. 1391 et seq.), relating to grants to States for planning comprehensive action to combat mental retardation.

(16) The functions under Parts B and C of Title I, under Title II, and under Title IV (except the determination under section 407(b) of terms of office of added members of the Federal Hospital Council) of the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 (42 U.S.C. 2661 et seq.), amended by P.L. 89–105, relating to grants for the construction of facilities for the mentally retarded, and grants for the construction of and the initial cost of professional and technical personnel for community mental health centers.

(17) The functions vested in the Secretary by the Clean Air Act, as amended (42 U.S.C. 1857 et seq.), except:

(i) The determination to call a conference under section 103(e), 42 U.S.C. 1857b(e),

(ii) The following functions related to the abatement of air pollution under section 105, 42 U.S.C. 1857d:

(*a*) The determination to call conferences under section 105(c), 42 U.S.C. 1857d(c),

(*b*) The determination of whether foreign countries extend reciprocal air pollution abatement rights to the United States and the issuance of invitations to foreign countries to attend and participate in conferences authorized by section 105(c)(1)(D), 42 U.S.C. 1857d(c)(1)(D).

(iii) The determination under section 105(e)(1), 42 U.S.C. 1857d(e)(1), that remedial action which is reasonably calculated to secure abatement of pollution has not been taken, the determination to call a hearing, and the appointment of the hearing board,

(iv) The requesting the Attorney General to bring suit, under section 105(f)(1) and (2), 42 U.S.C. 1857d(f)(1) and (2),

(v) The mitigation of forfeitures under section 105(i)(2), 42 U.S.C. 1857d(i)(2),

(vi) The establishing of classes and issuance of permits for potential pollution sources under section 107(b), 42 U.S.C. 1857f(b).

(18) The functions vested in the Secretary by sections 822–828, Part B, Title VIII, of the Public Health Service Act, 42 U.S.C. 297a–297g, except the making of regulations authorized by section 828, as added by the Nurse Training Act of 1964, P.L. 88–581, 78 Stat. 913, and as amended by P.L. 89–290, 79 Stat. 1052, relating to nursing student loans.

(19) The functions under section 202(a), subject to the limitations of section 223, and other provisions of the Appalachian Regional Development Act of 1965, P.L. 89–4, 79 Stat. 5, relating to the making of grants for health facilities.

(20) The functions relating to the United States-Japan Cooperative Medical Science Program as specified in the Memorandum of Understanding of October 4, 1965, between the Department of State and the Department of Health, Education, and Welfare and delegated under section 5(f) of the International Health Research Act of 1960 (P.L. 86–610, 22 U.S.C. 2101 et seq.) and the President's letter of October 1, 1965, to the Secretary (1 Presidential Documents 355).

(21) The functions vested in the Secretary by the Solid Waste Disposal Act, P.L. 89–272.

(22) The functions of "responsible Department official" under title VI of the Civil Rights Act of 1964 and 45 CFR Part 80, with respect to any program receiving Federal financial assistance for the administration of which the Surgeon General is principally responsible under this statement.

(23) The functions vested in the Secretary by section 1(c) of P.L. 89–653,

relating to health and sanitation services grants to the Menominee Indian people of Menominee County, Wis.

(24) The functions established in the Public Health Service Act as amended by P.L. 89–709 relating to grants for veterinary medicine, teaching facilities, and loans for students of veterinary medicine.

(25) The functions vested in or transferred to the Secretary under the Comprehensive Health Planning and Public Health Services Amendments of 1966, P.L. 89–749, relating to comprehensive health planning and public health services.

(26) The functions vested in or transferred to the Secretary under the "Allied Health Professions Personnel Training Act of 1966," P.L. 89–751, relating to the allied health professions.

(27) The functions vested in or transferred to the Secretary under the Narcotic Addict Rehabilitation Act of 1966, P.L. 89–793, relating to treatment and rehabilitation of narcotic addicts.

(28) The functions vested in the Secretary by section 48(h)(12)(C) of Title 26 U.S.C. as added by P.L. 89–800, in connection with the certification of air pollution control facilities.

(b) The Surgeon General is authorized to:

(1) Exercise within the numerical requirements prescribed by the Secretary under section 210(1) of the Public Health Service Act (42 U.S.C. 211(1)) for each of the several grades, the further authority vested in the Secretary by said section to determine the numerical requirements for commissioned officers for each grade of each category.

(2) Approve amendments to the Joint Travel Regulations recommended by the Advisory Panel of the Per Diem Travel and Transportation Allowance Committee of the Uniformed Services.

(c) *Continuation of other delegations.* All delegations to the Surgeon General, to the Public Health Service, or to any officer, employee, or agency thereof, of authority vested in the Secretary other than by virtue of Reorganization Plan No. 3 of 1966, are hereby confirmed and continued: where such delegations were previously vested in positions or offices which were abolished, modified, or divided as the result of the reorganization of the PHS they may be exercised by related or successor positions or offices, as designated by the Surgeon General.

(d) *Advisory functions.* All functions of Public Health Service advisory committees (including councils, boards, and other advisory bodies) established as of December 31, 1966, shall be continued or revested in such committees.

SEC. 4.30 *Limitations on authority.* The above delegation of functions and authority to the Surgeon General is subject to the following limitations or exceptions:

(a) Actions or functions which, by virtue of the Public Health Service Act, as amended (42 U.S.C. 201 et seq.) or by regulations issued thereunder (42 CFR Chapter I), are required to be performed by, or with the approval of, the Secretary shall continue to be performed by, or with the approval of the Secretary except as the Secretary may otherwise direct.

(b) Except for the appointment of commissioned officers pursuant to section 203 of the Public Health Service Act (42 U.S.C. 204) and except for the award of fellowships for duty pursuant to section 207(g) of such Act (42 U.S.C. 208(g)), the appointment of all officers and employees of the Service shall be made by the Secretary unless the authority has been specifically delegated.

(c) State plans submitted pursuant to any of the following provisions of law shall not be disapproved without prior consultation and discussion with the Secretary:

Sections 314 and 604, PHS Act.
Sections 134 and 204 of the Mental Retardation and Community Mental Health Construction Act of 1963.

(d) State authorities shall not be notified that payments will be suspended or terminated pursuant to any of the following provisions of law without prior consultation and discussion with the Secretary:

Sections 314, 604(c), 603(b), and 607, PHS Act.
Sections 134(b), 136, 204(b) and 206, Mental Retardation and Community Mental Health Construction Act of 1963.

(e) Except where such authority has been previously delegated the establishment of public advisory committees, selection of members, and the establishment of the rates at which members are to be compensated shall be subject to the approval of the Secretary.

(f) Agreements with Howard University affecting the operation and staffing of Freedmen's Hospital shall be signed by the Surgeon General and the President of Howard University and transmitted to the Secretary for approval. Any matters pertaining to such agreements which require the attention of the Secretary shall be presented to the Secretary through the Surgeon General of the Public Health Service or the President of Howard University.

(g) The functions exercised by the Surgeon General under Part C, Title VII, of the Public Health Service Act, as added by the Health Professions Educational Assistance Act of 1963, as amended by P.L. 88–654, and P.L. 89–290, and under Part B, sections 822–828 of Title VIII, Public Health Service Act, as added by the Nurse Training Act of 1964 and amended by P.L. 89–290, shall be exercised by the Surgeon General after consultation with the Commissioner of Education in order to ensure the maximum possible consistency between the policies and the methods of administration of the student loan programs of the Health Professions Educational Assistance Act of 1963, as amended, and the Nurse Training Act of 1964, as amended, and the student loan program authorized by the National Defense Education Act.

(h) The denial of a certificate of conformity under the Clean Air Act, section 206(a), 42 U.S.C. 1857f–5(a), may be made by the Surgeon General only after prior consultation and discussion with the Secretary, but after a hearing is held (as provided in section 85.63 of the Regulations, 45 CFR 85–63) the final decision shall be made only by the Secretary.

SEC. 4.40 *Delegations of authority.* Authority set forth in section 4.20 may be delegated or redelegated by the Surgeon General to such officials of the Public Health Service as he may deem appropriate.

SEC. 4.50 *Continuation of regulations.* All regulations, rules, or orders heretofore issued with respect to the Public Health Service by or under the authority of the Surgeon General or of any officer, employee, or agency of the Public Health Service are hereby continued in force and effect.

SEC. 4.60 *Revocation of Prior Order.* The interim order of June 24, 1966 (31 F.R. 8964), is revoked effective January 1, 1967.

Dated: December 27, 1966.

[SEAL] JOHN W. GARDNER,
Secretary of Health, Education, and Welfare.

[F.R. Doc. 66–14057; Filed, Dec. 30, 1966; 8:48 a.m.]

FEDERAL AVIATION AGENCY

[OE Docket No. 66–SO–4]

BAY VIDEO, INC.

Notice of Petition for and Grant of Review

On October 20, 1966, the Agency's Miami Area Office issued the following determination of hazard to air navigation (Aeronautical Study No. MIA–OE–66–82) in Miami, Fla.:

The Federal Aviation Agency has circularized and studied the following proposal to determine the effect on the use of navigable airspace:

Bay Video, Inc., proposes a guyed television antenna tower near Woods, Fla., at 30°22'–05", 84°55'27", 1,797 feet AGL, 1,942 feet AMSL.

The proposed structure would be located in R–2912, 33 miles west of the Tallahassee Municipal Airport, and 46 miles east/northeast of the Panama City-Bay County Airport. It would exceed the standards for determining hazards to air navigation as defined in Part 77, section 77.23(a)(1) by 1,297 feet since it would be more than 500 feet above ground, and 77.23(a)(5) by 1,597 feet as applied to the Panama City transition area.

The proposed structure would increase the minimum obstruction clearance altitude (MOCA) from 1,200 to 2,200 feet on Part 95 off-airway route between Orange VHF Intersection and Helen VHF Intersection. The minimum enroute altitude (MEA) would not be affected.

The proposed tower would be located 3 miles north of the centerline of a direct route between Tallahassee Municipal Airport and Panama City-Bay County Airport. An aerial site survey by Agency pilots revealed that the tower would be located in an area void of prominent landmarks suitable for visual aid to air navigation. In proximity of the tower, navigation by radio aids is unreliable below 2,500 MSL.

Climatological data in the Tallahassee area revealed that the sky cover for 272 days annually is 1/10 to overcast. Also for 89 days a year there is thunderstorm activity in the area. Further inquiry from the Environmental Science Service Administration (ESSA) revealed that the diurnal convective clouds in this area normally have a base of 2,500 feet. Frontal activity and thunderstorms produce much lower ceilings. As a result, it would not be possible to obtain adequate vertical obstruction clearance from the proposed tower in accordance with FAR 91.79. Aircraft would be required to alter their course in order to avoid this structure. This would be an adverse effect.

The Agency conducted a comprehensive study of VFR flying habits of local and itinerant pilots operating in the Tallahassee, Panama City area. The flight plan and nonflight plan data showed that during a 30-day period approximately 145 flights, or an average of 4.8 flights per day, passed within 5 statute miles of the proposed tower. Personal pilot interviews also confirmed the fact that most pilots fly direct between the two airports.

This is considered a significant volume for this type of activity and is therefore a substantial adverse effect.

Objectors and their objections to the proposal were as follows:

The Deland Service, Inc., DeLand, Fla., objected to the height of the tower. The Aircraft Owners and Pilots Association objected to the tower and the extensive invisible guy wires since they would be located within a mile of the direct radial between Tallahassee and Panama City. The AOPA further stated that it would be impossible at times to safely top such a tower due to the frequent low ceilings. The St. Marks Flying Club, Tallahassee, Fla., considers the tower an unwarranted hazard because of the low cumulus cover in this area, the present restriction of higher altitude use due to military training in R-2912 and the location being on a direct course between Destin/Panama City and Tallahassee. The Florida Aviation Division considered the proximity of the proposed tower to the direct route between Tallahassee and Panama City to be hazardous to flight.

Based upon the aeronautical study, the proposed structure would have a substantial adverse effect on VFR operations in the area. Therefore, in accordance with Federal Aviation Regulations, Part 77, it is determined that the proposed structure would be a hazard to air navigation.

This determination is effective and becomes final on November 29, 1966, unless a petition for review is filed in accordance with Part 77.37. If a petition is filed, further notice will be given and this determination will not become final pending disposition of the petition.

A petition for discretionary review should be filed in triplicate with the Chief, Obstruction Evaluation Branch, Federal Aviation Agency, Washington, D.C. 20553, within 30 days after the date of issuance and must contain a full statement of the basis upon which it is made.

JOHN A. GRAFFIUS,
Chief, Air Traffic Branch.

On November 21, 1966, Bay Video, Inc., petitioned the Administrator for a review of the above determination.

Pursuant to the authority delegated to me by the Administrator, the petition by Bay Video, Inc., for discretionary review under § 77.37 of Part 77 of the Federal Aviation Regulations is granted and such review will be on the basis of written materials in accordance with § 77.37(a)(1).

The petition as examined by the agency sets forth the following issues for consideration:

1. The determination is erroneous since it does not properly reflect the compromise and coordination between Bay Video, Inc., and the military interests.

2. The FAA failed to consider realignment of the Part 95 off-airway route as agreed upon in the informal airspace meeting.

3. All objections, except those submitted by AOPA and Deland Air Service, Inc., were to have been withdrawn as a result of agreements reached in the informal airspace meeting. In addition, the objection from Deland Air Service, Inc., should not be considered since an affirmative showing of impact cannot be made.

4. It infers that aircraft require 500 feet vertical clearance over the tower when passing in its vicinity.

5. Consideration was given to visual flight rule flights passing within 5 statute miles of the proposed site instead of 2 miles as specified in the handbook.

Interested persons may, within 30 days of the issuance date of the notice, submit any relevant information in writing for consideration in this review to the Federal Aviation Agency, Obstruction Evaluation Branch, 800 Independence Avenue SW., Washington, D.C. 20553. Submissions must be filed in triplicate and be relevant to the effect of the proposed structure on safe air navigation.

A copy of appropriate correspondence in this case is on file in OE Docket No. 66-SO-4 and may be examined by interested persons at the Federal Aviation Agency, Office of the General Counsel, Attention: Rules Dockets, 800 Independence Avenue SW., Washington, D.C. 20553.

Therefore, pursuant to the authority delegated to me by the Administrator (30 F.R. 13023), the determination issued by the Agency's Miami Area Office in Aeronautical Study No. MIA-OE-66-82 is not and will not be a final determination pending final disposition of this petition.

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

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

[F.R. Doc. 66-14021; Filed, Dec. 30, 1966; 8:46 a.m.]

FEDERAL COMMUNICATIONS COMMISSION

[Change List No. 219]

CANADIAN BROADCAST STATIONS

Changes, Proposed Changes, and Corrections in Assignments

DECEMBER 12, 1966.

Notification under the provision of Part III, section 2 of the North American Regional Broadcasting Agreement; list of changes, proposed changes and corrections in assignment of Canadian Broadcast Stations modifying appendix containing Assignments of Canadian Stations (Mimeograph No. 47214-3) attached to the Recommendation of the North American Regional Broadcasting Agreement Engineering Meeting.

Call letters	Location	Power kw	Antenna	Schedule	Class	Expected date of commencement of operation
		850 kilocycles				
CKVL (change in daytime pattern) (PO: 850 kc 50 kwD/10kwN DA-2).	Verdun, Province of Quebec.	50 kwD/10kwN	DA-2	U	II	E.I.O. 12-10-67.
		1360 kilocycles				
New (delete assignment).	Gravenhurst, Ontario	1 kw	ND	D	III	
		1360 kilocycles				
New	Bracebridge, Ontario	1 kw	ND	D	III	E.I.O. 12-10-67.
		1370 kilocycles				
CFLV (PO: 1370 kc 1 kw DA-1 III).	Valleyfield, Province of Quebec.	10 kwD/5kwN	DA-2	U	III	E.I.O. 12-10-67.
		1490 kilocycles				
CJSN (assignment of call letters).	Shaunavon, Saskatchewan.	1 kwD/0.25 kwN.	ND	U	IV	
		1570 kilocycles				
New	Thornhill, Manitoba	1 kw	DA-1	U	II	E.I.O. 12-10-67.

[SEAL]

FEDERAL COMMUNICATIONS COMMISSION,
BEN F. WAPLE,
Secretary.

[F.R. Doc. 66-14047; Filed, Dec. 30, 1966; 8:48 a.m.]

[Docket No. 16663; FCC 66M-1742]

LAMAR LIFE INSURANCE CO.

Memorandum Opinion and Order Scheduling Hearing

In re applications of Lamar Life Insurance Co., for renewal of license of television station WLBT and Auxiliary Services, Jackson, Miss., Docket No. 16663, File No. BRCT-326.

1. The Chief Hearing Examiner has under consideration a motion by the applicant, filed December 14, 1966, to designate the Commission's Offices in Washington, D.C., as the place of hearing in the above-entitled proceeding. This is opposed by the Office of Communication of the United Church of Christ, Aaron Henry, Robert L. T. Smith, and United Church of Christ at Tougaloo, hereinafter referred to as Intervenors. The Commission's Broadcast Bureau agrees to a partial grant of the motion. It proposes that hearing sessions in the proceeding be held both in Washington, D.C., and in Jackson, Miss.

2. Pending disposition of several interlocutory matters which arose following issuance of the Commission's order of hearing on the instant renewal application, it was considered appropriate to withhold designation of the place of hearing in the proceeding. These matters having been resolved, such designation will be made forthwith. The hearings herein are scheduled to be convened on February 27, 1967.

3. Under Commission policy, broadcast revocation and renewal hearings normally are held in the communities in which the facilities involved are located. In their opposition to the instant motion, Intervenors appear to rely upon this policy, and, in addition, they demonstrate conclusively that the fullest development of the evidence under the governing issues herein will be difficult, and perhaps impossible, unless hearing sessions are held in Jackson. Nothing contained in the applicant's motion may be said to affect Intervenor's claim of entitlement to be heard in the community in which Television Station WLBT is located. Following development of all testimony and evidence available in Jackson, it would be appropriate for the Presiding Officer to recess the hearings and to resume them later in Washington, D.C., in the event such action is found to be warranted.

Accordingly, it is ordered, This 27th day of December 1966, that the applicant's motion to designate the Commission's Offices in Washington, D.C., as the place of hearing in the above-entitled proceeding is denied: *And, it is further ordered,* On the Chief Hearing Examiner's own motion, that the hearings in this proceeding shall be convened in Jackson, Miss., at 10 a.m., February 27, 1967.

Released: December 27, 1966.

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

[F.R. Doc. 66-14048; Filed, Dec. 30, 1966; 8:48 a.m.]

[Docket No. 17051; FCC 66-1152]

WLCY-TV, INC. (WLCY-TV)

Memorandum Opinion and Order

In re application of: WLCY-TV, Inc. (WLCY-TV), Largo, Fla., Docket No. 17051, File No. BPCT-3700, for construction permit.

1. The Commission has before it for consideration, the above-captioned application of WLCY-TV, Inc. (WLCY-TV), permittee of Television Broadcast Station WLCY-TV, Channel 10, Largo, Fla., filed January 17, 1966; a petition to deny, filed February 23, 1966, by WSUN, Inc. (WSUN-TV), licensee of Television Broadcast Station WSUN-TV, Channel 38, St. Petersburg, Fla.; a petition to deny, filed February 25, 1966, by L. B. Wilson, Inc. (WLBW-TV), licensee of Television Broadcast Station WLBW-TV, Channel 10, Miami, Fla.; informal objections, filed pursuant to section 1.587 of the Commission's rules by The Association of Maximum Service Telecasters, Inc. (AMST), and by Hubbard Broadcasting, Inc., and Sarasota-Bradenton Florida Television Co., Inc., applicants for construction permits for new television broadcast stations to operate on Channel 44, St. Petersburg, Fla., and Channel 40, Sarasota, Fla., respectively, and various related pleadings.[1]

2. The applicant is currently authorized to operate from a site 2.6 miles north of Tarpon Springs, Fla. (approximately 23 miles northwest of the center of Tampa), with effective radiated visual power of 316 kw. and antenna height above average terrain of 500 feet. The applicant seeks authority to move the site of its transmitter to a point 5 miles south of Brandon, Fla., approximately 37.5 miles southeast of its present site (approximately 14.5 miles southeast of the center of Tampa), increase antenna height above average terrain to 1,463 feet, and make other changes in the facilities of Station WLCY-TV. Operating as proposed, Station WLCY-TV would be 182 miles from cochannel Station WLBW-TV, Miami, Fla., whereas § 73.610(b) of the Commission's rules requires a minimum mileage separation of 220 miles in Zone III. The applicant would be approximately 38 miles short to the Miami cochannel station, and has, therefore, requested a waiver of § 73.610 (b) of the rules. The applicant proposes to directionalize its antenna to suppress radiation in the direction of Station WLBW-TV, and further proposes to provide "equivalent protection" to Station WLBW-TV. The applicant's proposed directional antenna pattern will exceed the 10 db ratio limit provided in § 73.685 (e) of the rules, and the applicant has, therefore, requested a waiver.

3. WLBW-TV alleges standing in this proceeding as a "party in interest" within the meaning of section 309(d) of the Communications Act of 1934, as amended, on the grounds that the proposed operation of Station WLCY-TV would cause interference to the operation of Station WLBW-TV, and that grant of WLCY-TV's application would have a direct and immediate adverse economic impact upon WLBW-TV, reducing its revenues and reducing its ability to compete for revenues with the other Miami television broadcast stations. WSUN-TV claims standing on the basis of the fact that it competes with Station WLCY-TV in the area for viewers and advertising revenues and that a grant of the application would result in substantial economic injury. AMST, Hubbard Broadcasting, Inc., and Sarasota-Bradenton Florida Television Co., Inc., do not claim standing as "parties in interest" within the meaning of section 309(d) of the Communications Act, but only claim the status of objectors pursuant to § 1.587 of the Commission's rules. WLCY-TV disputes the standing of both petitioners. The standing of WLBW-TV is challenged on the grounds that the "equivalent protection" will afford protection against interference equivalent to that to which WLBW-TV would be entitled if the applicant were to operate at standard spacing with maximum facilities. The applicant disputes the standing of WSUN-TV on several grounds. First, that at the time WSUN-TV filed its petition to deny, it was an applicant for assignment of the license of Station WSUN-TV, and since its predecessor did not file an objection to the proposed improvement of Station WLCY-TV's facilities, WSUN-TV had, through its predecessor, waived any right to object. WSUN-TV's standing is also challenged on the grounds that there has been no specific allegations showing that a grant of the application would result in any economic injury to Station WSUN-TV. The interest of the petitioners is clear and we will, therefore, on our own motion make them parties to this proceeding. Consequently, we do not reach the question of standing.

4. In order to place our decision in proper perspective, we believe that a brief summary of the history of the allocation of Channel 10 to Largo, would be of value. In 1957, after rule making proceedings, the Commission allocated Channel 10 to Tampa-St. Petersburg, Fla. Tampa Drop-In Case, FCC 57-568, 15 RR 1663. As a result of the Commission's desire to maintain the mileage separation requirements with Channel 10, Miami, the Commission contemplated that the Channel 10 transmitter would be located northwest of Tampa-St. Petersburg, at a site meeting all mileage separation requirements. Following the allocation, WLCY-TV (then named WTSP-TV, Inc.) and five other applicants filed competing applications for Channel 10, specifying transmitter sites, approximately 25 miles northwest of Tampa, meeting all mileage separation requirements. In 1958, it became apparent that due to aeronautical considerations, a tower could not

[1] The Commission also has before it for consideration: (a) An opposition, filed Mar. 25, 1966, by WLCY-TV to both petitions and the informal objections; (b) reply, filed Apr. 6, 1966, by WSUN-TV, to (a) above; (c) reply, filed Apr. 6, 1966, by WLBW-TV, to (a) above; (d) reply, filed Apr. 7, 1966, by AMST, to (a) above; (e) motion for expedited consideration, filed May 11, 1966, by WSUN-TV; (f) response, filed May 26, 1966, by WLCY-TV, to (e) above; (g) statement, filed June 6, 1966, by AMST; (h) reply, filed June 8, 1966, by WSUN-TV, to (f) above.

be constructed at the sites proposed with sufficient height to place a principal city signal (77 dbu) over either Tampa or St. Petersburg. Subsequently, WLCY–TV and four of the five other applicants petitioned the Commission to waive the mileage separation requirements to permit a Channel 10 transmitter site south of Tampa, at a location 35 miles short of the required 220 miles separation to Channel 10, Miami. Petitioners contended that the location of the Channel 10 transmitter at the proposed site would enable the station to be competitive with, and provide coverage to Tampa-St. Petersburg, equivalent to that provided by the two existing VHF stations. The Commission refused to waive the mileage separation requirements. Florida Gulfcoast Broadcasters, Inc., FCC 58–1012, 17 RR 871. The Commission stated, in pertinent part, as follows:

> * * * Foremost among the reasons for denying the petition is that granting the waiver of section 73.610(b) of the rules to permit the location of the Channel 10 transmitter on the Tampa antenna farm would result in a departure from the standards of the television allocation system. Furthermore, it would not be in the public interest to shorten station separations in the absence of a showing that the channel could not be satisfactorily utilized in an area to which it was allocated without waiving the requirements of section 73.610(b) of the rules. 17 RR at 874.

In November, 1964, after a comparative hearing, the Commission issued a construction permit to WTSP–TV, Inc., Florida Gulfcoast Broadcasters, Inc. FCC 64–1009, 4 RR 2d 1, and in February 1965, the Commission denied reconsideration of the grant of the construction permit. Florida Gulfcoast Broadcasters, Inc., FCC 65–28, 4 RR 2d 81 affirmed Florida Gulfcoast Broadcasters, Inc., v. Federal Communications Commission, 112 U.S. App. D.C. 250, 352 F. 2d 726, 6 RR 2d 2001. The station began operation in July 1965.

5. In support of its present request for waiver of § 73.610(b) WLCY–TV (ABC) alleges that operating from its present site, it is not able to compete effectively with the two operating VHF stations [1] serving the Tampa-St. Petersburg market. WLCY–TV states that the station is presently unable to provide a principal city signal to all of Tampa or to any part of St. Petersburg, the two major population centers in the station's service area; that it is unable to provide reliable service to substantial rural and outlying populations south and east of the two cities and that approximately 55 percent of its signal is wasted over the Gulf of Mexico and sparsely populated or totally uninhabited swamp areas north of the station's present transmitter location. In addition, the applicant alleges that while its transmitter is located northwest of Tampa and St. Petersburg, the transmitters of the two VHF stations are located southeast of these cities and as a consequence, receiving antennas are oriented to receive maximum signal strength from those two stations which increases the difficulties of receiving Channel 10 satisfactorily from its present site. Finally, WLCY–TV contends that a grant of its application would improve its competitive position and that of ABC in the Tampa-St. Petersburg market; that the requested improvement of facilities would enable the station to provide satisfactory technical service (principal city service) to all of Tampa and St. Petersburg and that grant of the application would extend WLCY–TV's predicted Grade B service to an area of 5,500 square miles, containing a population of more than 416,000 persons.

6. The arguments advanced by WLCY–TV in support of its waiver request are contested by the petitioners, particularly in view of the Commission's prior refusal to permit a short-spaced Channel 10 transmitter site at approximately the same site now proposed by the applicant. It is alleged that the applicant has not shown that its economic viability would be threatened by its continued operation from its present site and that no showing has been made that an increase in tower height at the present site is not possible or that an increase in coverage could not be realized through the use of an alternative site meeting mileage separation requirements. In addition, it is alleged that the proposed gains in area and population are offset by such other factors as the creation of a "white area" consisting of approximately 70 square miles with a population of approximately 1,000 persons and the fact that most of the proposed gain area is already receiving at least three Grade B or better television signals. Finally, it is stated that grant of the application would have an adverse impact on existing and potential UHF television broadcasting in the area.

7. The basic question which we must resolve in this proceeding is whether there has been a change in circumstances since the Commission's prior determination which rejected a short-spaced Channel 10 transmitter location, which would warrant the Commission's permitting such an operation at this time. Our 1958 decision was based on our desire to maintain the standards of the television allocation system and our belief that the public interest would not be served by waiving the requirements of § 73.610(b) to permit a short-spaced operation in the absence of a sufficient showing that the channel could not be satisfactorily utilized in the area to which it was allocated. The applicant states that circumstances have changed since our prior consideration, that the applicant's actual operating experience since July 1965, supports its view that Channel 10 cannot be satisfactorily utilized at its present transmitter location to provide a competitive service because of the present limitations on antenna height and location. Moreover, the applicant indicates that the development of the concept of "equivalent protection" and the current policy of encouraging the establishment of "antenna farms" are additional factors which indicate that circumstances have changed since the Commission's prior consideration of a short-spaced Channel 10 transmitter site.

8. We believe that the applicant has made a sufficient threshold showing in support of its request for waiver of the mileage separation rules to warrant our designating the application for hearing rather than dismissing it outright. United States et al. v. Storer Broadcasting Co., 351 U.S. 192, 76 S. Ct. 763, 13 RR 2161. Therefore, we will specify an issue to determine whether circumstances exist which will warrant a waiver of the mileage separation rules. Since the applicant proposes to directionalize its antenna to suppress radiation in the direction of Station WLBW–TV, and the proposed antenna pattern will exceed the 10 db limit provided in § 73.685(e) of the rules, the applicant has also requested a waiver of this section. We will also specify an issue with respect to whether circumstances exist which will warrant a waiver of § 73.685 (e) of the rules.

9. The petitioners allege that a grant of the application will have an adverse impact on UHF television broadcasting in the area. Operating as proposed Station WLCY–TV would, for the first time, place a city-grade signal over all of Tampa, St. Petersburg, Sarasota, and Lakeland, Fla. At the present time, Tampa has one commercial UHF television broadcast station (WTSS–TV), which is now under construction. With respect to St. Petersburg, there is one operating UHF television broadcast station (WSUN–TV), and a pending application for Channel 44. In Sarasota, there are two pending applications for Channel 40, and in Lakeland, Channel 32, is assigned, but there is no application pending for this channel. WLCY–TV presently places and, if its application were granted, would continue to place a city-grade signal over Clearwater, Fla., where Station WHJR–TV, Channel 22, is now under construction. While Orlando, Fla., is now beyond the present Grade B contour of Station WLCY–TV, the proposed improvement in facilities would provide a predicted Grade B signal to a small part of Orlando. Station WORU–TV, Channel 35, is now under construction in Orlando. We think, that under these circumstances it is necessary to explore in a hearing whether the proposed operation would have an adverse impact upon the development of UHF television broadcasting in WLCY–TV's proposed service area. Accordingly, an appropriate issue will be specified. The burden of proceeding with the introduction of evidence and the burden of proof with respect to the UHF impact issue will be placed on the respondents.

10. The petitioners contend that the proposed transmitter move will result in an increase of service in areas where there is, for the most part, substantial service already available, while at the same time, it will deprive approximately 1,000 persons in an area of approximately 70 square miles of their only television service. According to the applicant's figure, 416,000 people will gain an additional Grade B signal if the application

[1] Station WFLA–TV (NBC) and Station WTVT (CBS).

were granted. However, over 400,000 of these people have from three to six signals of predicted Grade B or greater strength available to them, and the remainder, have at least two Grade B signals. Therefore, we believe that an issue is warranted as to whether the losses in area and population may be offset by concomitant gains or other offsetting factors. Hall et al. v. Federal Communications Commission, 99 U.S. App. D.C. 86, 237 F 2d. 567, 14 RR 2009; Television Corporation of Michigan, Inc. v. Federal Communications Commission, 111 U.S. App. D.C. 101, 299 F 2d. 230, 21 RR 2107.

11. The petitioners state that a grant of the application would be inconsistent with the public interest because the applicant has not shown that it could not increase its tower height at its present site or that it has made any efforts to ascertain whether another site is available from which it could operate in conformity with the Commission's mileage separation requirements. The parties are in dispute as to whether Federal Aviation Agency approval could be obtained for an increase in tower height at the present transmitter site. Accordingly, we will specify an issue as to whether the applicant can obtain an increase in tower height at its present location.

12. With respect to the proposed alternate site, sufficient facts have not been furnished to indicate whether there is any reasonable possibility that such a site is available. There is no indication, for example, that a tower in an alternate area could meet air safety requirements and no information has been furnished with respect to terrain accessibility, zoning, or geological factors. Ordinarily, on the basis of such information, we would consider the alleged alternate site to be merely hypothetical. Nevertheless, in view of the magnitude of the separations shortage proposed in this case, we believe that all alternatives, however speculative, should be thoroughly explored in hearing. Accordingly, we will, on our own motion, specify an issue with respect to whether there is an area within which the applicant could locate its transmitter in conformity with the Commission's rules and provide the coverage proposed in the application. The burden of proceeding with the introduction of evidence and the burden of proof with respect to this issue will be placed upon the respondents.

13. We have carefully considered all of the matters raised in the various pleadings and, except as indicated by the issues specified below, we find that the applicant is qualified to construct and operate as proposed and that, except as indicated in the preceding paragraphs hereof, no substantial and material questions of fact have been raised by the pleadings. The Commission, however, is unable to make the statutory finding that a grant of the application would serve the public interest, convenience and necessity and is of the opinion that the application must be designated for evidentiary hearing.

Accordingly, it is ordered, That, pursuant to section 309(e) of the Communications Act of 1934, as amended, the above-captioned application of WLCY–TV, Inc., is designated for hearing, at a time and place to be specified in a subsequent order, upon the following issues:

1. To determine whether the applicant can obtain an increase in tower height at its present transmitter location and, if so, the extent of such an increase.

2. To determine whether there is an area within which the applicant could locate its transmitter in conformity with all of the requirements of the Commission's rules and provide service to the public equivalent to that proposed in the application.

3. To determine whether circumstances exist which would warrant a waiver of § 73.610(b) of the Commission's rules and, if so, to determine the necessary conditions to be met in order to assure that "equivalent protection" will be provided to Station WLBW–TV, Miami, Fla.

4. To determine, in connection with the proposal for a directive antenna to suppress radiation in the direction of Station WLBW–TV, Miami, Fla., whether circumstances exist which would warrant a waiver of § 73.685(e) of the Commission's rules.

5. To determine whether a grant of the application would impair the ability of authorized and prospective UHF television broadcast stations in the area to compete effectively, or would jeopardize, in whole or in part, the continuation of existing UHF television service.

6. To determine the areas and populations which may be expected to gain or lose television service or signal strength by the proposed operation of Television Broadcast Station WLCY–TV, and the other television broadcast services available to such areas.

7. To determine, in the light of the evidence adduced pursuant to the foregoing issues, whether a grant of the application would serve the public interest, convenience and necessity.

It is further ordered, That to the extent indicated herein, the petitions to deny filed by L. B. Wilson, Inc., and WSUN, Inc., are granted, and in all other respects are denied.

It is further ordered, That, on the Commission's own motion, L. B. Wilson, Inc., WSUN, Inc., AMST, Hubbard Broadcasting, Inc., and Sarasota-Bradenton Florida Television Co., Inc., are made parties respondent in this proceeding.

It is further ordered, That the burden of proceeding with the introduction of evidence and the burden of proof with respect to Issue 2 and Issue 5 herein is hereby placed upon the parties respondent, and the burden of proceeding and the burden of proof with respect to the other issues remains upon the applicant.

It is further ordered, That, any UHF applicant or permittee located within WLCY–TV's proposed service area shall be permitted to intervene in this proceeding.

It is further ordered, That, to avail themselves of the opportunity to be heard, the applicant and the parties respondent herein pursuant to § 1.221(c) of the Commission's rules, in person or by attorney, shall within twenty (20) days of the mailing of this order, file with the Commission, in triplicate, a written appearance stating an intention to appear on the date fixed for the hearing and present evidence on the issues specified in this order.

It is further ordered, That the applicant herein shall, pursuant to section 311(a)(2) of the Communications Act of 1934, as amended, and § 1.594 of the Commission's rules, give notice of the hearing, within the time and in the manner prescribed in such rule, and shall advise the Commission of the publication of such notice as required by § 1.594(g) of the rules.

Adopted: December 15, 1966.

Released: December 27, 1966.

FEDERAL COMMUNICATIONS COMMISSION,[3]

[SEAL] BEN F. WAPLE,
Secretary.

[F.R. Doc. 66-14049; Filed, Dec. 30, 1966; 8:48 a.m.]

FEDERAL HOME LOAN BANK BOARD

[No. 20,372]

ELIMINATION OF CREDIT RESTRICTIONS

DECEMBER 28, 1966.

Whereas by Federal Home Loan Bank Board Resolution Number 19,333, dated August 6, 1965, and duly published in the FEDERAL REGISTER on August 13, 1965 (30 F.R. 10124), this Board adopted a policy restricting advances to member institutions by the Federal Home Loan Banks; and

Whereas by Federal Home Loan Bank Board Resolution Number 20,051, dated July 1, 1966, and duly published in the FEDERAL REGISTER on July 9, 1966 (31 F.R. 9429), this Board suspended its policy as embodied in the aforesaid Resolution Number 19,333, effective July 1, 1966, without affecting credit restrictions imposed and then in effect; and

Whereas this Board has determined to rescind its statement of policy and terminate the policy evidenced thereby:

Now, therefore, it is hereby resolved that Federal Home Loan Bank Board Resolution Numbers 19,333 and 20,051 aforesaid are hereby rescinded effective January 1, 1967.

It is further resolved that the Secretary to the Board is hereby directed to transmit a copy of the foregoing statement approved by this Board to the Of-

[3] Dissenting statement of Commissioner Bartley filed as part of original document; Commissioner Lee voting to dismiss application; concurring statement of Commissioner Cox, in which joins Commissioner Wadsworth, filed as part of original document.

fice of the Federal Register for publication.

By the Federal Home Loan Bank Board.

[SEAL] GRENVILLE L. MILLARD, Jr.,
Assistant Secretary.

[F.R. Doc. 66-14072; Filed, Dec. 30, 1966; 8:49 a.m.]

SECURITIES AND EXCHANGE COMMISSION

[812-2053]

ALLIS-CHALMERS INTERNATIONAL FINANCE CORP.

Notice of Filing of Application for Order Exempting Company

DECEMBER 27, 1966.

Notice is hereby given that Allis-Chalmers International Finance Corp. (Applicant), 1205 South 70th Street, West Allis, Wis., has filed an application pursuant to section 6(c) of the Investment Company Act of 1940 (Act) for an order exempting it from all provisions of the Act and the rules and regulations thereunder. All interested persons are referred to the application on file with the Commission for a statement of the representations therein, which are summarized below.

Applicant was organized by Allis-Chalmers Manufacturing Co. (Allis-Chalmers) under the laws of the State of Delaware in December 1966. All of the outstanding capital stock of Applicant consisting of 10 shares of common stock without par value are owned by Allis-Chalmers, which purchased such stock for $1,000. Prior to the sale of the notes of Applicant described below, Allis-Chalmers will acquire from Applicant additional common stock of Applicant for $2,999,000 payable in cash or property. Any additional securities which Applicant may issue, other than debt securities, will be issued only to Allis-Chalmers. Allis-Chalmers will continue to retain its present holdings of Applicant's stock and any additional securities of Applicant (other than debt securities) which Allis-Chalmers may acquire, and Allis-Chalmers will not dispose of any of Applicant's securities (other than debt securities) except to Applicant or to a fully owned subsidiary of Allis-Chalmers (which term as used herein means a corporation all of the outstanding securities of which (other than short-term paper as defined in section 2(a)(36) of the Act) are owned, directly or indirectly, by Allis-Chalmers); and neither Allis-Chalmers nor any fully owned subsidiary will dispose of any such securities of Applicant except to Applicant or to one or more fully owned subsidiaries of Allis-Chalmers.

Allis-Chalmers is engaged, directly and through subsidiaries, principally in the manufacture and sale of agricultural equipment, construction machinery, products for the electric utility industry, processing machinery, control systems for general industrial application, and material handling and lawn and garden equipment.

A principal purpose for organizing Applicant was to assist in improving the balance of payments position of the United States in compliance with the voluntary cooperation program instituted by the President in February 1965, while at the same time continuing the expansion and development of Allis-Chalmers' operations abroad.

Applicant intends to issue and sell $15,000,000 principal amount of its guaranteed notes due February 1, 1972 (notes). Allis-Chalmers will guarantee the principal and interest payments on the notes. Any additional debt securities of the Applicant which may be issued to or held by the public will be guaranteed by Allis-Chalmers in a manner substantially similar to the guarantee of the notes.

Applicant intends that more than 80 percent of its assets will be invested (i) in debt obligations or stock of foreign corporations (possibly including corporations organized under laws of one of the United States, all or substantially all of the business of which his conducted abroad) which are primarily engaged in a business or businesses other than investing, reinvesting, holding or trading in securities and which are, or upon the making of such investment, will be corporations in which Allis-Chalmers or Applicant owns (directly or indirectly) 10 percent or more of the total voting power of all classes of stock, and (ii) in debt obligations of foreign customers of Allis-Chalmers or its subsidiaries, representing part or all of the sales price of merchandise sold and services rendered to such customers.

Applicant will proceed as expeditiously as practicable with the long-term investment of its assets in such manner. Pending the making of such long-term investments, Applicant will invest in debt obligations (including time deposits) of foreign governments, foreign financial institutions and other foreign persons, payable in U.S. dollars or other currencies and in most cases maturing in 1 year or less from date of acquisition thereof. Applicant will not deal or trade in securities.

The notes are to be sold through a group of underwriters for offering outside the United States. The notes are to be offered and sold under conditions which are intended to assure that the notes will not be offered or sold in the United States or its territories and possessions or to nationals or residents of the United States, its territories or possessions (except for certain transactions with other underwriters and dealers). The contracts relating to such offer and sale will contain various provisions intended to assure that the notes will not be purchased by nationals or residents of the United States, its territories or possessions. Any additional debt securities of Applicant which may be sold to the public in the future will be sold in the same manner as the notes are to be sold.

Applicant will use its best effort to have the notes listed on the Luxembourg Stock Exchange.

Counsel has advised the Applicant and Allis-Chalmers that U.S. persons will be required to report and pay an interest equalization tax with respect to acquisition of the notes, except where a specific statutory exemption is available. Thus, by financing its foreign operations through the Applicant rather than through the sale of its own debt obligations, Allis-Chalmers will utilize an instrumentality, the acquisition of whose debt obligations by United States persons would, generally, subject such persons to the interest equalization tax, thereby discouraging them from purchasing such debt obligations.

Applicant submits that it is appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policies and provisions of the Act for the Commission to enter an order exempting Applicant from each and every provision of the Act for the following reasons: (1) A principal purpose of the Applicant is to assist in improving the balance of payments program of the United States by serving as a vehicle through which Allis-Chalmers may obtain funds in foreign countries for its foreign operations; (2) the notes will be offered and sold abroad to foreign nationals under circumstances designed to prevent the sale in the United States, its territories or possessions or to any U.S. national, citizen, or resident thereof; (3) the burden of the interest equalization tax will tend to discourage purchase of the notes by any U.S. person; (4) the Applicant will not deal or trade in securities; (5) the public policy underlying the Act is not applicable to the Applicant and the security holders of the Applicant do not require the protection of the Act, because the payment of the notes, which is guaranteed by Allis-Chalmers, does not depend on the operations or investment policy of the Applicant, for the noteholders may ultimately look to the business enterprise of Allis-Chalmers rather than solely to that of the Applicant; and (6) any of Applicant's debt securities which may be held by the public will be guaranteed by Allis-Chalmers.

Notice is further given that any interested person may, not later than January 9, 1967 at 12:30 p.m., submit to the Commission in writing a request for a hearing on the matter accompanied by a statement as to the nature of his interest, the reason for such request and the issues of fact or law proposed to be controverted, or he may request that he be notified if the Commission shall order a hearing thereon. Any such communication should be addressed: Secretary, Securities and Exchange Commission, Washington, D.C. 20549. A copy of such request shall be served personally or by mail (air mail if the person being served is located more than 500 miles from the point of mailing) upon Applicant at the address stated above. Proof of such service (by affidavit or in case of an attorney at law by certificate) shall be filed contemporaneously with the request. At

any time after said date, as provided by Rule 0–5 of the rules and regulations promulgated under the Act, an order disposing of the application herein may be issued by the Commission upon the basis of the information stated in said application, unless an order for hearing upon said application shall be issued upon request or upon the Commission's own motion.

For the Commission (pursuant to delegated authority).

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

[F.R. Doc. 66–14036; Filed, Dec. 30, 1966; 8:47 a.m.]

[70–4440]

NEW JERSEY POWER & LIGHT CO.

Notice of Proposed Issue and Sale of Notes to Banks

DECEMBER 27, 1966.

Notice is hereby given that New Jersey Power & Light Co. ("NJP&L"), Madison Avenue at Punch Bowl Road, Morristown, N.J. 07960, an electric utility subsidiary company of General Public Utilities Corp. ("GPU"), a registered holding company, has filed a declaration with this Commission pursuant to the Public Utility Holding Company Act of 1935 ("Act"), designating sections 6(a) and 7 as applicable to the proposed transactions. All interested persons are referred to the declaration, which is summarized below, for a complete statement of the proposed transactions.

NJP&L has outstanding $4,100,000 principal amount of unsecured promissory notes issued to the banks named below, pursuant to the provisions of the first sentence of section 6(b) of the Act. NJP&L proposes to issue and sell, from time to time not later than June 30, 1968, additional notes so that the aggregate principal amount to be outstanding at any one time will not exceed $5,700,000. The maximum amount of notes to be outstanding at any one time with any bank are as follows:

The Chase Manhattan Bank, New York, N.Y.	$3,200,000
Fidelity Union Trust Co., Newark, N.J.	1,000,000
Trust Co. of Morris County, Morristown, N.J.	700,000
The First National Iron Bank, Morristown, N.J.	500,000
The National Union Bank of Dover, N.J.	300,000
	5,700,000

All the notes will mature not later than 9 months from the respective dates of issue and may be prepaid at any time without premium. The interest rate on the notes is, or will be, the prime commercial rate in effect at each bank on the date of issuance.

The proceeds from the sale of the notes will be used by NJP&L for construction expenditures and/or to repay other short-term borrowings, the proceeds from which having been so applied. NJP&L's construction budget for 1967 is estimated at $12 million. NJP&L represents that if any permanent debt securities are issued and sold by it prior to the maturity of all the notes proposed to be issued under this filing, the net proceeds thereof will be applied in reduction of or in total payment of such notes, and that the maximum amount of notes authorized to be outstanding hereunder will be reduced by the amount of such net proceeds.

NJP&L estimates that its expenses incident to the proposed transactions will be approximately $2,200, including counsel fees of $1,900, and it states that no State commission and no Federal commission, other than this Commission, has jurisdiction over the proposed transactions. However, it is also stated that approval by the Board of Public Utility Commissioners of the State of New Jersey will be required for a renewal, extension, or replacement of any notes issued by NJP&L, if, as a result thereof, the loan evidenced thereby is not repaid within 12 months of the original date of the note or notes.

Notice is further given that any interested person may, not later than January 18, 1967, request in writing that a hearing be held in respect of such matters, stating the nature of his interest, the reasons for such request, and the issues of fact or law which he desires to controvert; or he may request that he be notified should the Commission 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 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 in the manner provided by 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.

For the Commission (pursuant to delegated authority).

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

[F.R. Doc. 66–14037; Filed, Dec. 30, 1966; 8:47 a.m.]

FEDERAL POWER COMMISSION

[Docket Nos. RI67–214, etc.]

SOUTHWEST GAS PRODUCING COMPANY, INC., ET AL.

Order Accepting Contract Amendment, Providing for Hearings on and Suspension of Proposed Changes in Rates [1]

DECEMBER 20, 1966.

The above-named Respondents have tendered for filing proposed changes in presently effective rate schedules for sales of natural gas subject to the jurisdiction of the Commission. The proposed changes, which constitute increased rates and charges, are designated as follows:

[1] Does not consolidate for hearing or dispose of the several matters herein.

Docket No.	Respondent	Rate schedule No.	Supplement No.	Purchaser and producing area	Amount of annual increase	Date filing tendered	Effective date unless suspended	Date suspended until—	Cents per Mcf		Rate in effect subject to refund in docket Nos.
									Rate in effect	Proposed increased rate	
RI67–214	Southwest Gas Producing Co., Inc., Post Office Box 2927, Monroe, La. 71201, Attention: Mr. T. A. McEachern, Jr.	10	5	Texas Gas Transmission Corp. (Ramos Field, St. Mary and Assumption Parishes, La.) (Southern Louisiana).	$6,950	11–30–66	[3] 1–1–67	6–1–67	[4] [6] [7] 20.75	[4] [5] [6] 21.75	
	do	12	6	Texas Gas Transmission Corp. (Jeanerette Field, St. Mary Parish, La.) (Southern Louisiana).	22,200	11–30–66	[3] 1–1–67	6–1–67	[4] [6] [7] 20.75	[4] [5] [6] 21.75	
RI67–215	Amerada Petroleum Corp., Post Office Box 2040, Tulsa, Okla. 74102.	[10] 133	5	El Paso Natural Gas Co. (Justis Field, Lea County, N. Mex.) (Permian Basin Area).	687	11–22–66	[8] 12–23–66	5–23–67	15.56	[9] 16.83	RI60–73.
RI67–216	The Estate of E. H. Adair, d.b.a. Adair Oil Co., Post Office Box 7011, Wichita, Kans. 67201.	2	4	Northern Natural Gas Co. (Sitka Field, Clark County, Kans.).	2,618	11–25–66	[3] 1–1–67	6–1–67	[11] 16.0	[9] [11] 17.0	

See footnote at end of table.

Docket No.	Respondent	Rate schedule No.	Supplement No.	Purchaser and producing area	Amount of annual increase	Date filing tendered	Effective date unless suspended	Date suspended until—	Cents per Mcf: Rate in effect	Cents per Mcf: Proposed increased rate	Rate in effect subject to refund in docket Nos.
RI67-217	Texas Oil & Gas Corp., 2520 Fidelity Union Tower, Dallas, Tex. 75201.	46	1	Cities Service Gas Co. (Bishop Area, Roger Mills County, Okla.) (Oklahoma "Other" Area).	12,000	11-23-66	[2] 1-1-67	6-1-67	[11] 15.0	[9] [11] 17.0	
RI67-218	Union Oil Co. of California, Union Oil Center, Los Angeles, Calif. 90017.	114	11	Northern Natural Gas Co. (Harper Ranch Field, Clark and Comanche Counties, Kans.).	3,500	11-23-66	[2] 1-1-67	6-1-67	[11] 16.0	[9] [11] 17.0	RI66-316.
RI67-219	Ashland Oil & Refining Co., Post Office Box 18695, Oklahoma City, Okla. 73118.	126	[12] 6	Colorado Interstate Gas Co. (Sparks Field, Stanton County, Kans.).	----------	11-25-66	[3] 12-26-66	(Accepted)	----------	----------	
		126	7		600	11-25-66	[3] 12-26-66	5-26-67	[14] 16.128	[9] [13] [14] 17.136	G-17732.
	do	130	6	Northern Natural Gas Co. (Harper Ranch Field, Clark County, Kans.).	2,700	11-25-66	[2] 1-1-67	6-1-67	[11] 16.0	[9] [11] 17.0	RI62-255.
	do	59	4	Northern Natural Gas Co., (Harper Ranch Field, Clark County, Kans.).	8,300	12-1-66	[2] 1-1-67	6-1-67	[11] 16.0	[9] [11] 17.0	RI62-219.
RI67-220	Kerr-McGee Corp., Kerr-McGee Bldg., Oklahoma City, Okla. 73102.	90	2	Cities Service Gas Co. (Bishop Field, Roger Mills County, Okla.) (Oklahoma "Other" Area).	640	11-25-66	[2] 1-1-67	6-1-67	[11] 15.0	[9] [11] 17.0	
RI67-221	General American Oil Co. of Texas, Meadows Bldg., Dallas, Tex. 75206.	30	5	Northern Natural Gas Co. (Clark County, Kans.).	193	11-28-66	[2] 1-1-67	6-1-67	[11] 15.0	[9] [11] 16.0	RI62-213.
RI67-222	J. C. Wynne d.b.a. The Bering Co., Post Office Box 419, Tyler, Tex. 75701.	1	1	Northern Natural Gas Co. (Horizon Field, Ochiltree County, Tex.) (R.R. District No. 10).	1,200	11-30-66	[2] 1-1-67	6-1-67	[11] 16.5	[9] [11] 17.5	

[2] The stated effective date is the effective date requested by Respondent.
[3] Periodic rate increase.
[4] Pressure base is 15.025 p.s.i.a.
[5] Inclusive of 1.75 cents per Mcf tax reimbursement.
[6] Subject to downward B.t.u. adjustment for gas having a heating content of less than 1,000 B.t.u.'s.
[7] Settlement rate as approved by Commission order issued Jan. 27, 1964, in Docket Nos. G-16714 et al.
[8] The stated effective date is the first day after expiration of the statutory notice.
[9] Pressure base is 14.65 p.s.i.a.
[10] Successor to Claud E. Aikman's FPC Gas Rate Schedule No. 3.
[11] Subject to a downward B.t.u. adjustment.
[12] Contract Amendment dated Oct. 14, 1966, relieves buyer of take or pay obligation except for cancellation of allowables, establishes contract quantity based on reserves, eliminates indefinite pricing and establishes 17.0 cent rate until Dec. 31, 1968, and 1.0 cent periodic increases every 5 years thereafter.
[13] Renegotiated rate increase.
[14] Includes base rate of 16.0 cents before increase and 17.0 cents after increase plus upward B.t.u. adjustment. Base rate subject to upward and downward B.t.u. adjustment.

Amerada Petroleum Corp. (Amerada) requests a retroactive effective date of November 18, 1966, for its proposed rate increase. Good cause has not been shown for waiving the 30-day notice requirement provided in section 4(d) of the Natural Gas Act to permit an earlier effective date for Amerada's rate filing and such request is denied.

Amerada's proposed rate supplement reflects partial reimbursement for the full 2.55 percent New Mexico Emergency School Tax which was increased from 2 to 2.55 percent on April 1, 1963. The buyer, El Paso Natural Gas Co. (El Paso), in accordance with its policy of protesting all tax filings proposing reimbursement for the New Mexico Emergency School Tax in excess of 0.55 percent, has protested the instant rate filing. El Paso questions the right of Amerada under the tax reimbursement clause of its contract to file rate increases reflecting tax reimbursement computed on the basis of an increase in tax rate by the New Mexico Legislature in excess of 0.55 percent. While El Paso concedes that the New Mexico tax legislation effected a higher rate of at least 0.55 percent, it claims there is controversy as to whether or not the new legislation effected an increased rate in excess of 0.55 percent. In view of the contractual problem presented, we shall provide that the hearing herein shall concern itself with the contractual basis for Amerada's rate filing as well as the statutory lawfulness of the proposed increased rate.

On November 25, 1966, Ashland Oil & Refining Co. (Ashland) tendered for filing a contract amendment dated October 14, 1966, which relieves buyer of take or pay obligation except for cancellation of allowables, establishes contract quantity based on reserves, eliminates indefinite pricing provisions and establishes 17 cent rate until December 31, 1968, and 1 cent periodic increases every 5 years thereafter. Such amendment has been designated as Supplement No. 6 to Ashland's FPC Gas Rate Schedule No. 126. We believe that it would be in the public interest to accept for filing Ashland's aforementioned contract amendment to become effective on December 26, 1966, the proposed effective date, but not the proposed rate contained therein which is suspended as hereinafter ordered.

All of the producers' proposed increased rates and charges exceed the applicable area price levels for increased rates as set forth in the Commission's statement of general policy No. 61-1, as amended (18 CFR 2.56).

The proposed changed rates and charges may be unjust, unreasonable, unduly discriminatory, or preferential, or otherwise unlawful.

The Commission finds:

(1) Good cause has been shown for accepting for filing Ashland's proposed contract amendment dated October 14, 1966, designated as Supplement No. 6 to Ashland's FPC Gas Rate Schedule No. 126, and for permitting such supplement to become effective on December 26, 1966, the proposed effective date.

(2) Except for the supplement set forth in paragraph (1) above, it is necessary and proper in the public interest and to aid in the enforcement of the provisions of the Natural Gas Act that the Commission enter upon hearings concerning the lawfulness of the proposed changes, and that the above-designated supplements be suspended and the use thereof deferred as hereinafter ordered.

The Commission orders:

(A) Ashland's contract amendment dated October 14, 1966, designated as Supplement No. 6 to Ashland's FPC Gas Rate Schedule No. 126, is accepted for filing and permitted to become effective on December 26, 1966.

(B) Pursuant to the authority of the Natural Gas Act, particularly sections 4 and 15 thereof, the Commission's rules of practice and procedure, and the regulations under the Natural Gas Act (18 CFR, Ch. I), public hearings shall be held upon dates to be fixed by notices from the Secretary concerning the lawfulness of the proposed increased rates and charges contained in the above-designated supplements (except the supplement set forth in paragraph (A) above).

(C) Pending hearings and decisions thereon, the above-designated supplements are hereby suspended and the use thereof deferred until the date indicated in the above "Date Suspended Until" column, and thereafter until such further time as they are made effective in the manner prescribed by the Natural Gas Act.

(D) Neither the supplements hereby suspended, nor the rate schedules sought

to be altered thereby, shall be changed until these proceedings have been disposed of or until the periods of suspension have expired, unless otherwise ordered by the Commission.

(E) Notices of intervention or petitions to intervene may be filed with the Federal Power Commission, Washington, D.C. 20426, in accordance with the rules of practice and procedure (18 CFR 1.8 and 1.37(f)) on or before February 10, 1967.

By the Commission.

[SEAL] JOSEPH H. GUTRIDE, *Secretary.*

[F.R. Doc. 66-13960; Filed, Dec. 30, 1966; 8:45 a.m.]

[Docket Nos. RI67-223 etc.]

JAMES DAVIS, JR., ET AL.

Order Regarding Rates and Charges

DECEMBER 22, 1966.

Order accepting contract amendment, providing for hearings on and suspension of proposed changes in rates, permitting withdrawal of rate supplement and terminating proceeding.[1]

The above-named Respondents have tendered for filing proposed changes in presently effective rate schedules for sales of natural gas subject to the jurisdiction of the Commission. The proposed changes, which constitute increased rates and charges, are designated as follows:

[1] Does not consolidate for hearing or dispose of the several matters herein.

Docket No.	Respondent	Rate schedule No.	Supplement No.	Purchaser and producing area	Amount of annual increase	Date filing tendered	Effective date unless suspended	Date suspended until—	Cents per Mcf		Rate in effect subject to refund in docket Nos.
									Rate in effect	Proposed increased rate	
RI67-212	Texaco Inc. (Operator), et al., Post Office Box 52332, Houston, Tex. 77052.	327	5	Kansas-Nebraska Natural Gas Co., Inc. (Bradshaw Field, Hamilton County, Kans.).	$19	11-22-66	[2] 1-1-67	[3] 1-2-67	[6] 12.5000	[4] [5] 12.5025	
RI67-213	do	171	4	Panhandle Eastern Pipe Line Co. (Hugoton Field, Morton County, Kans.).	2	11-22-66	[2] 1-1-67	[3] 1-2-67	13.0	[4] [8] 13.0025	RI66-329.
	do	256	3	Panhandle Eastern Pipe Line Co. (Hugoton Field, Stevens County, Kans.).	1	11-22-66	[2] 1-1-67	[3] 1-2-67	12.0	[4] [8] 12.0025	RI66-331.
	do	303	2	Panhandle Eastern Pipe Line Co. (South Kismet Field, Seward County, Kans.).	15	11-22-66	[2] 1-1-67	[3] 1-2-67	[6] [7] [8] 14.0	[4] [5] [7] 14.0025	

[2] The stated effective date is the effective date proposed by Respondent.
[3] The suspension period is limited to 1 day.
[4] Tax reimbursement increase.
[5] Pressure base is 14.65 p.s.i.a.
[6] Subject to a downward B.t.u. adjustment.
[7] Associated gas.
[8] Settlement rate in Texaco's company-wide settlement in Docket Nos. G-8969 et al., by order issued Dec. 30, 1963. Moratorium on rate increases expired Mar. 1, 1966.

Ashland Oil & Refining Co. (Operator), et al. (Ashland), request an effective date of January 1, 1967, for Supplement No. 5 to their FPC Gas Rate Schedule No. 77. Good cause has not been shown for waiving the 30-day notice requirement provided in section 4(d) of the Natural Gas Act to permit an earlier effective date for Ashland's rate filing and such request is denied.

Ashland Oil & Refining Co. (also referred to herein as Ashland) proposes a renegotiated change in rate from 15 to 17 cents per Mcf under its FPC Gas Rate Schedule No. 178, for gas sold from the Greenwood Field, Morton County, Kans., to Colorado Interstate Gas Co. On September 12, 1966, Ashland filed a notice of change proposing a periodic increase in rate from 15 to 16 cents per Mcf which was designated as Supplement No. 3 to Ashland's FPC Gas Rate Schedule No. 178. The Commission by order issued October 6, 1966, in Docket No. RI67-82, suspended the proposed 16-cent rate until March 13, 1967, and thereafter until made effective in the manner prescribed by the Natural Gas Act. The increased rate has not been made effective pursuant to section 4(e) of the Natural Gas Act and no monies have been collected subject to refund under the rate schedule involved. Ashland submits with the instant rate filing, a petition to withdraw the earlier notice of change and requests that the related suspension proceeding in Docket No. RI67-82 be terminated.

Since the suspended 16 cents per Mcf rate contained in Supplement No. 3 to Ashland's FPC Gas Rate Schedule No. 178 has not been made effective pursuant to section 4(e) of the Natural Gas Act and no monies have been collected subject to refund under the rate schedule involved, we believe that it would be in the public interest to grant Ashland's request to withdraw its aforementioned rate supplement and to terminate the related suspension proceeding in Docket No. RI67-82.

Concurrently with the filing of its rate increase, Ashland submitted a contract amendment dated October 14, 1966, which revises the quantity provisions of the contract and provides for a 17 cents per Mcf rate from November 1, 1966 to December 31, 1968, and a 1 cent per Mcf periodic increase for each successive 5-year period thereafter during the life of the contract. We believe that it would be in the public interest to accept for filing Ashland's aforementioned contract amendment to become effective on December 26, 1966, the proposed effective date, but not the proposed rate contained therein which is suspended as hereinafter ordered.

All of the producers' proposed increased rates and charges exceed the applicable area price levels for increased rates as set forth in the Commission's statement of general policy No. 61-1, as amended (18 CFR 2.56).

The proposed changed rates and charges may be unjust, unreasonable, unduly discriminatory, or preferential, or otherwise unlawful.

The Commission finds:

(1) Good cause exists for permitting the withdrawal of Supplement No. 3 to Ashland's FPC Gas Rate Schedule No. 178, and for terminating the related suspension proceeding in Docket No. RI67-82.

(2) Good cause has been shown for accepting for filing Ashland's proposed contract amendment dated October 14, 1966, designated as Supplement No. 4 to Ashland's FPC Gas Rate Schedule No. 178, and for permitting such supplement to become effective on December 26, 1966, the proposed effective date.

(3) Except for the supplement set forth in paragraph (2) above, it is necessary and proper in the public interest and to aid in the enforcement of the provisions of the Natural Gas Act that the Commission enter upon hearings concerning the lawfulness of the proposed changes, and that the above-designated supplements be suspended and the use thereof deferred as hereinafter ordered.

The Commission orders:

(A) Supplement No. 3 to Ashland's FPC Gas Rate Schedule No. 178 is permitted to be withdrawn and the suspension proceeding in Docket No. RI62-82 is terminated.

(B) Ashland's contract amendment dated October 14, 1966, designated as Supplement No. 4 to Ashland's FPC Gas Rate Schedule No. 178, is accepted for filing and permitted to become effective on December 26, 1966.

(C) Pursuant to the authority of the Natural Gas Act, particularly sections 4 and 15 thereof, the Commission's rules of practice and procedure, and the regulations under the Natural Gas Act (18 CFR, Ch. I), public hearings shall be held upon dates to be fixed by notices from the Secretary concerning the lawfulness of the proposed increased rates and charges contained in the above-designated supplements (except the supplement set forth in (B) above).

(D) Pending hearings and decisions thereon, the above-designated supplements are hereby suspended and the use thereof deferred until the date indicated in the above "Date Suspended Until"

column, and thereafter until such further time as they are made effective in the manner prescribed by the Natural Gas Act.

(E) Neither the supplements hereby suspended, nor the rate schedules sought to be altered thereby, shall be changed until these proceedings have been disposed of or until the periods of suspension have expired, unless otherwise ordered by the Commission.

(F) Notices of intervention or petitions to intervene may be filed with the Federal Power Commission, Washington, D.C. 20426, in accordance with the rules of practice and procedure (18 CFR 1.8 and 1.37(f)) on or before February 15, 1967.

By the Commission.

[SEAL] JOSEPH H. GUTRIDE, *Secretary.*

[F.R. Doc. 66-14013; Filed, Dec. 30, 1966; 8:45 a.m.]

[Docket Nos. RI67-212 etc.]

TEXACO, INC., ET AL.

Order Providing for Hearing on and Suspension of Proposed Changes in Rates, and Allowing Rate Changes To Become Effective Subject to Refund [1]

DECEMBER 21, 1966.

The Respondents named herein have filed proposed changes in rates and charges of currently effective rate schedules for sales of natural gas under Commission jurisdiction, as set forth in Appendix A below.

The proposed changed rates and charges may be unjust, unreasonable, unduly discriminatory, or preferential, or otherwise unlawful.

The Commission finds: It is in the public interest and consistent with the Natural Gas Act that the Commission enter upon hearings regarding the lawfulness of the proposed changes, and that the supplements herein be suspended and their use be deferred as ordered below.

The Commission orders: (A) Under the Natural Gas Act, particularly sections 4 and 15, the regulations pertaining thereto (18 CFR, Ch. I), and the Commission's rules of practice and procedure, public hearings shall be held concerning the lawfulness of the proposed changes.

(B) Pending hearings and decisions thereon, the rate supplements herein are suspended and their use deferred until date shown in the "Date Suspended Until" column, and thereafter until made effective as prescribed by the Natural Gas Act: *Provided, however,* That the supplements to the rate schedules filed by Respondents, as set forth herein, shall become effective subject to refund on the date and in the manner herein prescribed if within 20 days from the date of the issuance of this order Respondents shall each execute and file under its above-designated docket number with the Secretary of the Commission its agreement and undertaking to comply with the refunding and reporting procedure required by the Natural Gas Act and § 154.102 of the regulations thereunder, accompanied by a certificate showing service of copies thereof upon all purchasers under the rate schedule involved. Unless Respondents are advised to the contrary within 15 days after the filing of their respective agreements and undertakings, such agreements and undertakings shall be deemed to have been accepted.

(C) Until otherwise ordered by the Commission, neither the suspended supplements, nor the rate schedules sought to be altered, shall be changed until disposition of these proceedings or expiration of the suspension period.

(D) Notices of intervention or petitions to intervene may be filed with the Federal Power Commission, Washington, D.C. 20426, in accordance with the rules of practice and procedure (18 CFR 1.8 and 1.37(f)) on or before February 15, 1967.

By the Commission.

[SEAL] JOSEPH H. GUTRIDE, *Secretary.*

[1] Does not consolidate for hearing or dispose of the several matters herein.

Docket No.	Respondent	Rate schedule No.	Supplement No.	Purchaser and producing area	Amount of annual increase	Date filing tendered	Effective date unless suspended	Date suspended until—	Cents per Mcf		Rate in effect subject to refund in docket Nos.
									Rate in effect	Proposed increased rate	
RI67-223	James Davis, Jr., dba. Solar Oil Co., 1117 Union National Bldg., Wichita, Kans. 67202.	1	4	Northern Natural Gas Co. (Harper Ranch Pool, Clark County, Kans.).	$1,000	12- 1-66	[2] 1- 1-67	6- 1-67	[5] 15.0	[3] [4] 16.0	RI63-381.
	James Davis, Jr., dba. Solar Oil Co.	3	3	Northern Natural Gas Co. (Harper Ranch North Morrow Field, Clark County, Kans.).	125	12- 1-66	[10] 1- 1-67	6- 1-67	[5] 16.0	[3] [6] 17.0	
RI67-224	Ashland Oil & Refining Co., Post Office Box 18695, Oklahoma City, Okla. 73118.	178	[6] 4	Colorado Interstate Gas Co. (Greenwood Field, Morton County, Kans.).	----------	11-25-66	[10] 12-26-66	(Accepted).	----------	----------	
		178	5		400	11-25-66	[10] 12-26-66	5-26-67	[5] 15.0	[7] [8] 17.0	[9] RI67-82.
RI67-225	Ashland Oil & Refining Co. (Operator) et al.	77	5	Northern Natural Gas Co. (Harper Ranch Field, Clark County, Kans.).	1,300	12- 5-66	[2] 1- 5-67	6- 5-67	[5] 16.0	[3] [6] 17.0	

[2] The stated effective date is the first day after expiration of the statutory notice.
[3] Periodic rate increase.
[4] Pressure base is 14.65 p.s.i.a.
[5] Subject to a downward B.t.u. adjustment.
[6] Contract Amendment dated Oct. 14, 1966, which revises quantity provisions of contract and provides for 17.0 cent rate from Nov. 1, 1966, to Dec. 31, 1968, and 1.0 cent periodic increase for each successive 5-year period thereafter during the life of contract.
[7] Renegotiated rate increase.
[8] Subject to upward and downward B.t.u. adjustment.
[9] Rate of 16.0 cents suspended in Docket No. RI67-82 until Mar. 13, 1967. Ashland concurrently filed petition to withdraw previous notice of change (Supplement No. 3) and terminate rate suspension proceeding in said docket.
[10] The stated effective date is the effective date proposed by Respondent.

Texaco, Inc. (Operator), et al., and Texaco, Inc. (both referred to herein as Texaco), propose four tax reimbursement increases which cover a new Kansas assessment. Texaco's proposed rate increases exceed the area price ceiling of 11 cents per Mcf for increased rates in Kansas as announced in the Commission's statement of general policy No. 61-1, as amended. Since Texaco's rate increases are for tax reimbursement only, we conclude that they should be suspended for one day from January 1, 1967, the proposed effective date.

The new assessment is being levied by Kansas State Board of Health under revised rules and regulations adopted April 1, 1966, to be effective in January 1967, under regulation 28-8-9, against all petroleum and gas produced in the State. The first purchaser of oil and gas from the producer is to deduct the assessment of 0.1 cent per barrel of oil and 0.005 cent per Mcf of gas before issuing checks or otherwise accounting for the production and to remit such amount to the Kansas Department of Health. On December 7, 1966, the buyer, Kansas-Nebraska Natural Gas Co., Inc. (Kansas-Nebraska), filed a protest to Texaco's rate filings wherein it contends that Texaco's filings are without contractual basis and should be rejected, or, in the alternative, should be suspended and the matter set for hearing on the contractual issue. Kansas-Nebraska claims that the tax reimbursement clauses do not apply to an "assessment," but only in the event of a tax increase. In view of the contractual problem presented, we shall provide that the hearings herein shall concern themselves with the contractual basis for Texaco's rate filings as well as the statutory lawfulness of the proposed increased rates.

[F.R. Doc. 66-14014; Filed, Dec. 30, 1966; 8:45 a.m.]

[Docket Nos. CP66-306, CI66-897]

EL PASO NATURAL GAS CO. AND SHELL OIL CO.

Order Consolidating Proceedings, Granting Interventions, and Fixing Dates for Prehearing Conference

DECEMBER 21, 1966.

On March 25, 1966, El Paso Natural Gas Co. (El Paso) filed an application pursuant to section 7(c) of the Natural Gas Act (Act) for a certificate of public convenience and necessity authorizing the construction and operation of certain natural gas facilities in order to enable it to receive and transport certain volumes of natural gas to be produced by the Shell Oil Co. (Shell) from certain acreage located in the J. M. Ellenburger Field area in Crockett and Terrell Counties, Tex.

El Paso seeks authorization to construct certain facilities in order to implement the acquisition and integration into its system of additional reserves of gas underlying the J. M. Ellenburger Field. These reserves have been dedicated to El Paso under a long term purchase contract with Shell.[1]

El Paso specifically requests that it be authorized to construct the following facilities in order to undertake the operations contemplated in its application:

1. Approximately 15 miles of 24-inch O.D., 0.438-inch W.T. pipeline, including a single submerged crossing of the Pecos River beginning at a point in the J. M. Ellenburger Field in Crockett County, Tex., and terminating at El Paso's Terrell treating plant in Terrell County, Tex.

2. Approximately 23 miles of 24-inch O.D., 0.281-inch W.T. pipeline, beginning at El Paso's Puckett Dehydration Plant in Pecos County, Tex., such pipeline looping the 20-inch O.D. Puckett discharge line from Milepost 55.2 to Milepost 32.2.

3. Approximately 34.2 miles of 24-inch O.D. 0.281-inch W.T. pipeline extending from the Puckett-Upton County lines in Crane County, Tex. and terminating at El Paso's Goldsmith Plant in Ector County, Tex.

El Paso desires authorization to install one field compressor station consisting of two 1,068 horsepower gas turbine-driven centrifugal compressor units at its Puckett Plant site in Pecos County, Tex.; two 24-inch O.D. check meters at its Terrell Treating Plant in Terrell County, Tex., and one at the inlet to the Goldsmith Compressor Station in Ector County, Tex.; one 12¾-inch O.D. orifice-type meter at the outlet side of the treating plant in Terrell County, Tex.; one 10¾-inch O.D. check meter on the 20-inch O.D. Puckett discharge line, Crane County, Tex.

El Paso further seeks to construct and operate under § 2.55(a) of the Commission's General Policy and Interpretations the following facilities:

1. Additional purification and dehydration facilities needed to provide an increase of 50,000 Mcf per day in the design inlet capacity of El Paso's Terrell treating plant. This will increase the total design inlet capacity of this plant to 271,000 Mcf per day.

2. Additional communication and general structures required for the operation and maintenance of those facilities herein proposed to be constructed.

El Paso further requests authorization to construct and operate approximately 9.8 miles of gathering system in the J. M. Ellenburger Field in Crockett County, Tex. It is the contention of El Paso herein that these facilities are nonjurisdictional; however, if the Commission subsequently finds that its jurisdiction attaches to the gathering facilities that El Paso proposes to construct and operate in conjunction with the proposals set forth in its application, it then seeks the Commission's authorization to construct and operate these facilities.

The total estimated cost of all facilities proposed to be constructed, as set forth above, is $8,517,808. El Paso proposes to finance such cost out of current working funds, supplemented, as necessary, by short-term bank loans, and may, at a later date, finance such facilities through issuance of long-term securities.

El Paso alleges that the J. M. Ellenburger Field gas will be utilized solely in augmentation of El Paso's overall system gas reserves and that no new or additional sales are proposed.

On March 28, 1966, Shell filed an application at Docket No. CI66-897 for the issuance of a certificate of public convenience and necessity authorizing it to sell and deliver, pursuant to section 7 of the Act, to El Paso certain volumes of natural gas from the J. M. Ellenburger Field in Terrell and Crockett Counties, Tex. Under the terms of the gas purchase agreement between Shell and El Paso relating to this sale, the initial base price for this gas is reflected as being 16½ cents per Mcf until January 1, 1968, at which time the base price is scheduled to escalate 17.5 cents per Mcf. Thereafter, the base price is scheduled to escalate 1 cent per Mcf at every succeeding 5-year interval. It appears from El Paso's application that the raw gas that it proposes to purchase from Shell consists of approximately 20 percent carbon dioxide. El Paso contends in its application that the initial base price for this gas when considered in connection with the findings made relative to quality by the Commission in the Area Rate Proceeding AR61-1 Opinions Nos. 468 and 468-A, would approximate 13.5 cents per Mcf (at 14.65 p.s.i.a.).

Article IV, section 8, of Shell's gas purchase agreement with El Paso dated February 24, 1966, makes provision for the payment of gas commencing on September 1, 1966, even though deliveries have not commenced by such date.[2] The Commission feels that a provision in a contract of this nature requiring such advance payments warrants a strong examination by it. Hence, it will afford Shell a full opportunity to demonstrate on the record to be developed in the formal hearings scheduled to be conducted in connection with the above-styled proceedings the justification for the inclusion of such a provision.

Petitions seeking leave to intervene in these proceedings were filed on May 2, 1966, by Gulf Pacific Pipeline Co., Southern California Gas Co., and Southern Counties Gas Co.

A notice of intervention was filed in these proceedings by the people of the State of California and the Public Utilities Commission of the State of California on May 2, 1966.

In light of the common issues involved in the above-styled proceedings, the Commission is of the opinion that the consolidation of these proceedings for purposes of hearing would be in the public interest and that it would be beneficial to have a prehearing conference prior to commencement of the formal hearing.

The Commission finds: It appears that the participation in these proceedings by Gulf Pacific Pipeline Co., Southern California Gas Co., and Southern Counties Gas Co. may be in the public interest.

The Commission orders:

(A) Gulf Pacific Pipeline Co., Southern California Gas Co., and Southern Counties Gas Co. are hereby permitted to intervene in these proceedings subject to the rules and regulations of the Commission: *Provided, however,* That the participation of such interveners shall be limited to matters affecting asserted rights and interests specifically set forth in the petitions to intervene: *And provided further,* That the admission of such interveners shall not be construed as recognition by the Commission that they or any of them might be aggrieved by any order or orders entered in these proceedings.

(B) A prehearing conference be convened in the proceedings entitled El Paso Natural Gas Co. et al., Docket Nos. CP66-306, et al., in a hearing room of the Federal Power Commission, 441 G Street NW., Washington, D.C. 20426, on January 10, 1967, at 10 a.m., e.s.t. The Chief Examiner will designate an appropriate officer of the Commission to preside at the prehearing conference and at the formal hearing, of these matters, pursuant to the Commission's rules of practice and procedure.

By the Commission.

[SEAL] JOSEPH H. GUTRIDE, *Secretary.*

[F.R. Doc. 66-14025; Filed, Dec. 30, 1966; 8:46 a.m.]

[1] El Paso contends in its application that 860 billion cubic feet of natural gas have been thus far proven in the Ellenburger formation and committed to El Paso by Shell under their gas purchase agreement dated Feb. 24, 1966.

[2] Under the terms of this gas purchase agreement payment can be required for the equivalent of 125,000 Mcf per day after Oct. 1, 1966, even though deliveries have not commenced.

[Docket No. E-7328]

GULF STATES UTILITIES CO.

Notice of Application

DECEMBER 21, 1966.

Take notice that on December 9, 1966, Gulf States Utilities Co. (Applicant), a corporation organized under the laws of the State of Texas and doing business in the States of Texas and Louisiana, with its principal business office at Beaumont, Tex., filed an application with the Federal Power Commission seeking authority pursuant to section 204 of the Federal Power Act to issue $35 million principal amount of first mortgage bonds.

The bonds will be issued under the Applicant's indenture of mortgage dated September 1, 1926, as heretofore supplemented and modified by supplemental indentures to and including a 22d supplemental indenture dated as of January 1, 1966, and as to be further supplemented by a 23d supplemental indenture to be dated as of the first day of the month in which the new bonds are issued. The bonds are to be due 30 years from that date and are to be sold at competitive bidding pursuant to the Commission regulations under the Federal Power Act.

The proceeds from the issuance of the new bonds are to be used to reimburse the treasury of the Applicant in part for expenditures heretofore made and will enable the Applicant to pay in full all of its short-term notes and unsecured promissory notes in the form of commercial paper estimated to be outstanding as of the date of issuance of the bonds.

Any person desiring to be heard or to make any protest with reference to the application should on or before January 11, 1967, file with the Federal Power Commission, Washington, D.C. 20426, petitions or protests in accordance with the Commission's rules of practice and procedure (18 CFR 1.8 or 1.10). The application is on file with the Commission and is available for public inspection.

JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 66-14027; Filed, Dec. 30, 1966; 8:46 a.m.]

[Docket No. CP67-172]

MOUNTAIN FUEL SUPPLY CO.

Notice of Application

DECEMBER 22, 1966.

Take notice that on December 16, 1966, Mountain Fuel Supply Co. (Applicant), 180 East First South Street, Salt Lake City, Utah 84111, filed in Docket No. CP67-172 an application pursuant to section 7(c) of the Natural Gas Act for a certificate of public convenience and necessity authorizing acquisition and operation of certain natural gas facilities owned by U.S. Natural Gas Corp. (U.S. Natural), all as more fully set forth in the application which is on file with the Commission and open to public inspection.

Specifically, Applicant requests authorization to acquire and operate pipeline facilities owned by U.S. Natural connecting the Joyce Creek Field Area and Applicant's transmission facilities. Such facilities are located in Sweetwater County, Wyo.

Applicant states that the total cost of the facilities is $20,037.72.

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 January 19, 1967.

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act and the Commission's rules of practice and procedure, a hearing will be held without further notice before the Commission on this application if no protest or petition to intervene is filed within the time required herein, if the Commission on its own review of the matter finds that a grant of the certificate is required by the public convenience and necessity. If a protest or petition for leave to intervene is timely filed, or if the Commission on its own motion believes that a formal hearing is required, further notice of such hearing will be duly given.

Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicant to appear or be represented at the hearing.

JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 66-14028; Filed, Dec. 30, 1966; 8:46 a.m.]

[Docket No. RI67-211]

TEXACO INC.

Order Accepting Contract Amendment, Providing for Hearing on and Suspension of Proposed Change in Rate

DECEMBER 21, 1966.

On November 22, 1966, Texaco, Inc. (Texaco),[1] tendered for filing a proposed change in its presently effective rate schedule for sales of natural gas subject to the jurisdiction of the Commission. The proposed change, which constitutes an increased rate and charge, is contained in the following designated filing:

Description: (1) Contract agreement, dated September 13, 1966.[2] (2) Notice of change, dated November 15, 1966.

Purchaser and producing area: Kansas-Nebraska Natural Gas Co., Inc. (Hugoton Field, Kearny County, Kans.).

Effective date: (1) December 23, 1966.[3] (2) December 23, 1966,[3] January 1, 1967 (tax portion of rate).

Rate schedule designation: (1) Supplement No. 7 to Texaco's FPC Gas Rate Schedule No. 98. (2) Supplement No. 8 to Texaco's FPC Gas Rate Schedule No. 98.

Amount of annual increase: (2) $1,054.

Effective rate: 11 cents per Mcf.[4 5]

Proposed rate: 11.7025 cents per Mcf.[5 6 7]

Texaco proposes a renegotiated rate increase for a higher base price plus a new Kansas assessment. Texaco's proposed rate exceeds the area price ceiling of 11 cents per Mcf for increased rates in Kansas as announced in the Commission's statement of general policy No. 61-1, as amended, and should be suspended as hereinafter ordered.

The new assessment is being levied by the Kansas State Board of Health under revised rules and regulations adopted April 1, 1966, to be effective in January 1967, under Regulation 28-8-9, against all petroleum and gas produced in the State. The first purchaser of oil and gas from the producer is to deduct the assessment of 0.1 cent per barrel of oil and 0.005 cent per Mcf of gas before issuing checks or otherwise accounting for the production and to remit such amounts to the Kansas Department of Health. On December 7, 1966, the buyer, Kansas-Nebraska Natural Gas Co., Inc. (Kansas-Nebraska), filed a protest to Texaco's rate filing wherein it contends that Texaco's filing is without contractual basis and should be rejected, or, in the alternative, should be suspended and the matter set for hearing on the contractual issue. Kansas-Nebraska claims that the tax reimbursement clause is not applicable to an "assessment," but only in the event of a tax increase. In view of the contractual problem presented, we shall provide that the hearing herein shall concern itself with the contractual basis for the rate filing as well as the statutory lawfulness of the proposed increased rate.

Concurrently with the filing of its renegotiated rate increase, Texaco submitted a related contract amendment dated September 13, 1966, which provides for a price of 11.7 cents per Mcf for gas for the 5-year period commencing November 1, 1965, changes measurement pressure base from 16.4 to 14.65 p.s.i.a., provides for changes in computing the volume of gas delivered, and changes dealing with meters and adjustment of inaccuracies of

[1] Address is: Post Office Box 52332, Houston, Tex. 77052.

[2] Provides for a price of 11.7 cents for gas for the 5-year period commencing Nov. 1, 1965, changes measurement pressure base from 16.4 p.s.i.a. to 14.65 p.s.i.a., provides for changes in computing the volume of gas delivered, and changes dealing with meters and adjustment of inaccuracies of meters.

[3] The stated effective date is the first day after expiration of the statutory notice.

[4] Settlement rate in Texaco's company-wide settlement in Docket Nos. G-8969, et al., by order issued Dec. 30, 1963. Moratorium on rate increases expired Mar. 1, 1966.

[5] Subject to a downward B.t.u. adjustment.

[6] Includes 0.0025 cent tax reimbursement. Tax portion of rate increase is effective on Jan. 1, 1967.

[7] Renegotiated rate and tax reimbursement rate increase.

meters. Such amendment has been designated at Supplement No. 7 to Texaco's FPC Gas Rate Schedule No. 98. We believe that it would be in the public interest to accept for filing Texaco's aforementioned contract amendment to become effective as of December 23, 1966, the date of expiration of the statutory notice, but not the proposed rate contained therein which is suspended as hereinafter ordered.

The proposed changed rate and charge may be unjust, unreasonable, unduly discriminatory, or preferential, or otherwise unlawful.

The Commission finds:

(1) Good cause has been shown for accepting for filing Texaco's proposed contract amendment dated September 13, 1966, designated as Supplement No. 7 to Texaco's FPC Gas Rate Schedule No. 98, and for permitting such supplement to become effective on December 23, 1966, the date of expiration of the statutory notice.

(2) It is necessary and proper in the public interest and to aid in the enforcement of the provisions of the Natural Gas Act that the Commission enter upon a hearing concerning the lawfulness of the proposed change, and that Supplement No. 8 to Texaco's FPC Gas Rate Schedule No. 98 be suspended and the use thereof deferred as hereinafter ordered.

The Commission orders:

(A) Texaco's contract amendment dated September 13, 1966, designated as Supplement No. 7 to Texaco's FPC Gas Rate Schedule No. 98, is accepted for filing and permitted to become effective as of December 23, 1966.

(B) Pursuant to the authority of the Natural Gas Act, particularly sections 4 and 15 thereof, the Commission's rules of practice and procedure, and the regulations under the Natural Gas Act (18 CFR, Ch. I), a public hearing shall be held upon a date to be fixed by notice from the Secretary concerning the lawfulness of the proposed increased rate and charge contained in Supplement No. 8 to Texaco's FPC Gas Rate Schedule No. 98.

(C) Pending a hearing and decision thereon, the above-designated rate supplement is hereby suspended and the use thereof deferred until May 23, 1967, and thereafter until such further time as it is made effective in the manner prescribed by the Natural Gas Act.

(D) Neither the supplement hereby suspended, nor the rate schedule sought to be altered thereby, shall be changed until this proceeding has been disposed of or until the period of suspension has expired, unless otherwise ordered by the Commission.

(E) Notices of intervention or petitions to intervene may be filed with the Federal Power Commission, Washington, D.C. 20426, in accordance with the rules of practice and procedure (18 CFR 1.8 and 1.37(f)) on or before February 15, 1967.

By the Commission.

[SEAL] JOSEPH H. GUTRIDE, *Secretary.*

[F.R. Doc. 66-14029; Filed, Dec. 30, 1966; 8:47 a.m.]

[Docket No. CP67-173]

TRANSCONTINENTAL GAS PIPE LINE CORP.

Notice of Application

DECEMBER 22, 1966.

Take notice that on December 16, 1966, Transcontinental Gas Pipe Line Corp. (Applicant), Post Office Box 1396, Houston, Tex. 77001, filed in Docket No. CP67-173 an application pursuant to section 7(c) of the Natural Gas Act for a certificate of public convenience and necessity authorizing the additional sales and deliveries of volumes of natural gas to certain existing customers, all as more fully set forth in the application which is on file with the Commission and open to public inspection.

Specifically, Applicant seeks authorization to sell and deliver additional volumes of natural gas for the 1966-67 winter heating season to certain of its existing customers listed as follows:

Customer	Rate schedule	Mcf per day at 14.6 p.s.i.a.
Greenwood, S.C., City of	CD-2	500
North Carolina Gas Service, Division of Pennsylvania and Southern Gas Co.	CD-2	700
United Gas Co., Georgia Division	CD-1	1,150
Greer, S.C., City of	G-2	300
United Cities Gas Co., South Carolina, Division	OG-2	450
Clanton, Ala., City of	G-1	190
Commerce, Ga., City of	G-1	450
Covington, Ga., City of	G-1	130
Lawrenceville, Ga., City of	G-1	170
Madison, Ga., City of	G-1	115
Monroe, Ga., City of	G-1	130
Social Circle, Ga., City of	G-1	130

The total proposed additional service is 4,415 Mcf per day.

Applicant states that no additional facilities are required in order to render the proposed service.

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 January 23, 1967.

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act and the Commission's rules of practice and procedure, a hearing will be held without further notice before the Commission on this application if no protest or petition to intervene is filed within the time required herein, if the Commission on its own review of the matter finds that a grant of the certificate is required by the public convenience and necessity. If a protest or petition for leave to intervene is timely filed, or if the Commission on its own motion believes that a formal hearing is required, further notice of such hearing will be duly given.

Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicant to appear or be represented at the hearing.

JOSEPH H. GUTRIDE, *Secretary.*

[F.R. Doc. 66-14030; Filed, Dec. 30, 1966; 8:47 a.m.]

INTERSTATE COMMERCE COMMISSION

[Notice 1457]

MOTOR CARRIER TRANSFER PROCEEDINGS

DECEMBER 27, 1966.

Synopses of orders entered pursuant to section 212(b) of the Interstate Commerce Act, and rules and regulations prescribed thereunder (49 CFR Part 179), appear below:

As provided in the Commission's special rules of practice any interested person may file a petition seeking reconsideration of the following numbered proceedings within 20 days from the date of publication of this notice. Pursuant to section 17(8) of the Interstate Commerce Act, the filing of such a petition will postpone the effective date of the order in that proceeding pending its disposition. The matters relied upon by petitioners must be specified in their petitions with particularity.

No. MC-FC-69210. By order of December 16, 1966, the Transfer Board approved the transfer to Hanson M. Savage, doing business as Savage Trucking Co., Chester Depot, Vt., of the portion of the operating rights in certificate No. MC-17683, issued December 15, 1964, to Elm City Oil Co., Inc., Keene, N.H., authorizing the transportation, over irregular routes, of logs and lumber between points in specified counties in New Hampshire and Vermont and from points in those counties to a specified part of Massachusetts; groceries from Boston, Mass., to Keene, N.H.; and lumber and sawmill machinery between Keene, N.H., on the one hand, and, on the other, Providence, R.I., and a specified part of Massachusetts. Hanson M. Savage, Box 105, Chester Depot, Vt. 05144, representative for applicants.

No. MC-FC-69244. By order of December 16, 1966, the Transfer Board approved the transfer to Amzi J. Warren and Barbara Alice Warren, doing business as Star Transfer & Storage Co., Laramie, Wyo., of certificate of registration No. MC-121512, issued December 15, 1965 to A. R. Jacobson and Betty L. Jacobson, doing business as Star Transfer & Storage Co., Laramie, Wyo., evidencing a right to engage in transportation in interstate or foreign commerce in Wyoming. George J. Millet, Box 1285, Laramie, Wyo., attorney for applicants.

No. MC-FC-69250. By order of December 16, 1966, the Transfer Board approved the transfer to G & B Trucking, Inc., Rushville, Ind., of permit No. MC-117231, issued November 4, 1958, to Robert R. Pruitt and Lawrence Pruitt, a partnership, doing business as Pruitt Trucking, Fountaintown, Ind., and au-

thorizing the transportation of super phosphate, in bulk, and lime and fertilizer, in bulk and in bags, between points in Rush County, Ind., on the one hand, and, on the other, points in Hamilton, Butler, Greene, Preble, Montgomery, Warren, Darke, Allen, Clark, Shelby, Miami, and Mercer Counties, Ohio. Walter F. Jones, Jr., 601 Chamber of Commerce Building, Indianapolis, Ind., attorney for applicants.

MC–FC–69253. By order of December 16, 1966, the Transfer Board approved the transfer to Henry W. Taylor, doing business as Taylor and Williams Trucking Service, 220 East Rogers Street, Harrison, Ark., of permit in No. MC–126178, issued April 14, 1965, to Henry W. Taylor and Homer M. Williams, a partnership, doing business as T and W Trucking Service, 220 East Rogers Street, Harrison, Ark., authorizing the transportation of: Hardwood flooring, from Harrison, Ark., to Kansas City, Mo., and the Minot and Grand Forks Air Force Bases in North Dakota, and, hardwood flooring, linoleum, carpeting, and other materials and supplies used in connection with the installation of floor covering; from Little Rock, Ark., to Kansas City, Mo., and the Minot and Grand Forks Air Force Bases in North Dakota; and, from Kansas City, Mo., to said Air Force bases.

No. MC–FC–69267. By order of December 16, 1966, the Transfer Board approved the transfer to Agrarian Transport, Inc., Markle, Ind., of the operating rights of Robert M. Colgan, doing business as Red Seal Trucking, Huntington, Ind., in permits Nos. MC–124344 (Sub-No. 1) and MC–124344 (Sub-No. 2), issued February 21, 1963, and May 7, 1964, respectively, authorizing the transportation, over irregular routes, of ice cream mix, in bulk, in tank vehicles, cream, in bulk, in tank vehicles, ice cream, ice cream mix, ice milk, sherbet, water ices, and vegetable-fat frozen desserts, in containers, in mechanically refrigerated vehicles, and ice cream novelties, including water ice bars, fudge bars, ice cream bars, ice cream cups, ice cream sandwiches, ice cream cake rolls, ice cream pies, and articles of a like nature, in containers, in mechanically refrigerated vehicles, and milk products, milk byproducts, fruit juices, fruit drinks, and fruit segments, in containers, ice cream, ice cream mix, and frozen confections, in containers, from and to points in Illinois, Indiana, Kentucky, Michigan, Ohio, Tennessee, and Wisconsin, varying with the commodities transported. Robert W. Loser, 409 Chamber of Commerce Building, Indianapolis, Ind. 46204, attorney for applicants.

[SEAL] H. NEIL GARSON,
Secretary.

[F.R. Doc. 66–14008; Filed, Dec. 30, 1966; 8:45 a.m.]

[Notice 1457–A]

MOTOR CARRIER TRANSFER PROCEEDINGS

DECEMBER 28, 1966.

Synopses of orders entered pursuant to section 212(b) of the Interstate Commerce Act, and rules and regulations prescribed thereunder (49 CFR Part 179), appear below:

As provided in the Commission's general rules of practice any interested person may file a petition seeking reconsideration of the following numbered proceedings within 30 days from the date of service of the order. Pursuant to section 17(8) of the Interstate Commerce Act, the filing of such a petition will postpone the effective date of the order in that proceeding pending its disposition. The matters relied upon by petitioners must be specified in their petitions with particularity.

No. MC–FC–69136. By order of December 22, 1966, division 3, acting as an appellate division, approved the transfer to Harold A. Salisbury, doing business as Limousine Lines, Spokane, Wash., of the operating rights in certificate No. MC–116415, issued June 26, 1959 to John Ingvald Peterson, doing business as Pend Oreille Lines, Spokane, Wash., authorizing the transportation of: Passengers, and their baggage, express newspapers, and mail, in the same vehicle, over specified regular routes, serving specified intermediate points, between points in Washington and Idaho. Jack R. Dean, North 811 Jefferson, Spokane, Wash. 99201, attorney for applicants.

[SEAL] H. NEIL GARSON,
Secretary.

[F.R. Doc. 66–14063; Filed, Dec. 30, 1966; 8:45 a.m.]

[Notice 311]

MOTOR CARRIER TEMPORARY AUTHORITY APPLICATIONS

DECEMBER 28, 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 58813 (Sub-No. 86 TA) (Correction), filed December 14, 1966, published in FEDERAL REGISTER issue of December 23, 1966, and republished as corrected this issue. Applicant: SELMAN'S EXPRESS, INC., 460 West 35th Street, New York, N.Y. 10001. Applicant's representative: Solomon Granett, 1350 Avenue of the Americas, New York, N.Y. 10019. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, as follows: *Wearing apparel and materials and supplies* used in the manufacture thereof: (a) Between Ayden, N.C., and New York, N.Y., commercial zone, and (b) Between Ayden, N.C., and Spartanburg, S.C., with authority to interline with other carriers at Spartanburg, S.C., on movements consigned to or originating in New York, N.Y., commercial zone. (The service proposed to be rendered in (b) is identical with that in (a) except that under (b) applicant would be authorized to conduct part of the move itself and the remainder through interline carriers, but the service proposed to be rendered is the same in (b) and in (a).) (c) Between Little Falls, N.Y., and Onenota, N.Y., on the one hand, and, on the other, Garfield, N.J., for 150 days. Supporting shippers: Wendy-Carr, Inc., 900 74th Street, North Bergen, N.J.; Sandie Lynn, Inc., 112 West 34th 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. NOTE: The purpose of this republication is to show the authority sought in the instant application, erroneously omitted in the previous publication.

No. MC 66562 (Sub-No. 2209 TA), filed December 22, 1966. Applicant: RAILWAY EXPRESS AGENCY, INCORPORATED, 219 East 42d Street, New York, N.Y. 10017. Applicant's representative: William H. Marx, Assistant (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, as follows: *General commodities* moving in express service between York, Pa., and Glen Rock, Pa., serving Turnpike (Shrewsbury) and New Freedom, Pa., as intermediate points South on Interstate Highway 83 to junction of Interstate Highway 83 and Pennsylvania State Highway 851 at Shrewsbury, Pa.; Southeast on Pennsylvania State Highway 851 to New Freedom, Pa.; North on Pennsylvania State Highway 851 to junction of Pennsylvania State Highway 851 and 616; North on Pennsylvania State Highway 616 to Glen Rock, Pa., and return over the same route, for 180 days. Supporting shippers: Three shippers' supporting statements attached which may be examined here at the Interstate Commerce Commission in Washington, D.C. Send protests to: Anthony Chiusano, Dis-

trict Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, 346 Broadway, New York, N.Y. 10013.

No. MC 116949 (Sub-No. 7 TA), filed December 23, 1966. Applicant: BURNS TRUCKING, INC., R.F.D. No. 1, South Sioux City, Nebr. 68776. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, as follows: *New, used, and or wrecked semitrailers, parts and equipment therefor*, between the plantsites of Load King Trailer Co. at or near Elk Point, S. Dak., on the one hand, and, on the other, all points in the District of Columbia and the adjacent 48 States in the United States, for 180 days. Supporting shipper: Mr. Mitchell J. Sill, President, Load King Trailer Co., Elk Point, S. Dak. 57025. Send protests to: Carroll Russell, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, 304 Post Office Building, Sioux City, Iowa 51101.

No. MC 125232 (Sub-No. 1 TA), filed December 22, 1966. Applicant: CHARLES MYER, doing business as CHASEVE TRUCKING (name changed from C & E Trucking), Wanatah, Ind. 46390. Applicant's representative: Warren C. Moberly, 1212 Fletcher Trust Building, Indianapolis, Ind. 46204. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, as follows: *Lumber and building materials* as described in appendix VI to the report in *Descriptions in Motor Carrier Certificates*, 61 M.C.C. 209 (except commodities in bulk), from the plantsite of Wickes Lumber Co., at or near Mishawaka, Ind., to points in Cass, Berrien, St. Joseph, Kalamazoo, and Van Buren Counties, Mich., for 180 days. Supporting shipper: Wickes Lumber & Supply Center, Mishawaka, Ind. Send protests to: District Supervisor Heber Dixon, Bureau of Operations and Compliance, Interstate Commerce Commission, 308 Federal Building, Fort Wayne, Ind. 46802.

No. MC 128375 (Sub-No. 3 TA), filed December 22, 1966. Applicant: CRETE CARRIER CORPORATION, Box 249, Crete, Nebr. Applicant's representative: Duane W. Acklie, Box 2028, Lincoln, Nebr. 68501. Authority sought to operate as a *contract carrier*, over irregular routes, as follows: *Canned pet food, supplies, ingredients, and materials* used in the production of pet food, between Crete, Nebr., on the one hand, and on the other, points in Indiana, Ohio, Michigan, Missouri, Kentucky, Tennessee, Arkansas, and Sterling, and Fort Morgan, Colo., for 180 days. Supporting shipper: Allen Products Co., Crete, Nebr. District supervisor: Max H. Johnston, Interstate Commerce Commission, Bureau of Operations and Compliance, 315 Post Office Building, Lincoln, Nebr. 68508.

No. MC 128440 (Sub-No. 2 TA), filed December 22, 1966. Applicant: COASTAL FURNITURE DELIVERY, INC., Corner Henry and Duke Streets, Alexandria, Va. Applicant's representative: William J. Augello, Jr., 2 West 45th Street, New York, N.Y. 10036. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, as follows: *New furniture*, from Alexandria, Va., to points in Maine, Vermont, and New Hampshire, restricted to shipments having a prior interstate movement by rail-piggyback service, for 180 days. Supporting shippers: Carolina Comfort Furniture, Inc., Post Office Box 2110, Hickory, N.C. 28601; Comfort Chair Co., Hickory, N.C. 28601. Send protests to: Robert D. Caldwell, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, Room 1220, 12th and Constitution Avenue NW., Washington, D.C.

No. MC 128761 TA, filed December 22, 1966. Applicant: RICHARD M. GODFREY, 1354 East 6400 South, Salt Lake City, Utah 84121. Applicant's representative: Bartly G. McDonough, 755 Windsor Street, Salt Lake City, Utah 84102. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, as follows: *Electronic weighing systems and electronic materials*, from Ogden, Utah, to points in Phoenix, Ariz.; Los Angeles, Long Beach, Sacramento, San Diego, San Francisco, San Jose, and Oakland, Calif.; Hartford and New Haven, Conn.; Denver, Colo.; Jacksonville, Miami, and Tampa, Fla.; Atlanta, Ga.; Chicago, Ill.; Des Moines, Iowa; Indianapolis, Ind.; Wichita, Kans.; Louisville, Ky.; New Orleans, La.; Baltimore, Md.; Boston, and Springfield, Mass.; Portland, Maine; Detroit and Grand Rapids, Mich.; Minneapolis and St. Paul, Minn.; Kansas City and St. Louis, Mo.; Omaha, Nebr.; Jersey City, Newark, and Trenton, N.J.; Albuquerque, N. Mex.; Albany, Bronx, Brooklyn, Buffalo, Flushing, Jamaica, Long Island, New York City, Rochester, and Syracuse, N.Y.; Charlotte and Greensboro, N.C.; Akron, Cincinnati, Cleveland, Columbus, Dayton, and Toledo, Ohio; Portland, Oreg.; Oklahoma City and Tulsa, Okla.; Harrisburg, Philadelphia, and Pittsburgh, Pa.; Providence, R.I.; Memphis and Nashville, Tenn.; Dallas, Fort Worth, Houston, and San Antonio, Tex.; Norfolk and Richmond, Va.; Seattle and Spokane, Wash.; Washington, D.C.; Milwaukee, Wis.; for 180 days. Supporting shipper: Hardy Scales Company, 155 31st Street, Ogden, Utah. Send protests to: District Supervisor John T. Vaughan, Bureau of Operations and Compliance, Interstate Commerce Commission, 2224 Federal Building, Salt Lake City, Utah 84111.

By the Commission.

[SEAL] H. NEIL GARSON, *Secretary*.

[F.R. Doc. 66-14064; Filed, Dec. 30, 1966; 8:45 a.m.]

FOURTH SECTION APPLICATIONS FOR RELIEF

DECEMBER 28, 1966.

Protests to the granting of an application must be prepared in accordance with Rule 1.40 of the general rules of practice (49 CFR 1.40) and filed within 15 days from the date of publication of this notice in the FEDERAL REGISTER.

LONG-AND-SHORT HAUL

FSA 40843—*Sulphuric acid to Selma, Ala.*—Filed by O. W. South, Jr., agent (No. A4977), for interested carriers. Rates on sulphuric acid, in tank carloads, and in multiple shipments of not less than five tank carloads, from Baton Rouge, North Baton Rouge, La., and Copperhill, Tenn., to Selma, Ala.

Grounds for relief—Market competition.

Tariff—Supplement 5 to Southern Freight Association, agent, tariff ICC S-671.

FSA 40844—*Sulphuric acid from Tyner, Tenn.*—Filed by O. W. South, Jr., agent (No. A4978), for interested carriers. Rates on sulphuric acid, in shipments of not less than five tank carloads, from Tyner, Tenn., to Cedar Springs, Ga.

Grounds for relief—Market competition.

Tariff—Supplement 5 to Southern Freight Association, agent, tariff ICC S-671.

FSA 40845—*Sulphuric acid from Le Moyne, Ala.*—Filed by O. W. South, Jr., agent (No. A4979), for interested carriers. Rates on sulphuric acid, in tank carloads, and in shipments of not less than five tank carloads, from Le Moyne, Ala., to Natchez, Miss.

Grounds for relief—Market competition.

Tariff—Supplement 5 to Southern Freight Association, agent, tariff ICC S-671.

FSA 40846—*Sulphuric acid to Jackson, Miss.*—Filed by O. W. South, Jr., agent (No. A4980), for interested carriers. Rates on sulphuric acid, in tank carloads, from East St. Louis, Ill., and St. Louis, Mo., to Jackson, Miss.

Grounds for relief—Market competition.

Tariff—Supplement 5 to Southern Freight Association, agent, tariff ICC S-671.

FSA 40847—*Joint motor-rail rates—Middlewest motor freight.*—Filed by Middlewest Motor Freight Bureau, agent (No. 378), for interested carriers. Rates on property moving on class and commodity rates over joint routes of applicant rail and motor carriers, between points in middlewest territory; between points in middlewest territory, on the one hand, and points in Central States, southwestern and Canadian territories, on the other; between points in Central States territory, on the one hand, and points in southwestern and Canadian territories, on the other; and between southwestern and Canadian territories.

Grounds for relief—Motortruck competition.

Tariff—Supplement 7 to Middlewest Motor Freight Bureau, agent, tariff MF-ICC 498.

FSA 40848—*Joint motor-rail rates—middlewest motor freight*—Filed by Middlewest Motor Freight Bureau, agent (No. 379), for interested carriers. Rates on property moving on class and commodity rates over joint routes of appli-

cant rail and motor carriers, between points in middlewest territory; between points in middlewest territory, on the one hand, and points in Central States, southwestern, Alaskan and Canadian territories, on the other; and between points in southwestern territory, on the one hand, and points in Central States, Alaskan and Canadian territories, on the other.

Grounds for relief—Motortruck competition.

Tariff—Supplement 7 to Middlewest Motor Freight Bureau, agent, tariff MF–ICC 498.

FSA 40849—*Sulphuric acid from Copperhill, Tenn.*—Filed by O. W. South, Jr., agent (No. A4981), for interested carriers. Rates on sulphuric acid, in tank carloads, and in shipments of not less than five tank carloads, from Copperhill, Tenn. to Brunswick, Ga.

Grounds for relief—Market competition.

Tariff—Supplement 6 to Southern Freight Association, agent, tariff ICC S–671.

By the Commission.

[SEAL] H. NEIL GARSON,
Secretary.

[F.R. Doc. 66–14065; Filed, Dec. 30, 1966; 8:45 a.m.]

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FEDERAL REGISTER

VOLUME 31 • NUMBER 253

Saturday, December 31, 1966 • Washington, D.C.

PART II

Department of Agriculture

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Office of the Secretary

Financing of Commercial Sales of Agricultural Commodities

Title 7—AGRICULTURE

Subtitle A—Office of the Secretary of Agriculture

PART 17—SALES OF AGRICULTURAL COMMODITIES MADE AVAILABLE UNDER TITLE I OF THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954, AS AMENDED

Subpart A—Regulations Governing the Financing of Commercial Sales of Agricultural Commodities

A new Part 17, consisting of Subpart A, is added to Title 7 of the Code of Federal Regulations, reading as follows:

Sec.

AUTHORITY: The provisions of this Part 17 issued under secs. 101 through 110, 401 through 405, 409, 68 Stat. 455 as amended, sec. 5, 80 Stat. 1538; 7 U.S.C. 1701–1709, and 7 U.S.C. 1731–1735.

§ 17.1 General statement.

(a) *What this subpart covers.* (1) This subpart contains the regulations governing the sale and exportation of agricultural commodities or the products thereof made available under Title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (hereinafter called the Act), pursuant to agreements entered into on and after January 1, 1967. Under the Act, the Government of the United States enters into Agricultural Commodities Agreements with governments of the importing countries or private trade entities, covering financing of the sale and exportation of agricultural commodities and products thereof including certain ocean transportation costs.

(2) An Agricultural Commodities Agreement may provide for one or more of the following: Sales for dollars on credit terms, sales for foreign currencies on credit terms which permit conversion to dollars, and sales for foreign currencies, except that an agreement with a private trade entity is limited to a sale for dollars on credit terms.

(3) The regulations in this subpart cover among other things, (i) the making of applications to the Administrator, Foreign Agricultural Service, for authorizations to purchase agricultural commodities and products thereof, (ii) the issuance of purchase authorizations by the Administrator, and (iii) the financing by Commodity Credit Corporation of the sale and exportation of such commodities or products thereof through private trade channels to the maximum extent practicable.

(b) *Purchase authorizations and approval of vessels.* (1) After approval of the participant's application, a purchase authorization will be issued by the Administrator, FAS. The participant or its authorized importers or agents will procure the commodities from the U.S. suppliers and will arrange for shipment in U.S.-flag vessels when use of such vessels is required. Following issuance of a purchase authorization, and on application, the Controller, Commodity Credit Corporation will issue letters of commitment to banking institutions designated by the participant and acceptable to CCC, unless the participant elects to procure the commodities under the reimbursement method of financing.

(2) The cost of ocean freight or ocean freight differential will be financed by CCC only when specifically provided for in the purchase authorization. Prior approval for the use of all vessels must be obtained from the appropriate office of the U.S. Department of Agriculture (§ 17.9(b)).

(c) *Letters of commitment and reimbursement method of financing.* (1) Under the letter of commitment method of financing the U.S. supplier of agricultural commodities will receive payment as provided in the regulations in this subpart under irrevocable letters of credit issued, confirmed or advised by a banking institution for the commodities and, when authorized in the purchase authorization and included as a part of the commodity cost, for the ocean freight or the ocean freight differential, and marine insurance.

(2) Under the reimbursement method of financing, the U.S. supplier will obtain payment from the participant or its assignee as provided in the regulations in this subpart for the cost of commodities and, when authorized in the purchase authorization and included as a part of the commodity cost, for the ocean freight or the ocean freight differential, and marine insurance. When ocean freight or ocean freight differential is approved for financing on Form CCC–106 and is to be financed separately from the commodity cost, the supplier of ocean transportation will obtain payment from the participant or its assignee.

(3) To the entent provided in the regulations in this subpart, CCC will reimburse banking institutions for payments made under letters of commitment and CCC will reimburse the participant or its assignee for ocean freight or ocean freight differential financed separately from the commodity and for the commodities procured under the reimbursement method of financing.

(d) *Advice of amount financed.* Under the letter of commitment method of financing the banking institutions will forward documents and advice of the amount financed by CCC to the foreign correspondent bank, and advice of payment will also be furnished to the approved applicant or designee if it is other than the foreign correspondent bank. Under the reimbursement method of financing CCC will forward advice of the payment to the participant or its assignee.

(e) *Where information is obtainable.* General information about purchase authorizations and related operations under the regulations in this subpart may be obtained from the Director, Program Operations Division, Foreign Agricultural Service, U.S. Department of Agriculture, Washington, D.C. 20250. Information about financing operations under these regulations including forms prescribed for use thereunder, may be obtained from the Controller, Commodity Credit Corporation, U.S. Department of Agriculture, Washington, D.C. 20250. The Foreign Agricultural Service will make public the issuance of each purchase authorization through a U.S. Department of Agriculture press announcement. A copy of each announcement will be made available to the Office of Small Business Administration to assist small business firms to have adequate and fair opportunity to participate as suppliers.

§ 17.2 Definition of terms.

Terms used in the regulations in this subpart are defined or identified as follows, subject to amplification in subsequent sections:

(a) *Terms relating to the United States, its agencies and officials.* (1) "C&MS" means Consumer and Marketing Service, U.S. Department of Agriculture.

(2) "CCC" means the Commodity Credit Corporation, U.S. Department of Agriculture.

(3) "Controller" means the Controller, Commodity Credit Corporation, or his designee.

(4) "ASCS" means the Agricultural Stabilization and Conservation Service, U.S. Department of Agriculture.

(5) "ASCS Offices" mean the ASCS Offices listed in § 17.16, and any other offices or agencies which may succeed to the functions of such offices.

(6) "FAS" means the Foreign Agricultural Service, U.S. Department of Agriculture.

(7) "USDA" means the U.S. Department of Agriculture and includes all or any of the offices mentioned in subparagraphs (1) through (6) of this paragraph.

(8) "Secretary" means the Secretary of Agriculture of the United States, or his designee.

(9) "Administrator" means the Administrator of the Foreign Agricultural Service or his designee.

(10) "United States" means the 50 States, the District of Columbia, and Puerto Rico.

(b) *Terms relating to ocean transportation.* (1) "Dry bulk carriers" mean irregularly scheduled vessels, other than tankers, commonly referred to as

"tramps," which go where full cargoes are offered. Rates are negotiated covering the movement of a specific commodity, a specific quantity, at a specific time from a specific port or ports to specific destination port or ports.

(2) "Dry cargo liners" and "liners" are interchangeable terms meaning regularly scheduled vessels on specific trade routes. Shipments can be made on this service of part-cargoes (parcels) generally not exceeding 60 percent of the capacity of the vessel.

(3) "Tankers" mean vessels which are designed to carry full cargoes of liquids and which trade wherever full cargoes are offered. Because of compartmentation, tankers can carry a combination of cargoes, including bulk grain. Rates are negotiated in the same manner as with dry bulk carriers.

(4) "Form CCC–106" means "Advice of Vessel Approval", Form CCC–106–1 (Supplier of Commodity); Form CCC–106–2 (Ocean Carrier), or Form CCC–106–3 (Cotton), or any or all of them, as applicable. Colors of the original form are: Form CCC–106–1 yellow; Form CCC–106–2 blue; and Form CCC–106–3 white.

(5) "Ocean bill of lading" means an "On-Board" bill of lading, or a bill of lading with an "On-Board" endorsement, which must be dated and signed or initialled on behalf of the carrier. Documentary requirements for a copy of an ocean bill of lading refer to a nonnegotiable copy thereof.

(6) "Ocean Transportation" means and is interchangeable with the term "Ocean freight".

(7) "Notice of Arrival" means a written notice or copy of a cablegram acceptable to CCC reciting that the vessel has arrived at the first port of discharge (see § 17.9(e)).

(c) *Other terms.* (1) "Affiliate": A firm (corporation, partnership, individual, or other legal entity) is an "affiliate" of another firm if either owns more than a 50 percent interest in or controls the other or if a third firm owns more than a 50 percent interest in, or controls, both.

(2) "Approved applicant" means the bank in the importing country or other agency acceptable to CCC designated by the participant and named in any letter of commitment issued to a banking institution.

(3) "Banking institution" means a banking institution organized under the laws of the United States, any State, or the District of Columbia.

(4) [Reserved.]

(5) "Form CCC–329" means the signed original of Form CCC–329 "Supplier's Certificate" with "Invoice-and-Contract Abstract" on the reverse, having a revised issue date of January 1, 1967 or later.

(6) "Commodity" means an agricultural commodity produced in the United States or product thereof produced in the United States as specified in the applicable purchase authorization.

(7) "Copy" means a photocopy or other type of copy of an original document showing all data shown on the original, including signature or the name of the person signing the original, or, if the signature or name is not shown on the copy, a statement that the original was signed.

(8) "Delivery" means the transfer to or for the account of an importer of custody and right of possession of the commodity at U.S. ports or Canadian transshipment point in accordance with the delivery terms of the contract and purchase authorization. Delivery shall be deemed to occur as of the on-board date shown on the ocean bill of lading.

(9) "Destination country" means the foreign country to which the commodities are exported under a private trade entity agreement.

(10) "Foreign currency" and "local currency" are interchangeable terms and mean a currency of the importing country.

(11) "Foreign currency sale" means sales for the currency of the importing country.

(12) "Importer" means any individual or other legal entity, governmental or otherwise, to which a participant issues a subauthorization and who contracts with the supplier for the importation of the commodity.

(13) "Importing country" means any nation with which an agreement has been negotiated pursuant to the Act.

(14) "Letter of credit" means an irrevocable commercial letter of credit issued, confirmed, or advised by a banking institution on behalf of an approved applicant.

(15) "Long-term credit sale" is the collective term used to denote any one or more of the following: (i) Sales to an importing country for dollars on credit terms (ii) sales to a private trade entity for dollars on credit terms and (iii) sales to an importing country for local currency on credit terms which permit conversion to dollars.

(16) "Participant" is the collective term used to denote the importing country or the private trade entity with whom an agreement has been negotiated pursuant to the Act.

(17) "Purchase authorization" means FAS Form–480 (Commodity) Authorization to Purchase Agricultural Commodity or FAS Form–480 (Ocean Transportation) Authorization to Procure Ocean Transportation, issued to a participant pursuant to these regulations in this subpart.

(18) "Private Trade Entity" means the individual or other nongovermental legal entity with whom a long-term credit sale agreement has been negotiated pursuant to the Act.

(19) "Selling agent" means any individual or other legal entity who operates as a bona fide sales agent for the supplier of the commodity and who is not employed by or otherwise connected with the importer or the importing country.

(20) "Supplier" means any individual or other legal entity who sells any commodity to an importer under the terms of a purchase authorization for delivery to such importer, or who sells ocean transportation to an importer or supplier of the commodity under the terms of a purchase authorization. (See § 17.6 (a)(4).)

§ 17.3 Purchase authorization.

(a) *Application.* For each commodity the participant shall submit to the Administrator an application for authorization to purchase the commodity or for authorization to procure ocean transportation, or both. The completed application shall be submitted in triplicate on FAS Form–480 (Application) and shall include a statement as to the usual marketings of the commodity in accordance with the applicable agreement and any other information required by the Administrator.

(b) *Issuance of purchase authorization.* On approval of the application by the Administrator, a purchase authorization will be issued to the participant. The forms used shall be FAS Form–480 (Commodity), Authorization to Purchase Agricultural Commodity and FAS Form–480 (Ocean Transportation), Authorization to Procure Ocean Transportation. Financing will be in accordance with the purchase authorization.

(c) *Provisions of purchase authorization.* Each purchase authorization will specify:

(1) *Authorization to purchase commodity.* (i) The commodity to be purchased and the approximate quantity and maximum dollar value;

(ii) Contracting requirements in addition to or in lieu of those enumerated in Appendix A of this subpart, if any;

(iii) The periods during which contracts between suppliers and importers must be entered into and during which deliveries must be made;

(iv) The terms of delivery to the importer;

(v) Documentation required in support of drafts presented to banks by suppliers in addition to or in lieu of the documentation specified in Appendix B of this subpart;

(vi) Provisions relating to payment to CCC, if applicable;

(vii) The ASCS Office which will administer the financing operation on behalf of CCC;

(viii) The method of financing;

(ix) Any limitation relating to financing by CCC in addition to or in lieu of those specified in the regulations in this subpart;

(x) Any other provisions deemed necessary by the Administrator.

(2) *Authorization to procure ocean transportation.* (i) The commodity to be shipped;

(ii) The delivery period;

(iii) The maximum dollar amount for ocean transportation;

(iv) Any limitation relating to financing by CCC in addition to or in lieu of those specified in the regulations in this subpart;

(v) Any other provisions deemed necessary by the Administrator.

(d) *Applicability of this subpart.* In addition to the provisions of the particular purchase authorization, each purchase authorization (unless otherwise provided) shall be subject to the provisions of this subpart to the same extent

as if the provisions were fully set forth in the purchase authorization.

(e) *Modification or revocation.* The Administrator reserves the right at any time for any reason or cause whatsoever to supplement, modify, or revoke any purchase authorization, including the termination of deliveries. CCC shall reimburse suppliers who would otherwise be entitled to be financed by CCC for costs which were incurred as a result of such action by the Administrator in connection with firm sales or shipping contracts, and which were not otherwise recovered after a reasonable effort to minimize such costs: *Provided, however,* That such reimbursement shall not be made to a supplier if the Administrator determines that his action was taken because the supplier failed to comply with the requirements of the regulations in this subpart or the applicable purchase authorization; *Provided further,* That reimbursement to suppliers of ocean transportation shall not exceed the ocean freight differential when the purchase authorization provides only for financing the differential.

(f) *Refund to CCC for failure to comply by the participant.* The participant shall pay in U.S. dollars promptly to CCC on demand by the Administrator the entire amount financed by CCC (or such lesser amount as the Administrator may demand) whenever the Administrator determines that the participant has failed to comply with any agreement or commitment made by it in connection with the transaction financed.

(g) *Extension of delivery periods in purchase authorizations.* Requests for extensions of delivery periods will be considered by the Administrator only if submitted by the participant. Such requests should be submitted as far as possible in advance of the expiration of the delivery period and in any event as soon as the participant has knowledge that delivery may not be completed within the period specified in the purchase authorization. Requests for extension must establish to the satisfaction of the Administrator that failure to complete delivery was due to a cause other than the fault or negligence of the importer or the supplier. The Administrator may also approve requests for extension if he determines that such extension would be in the interest of the United States.

§ 17.4 Subauthorizations.

The participant may issue subauthorizations to importers within the terms of the applicable purchase authorization. The participant, in subauthorizing, shall instruct importers to use the applicable purchase authorization number in placing orders, and shall specify to importers all the provisions of the applicable purchase authorization which are applicable to the subauthorization. Each importer granted a subauthorization must inform his supplier that the transaction is to be financed under the provisions of the regulations in this subpart. The importer must also provide his supplier with the applicable purchase authorization number. Copies of the purchase authorization may be obtained from the Foreign Agricultural Service (see § 17.1(e)). The importer shall inform his supplier of any special provisions which affect the supplier in carrying out the transaction.

§ 17.5 Eligible commodities.

(a) *General.* Commodities eligible for financing under the regulations in this subpart shall be those determined by the Secretary to be available for disposition under the Act.

(b) *Commodity description and specification.* The commodity and quantity thereof to be financed shall be as described and specified in the purchase authorization.

(c) *Payment-in-kind and cash payment-export programs.* Any commodity exported under the regulations in this subpart to which a payment-in-kind or cash export subsidy is applicable under any export subsidy program will be eligible for such subsidy payment if the terms and conditions of such export subsidy program are met.

(d) *Export Wheat Marketing Certificate Program.* Any wheat exported under the regulations in this subpart is subject to any export wheat marketing certificate costs announced by USDA under the Export Wheat Marketing Certificate Regulations.

§ 17.6 Contracts between suppliers and importers.

(a) *Eligibility for financing.* To be eligible for financing, contracts shall comply with the following requirements unless otherwise specified in the purchase authorization.

(1) Contracts between importers and commodity suppliers must be entered into within the contracting period specified in the purchase authorization and shall provide for deliveries to the importer in accordance with the delivery terms and during the delivery period specified in the purchase authorization, unless an extension of such contracting or delivery period is granted in writing by the Administrator (see § 17.3(g));

(2) Contracts for a commodity, under a purchase authorization which limits contracting to f.o.b. or f.a.s. terms must be separate and apart from the contract for ocean transportation on such commodity;

(3) The contracted price must not be on a cost plus a percentage-of-cost basis;

(4) Contracts between suppliers and importers made subject to the applicable purchase authorization shall be deemed to be conditioned on the approval by FAS, of the supplier, the supplier's agent if any and the contract price.

(5) The supplier must be engaged in the business of selling for export, or furnishing ocean transportation, from the United States, must maintain a bona fide business office in the United States, and must have a person, principal or agent, on whom service of judicial process may be had in the United States. A firm of which more than 50 percent is owned or which is controlled by a foreign government is not eligible to act as supplier.

(6) USDA reserves the right to permit a person or firm to act as a supplier only on submission of acceptable security which will assure that the supplier and his selling agents will perform the obligations required under this subpart and the purchase authorization. The officials responsible for approval of the suppliers are: (i) The Administrator, ASCS, for cotton and tobacco and (ii) the Administrator, FAS, for all other commodities. Such Administrators reserve the right at any time to require of any supplier relevant information as to the supplier and his selling agents including among other things information setting forth his background and experience in the exportation of agricultural commodities, evidence of financial responsibility, and such other information as may be requested relating to whether the person or firm is a responsible party and able to perform obligations imposed on him by this subpart and purchase authorization. The details of sales contracts between the suppliers and importers are required to be stated in the notification of sale pursuant to Appendix A or the purchase authorization, and will be subject to prior approval by USDA.

(b) *Invitation to bid.* (1) Importers may make purchases through negotiation with a supplier or suppliers of the importer's choice or on the basis of invitations to submit competitive offers. If competitive offers are invited, such invitations shall not limit the right to submit offers to any specified group or class of suppliers but shall permit submission of offers by any supplier who meets the requirements of this section.

(2) An importer's request for offers pursuant to which an export sales contract will be entered into must not preclude such offers for shipment from any United States port(s). This requirement does not preclude the importer from accepting offers on the basis of shipment from port(s) which result in the lowest total landed cost of the commodity. The purchase authorization, however, may limit exportation to certain specified ports.

(c) *Minimum offers.* Request by importers for offers shall not establish minimum quantities that will be eligible for consideration. All offers regardless of size must be considered and evaluated.

(d) *Record of offers submitted by suppliers.* The participant shall maintain a record of all offers received from suppliers either as a result of public tenders or negotiation. The Administrator reserves the right to examine these records or to request specific information in connection with the offers until the expiration of 3 years after final payment under contracts awarded pursuant to the purchase authorization.

(e) *Shipment before letter of credit.* If the supplier of the commodity permits shipment or the ocean carrier accepts the commodity before receipt of an acceptable letter of credit from a bank he takes such action at his own risk. This action in itself does not affect eligibility

for CCC financing provided acceptable documentation is presented within the time limitations prescribed in the regulations in this subpart.

(f) *Export Trade Act (Webb-Pomerene Law).* A supplier who is a member of a Webb-Pomerene Association and who enters into contracts with importers as a member of such an association shall so indicate in Block 21 of Form CCC–329.

(g) *Contract information.* The supplier shall state in Block 21 of Form CCC–329 the contract delivery periods or dates and quantities covered by the entire contract.

(h) *Contract disputes.* Contracts between suppliers and importers should stipulate the responsibility of each party for payment of any costs not eligible for financing by CCC. Questions as to payment of ineligible costs should be resolved between the contracting parties.

(i) *Special contracting provisions.* The general provisions for contracting set forth in this section are supplemented by special contracting provisions in Appendix A applicable to individual commodities. Each purchase authorization, unless otherwise provided, shall be subject to the special provisions of Appendix A for the specific commodity named in the purchase authorization as though such special provisions were fully set forth in the purchase authorization. Each contract entered into for financing hereunder shall be deemed to include all terms and conditions required by the regulations in this subpart.

§ 17.7 Commodity price provisions.

(a) *Maximum price.* The supplier's sales price must not exceed the prevailing range of export market prices as applied to the terms of sale at the time of sale, as determined by USDA, and when the purchase authorization provides for a maximum price, expressed in dollars and cents or computed on a stated basis, the supplier's sales price shall not exceed such maximum price. The "time of sale" unless otherwise defined for specific commodities in Appendix A, shall mean the day as of which the sale price is established in or pursuant to the contract between the importer and the supplier or the day of any amendment thereto if such amendment in any manner affects the sales price as determined by USDA. If USDA is unable to ascertain the prevailing range of export market prices for a specific commodity, USDA will determine a maximum export market price, representing the top of the range of export market prices, for the commodity at the time of sale for the time and place of delivery provided for in the contract. In so determining a maximum export market price, USDA will utilize, as needed, available domestic or export market information for the same or other quality descriptions, packagings, locations, and dates; will apply appropriate market differentials and such other factors as would be reflected in the export market price at the time of sale for the time and place of delivery; and will take into account CCC export sales prices when appropriate.

(b) *Prior approval of contract price.* Prior approval by USDA of the contracted price of the commodity is required as a condition of eligibility for financing unless otherwise provided in the purchase authorization. The detailed instructions for requesting and obtaining such prior price approval are set forth in Appendix A or will be stated in the purchase authorization.

(c) *Ineligible selling agents.* If it is established that an agent employed or engaged by the supplier is not a selling agent as defined in § 17.2(c)(19) the sale will not be approved for financing.

(d) *Refund of excess price.* If the sale has been financed and the sales price is determined to exceed the maximum price permissible under this section, the supplier shall refund the amount of such excess in accordance with § 17.12(d).

§ 17.8 Fees, discounts, commission, brand names.

(a) *Consular fees.* Consular fees imposed for the issuance or legalization of consular invoices or certificates in connection with the importation of commodities into a foreign country will not be financed by CCC.

(b) *Discounts.* If a contract provides for one or more discounts (including but not limited to trade or quantity discounts and discounts for prompt payment) whether expressed as such or as "commissions" to the importer, only the invoice amount after discount (supplier's contracted price less all discounts) will be eligible for financing.

(c) *Commissions.* (1) A commission to a selling agent employed or engaged by the suppliers to obtain a contract, except as stated in this paragraph will be financed to the extent that such commission is included in the contract price.

(2) If the supplier of the commodity or ocean transportation has employed any person or firm, other than a selling agent, to obtain a contract under any agreement the amount paid to such person or firm will not be eligible for financing.

(3) No commission paid or to be paid to any agency, including a corporation, owned or controlled by the participant or the government of the destination country will be eligible for financing.

(4) No commission paid or to be paid to any agent, broker or other representatives of the participant or the importer will be eligible for financing. This limitation is not applicable to ocean transportation brokerage commissions which do not exceed 2½ percent of the freight financed.

(5) For ocean transportation, in addition to this paragraph, see also § 17.9(i)(8).

(d) *Brand names.* Brand names are not required to be shown on packaged commodities. If, however, a brand name is used, it must be a bona fide U.S. brand. The container or attached label must show the name and U.S. business address of the supplier or the manufacturer. Any reference on the container or attached label to foreign addresses of suppliers or foreign brand names is prohibited and will make the sale ineligible for financing. If the markings on the shipping container include a brand name such brand name shall be identical with the brand name on the unit container.

§ 17.9 Ocean transportation.

(a) *General.* (1) This section will apply to the financing of ocean freight differential for sales for foreign currencies and to the financing of ocean freight for long-term credit sales. Ocean freight will be financed by CCC only to the extent specifically provided for in the purchase authorization. The purchase authorization may provide requirements in addition to or in lieu of those specified in this section.

(2) The offices specified in paragraph (b) of this section shall determine the quantity of the commodity which must be shipped on privately owned U.S.-flag commercial vessels.

(3) The supplier of ocean transportation shall release copies of the ocean bills of lading to the supplier of the commodity promptly upon completion of loading of the vessel.

(b) *Request for vessel approval.* The pertinent terms of all proposed charters (whether single voyage charters, consecutive voyage charters, or time charters) and all proposed liner bookings, regardless of whether any portion of ocean freight is financed by CCC must be submitted to the appropriate USDA office for review and approval before fixture of the vessel. Tentative advance vessel approvals may be obtained by telephone or telegram provided Form CCC–105, Ocean Shipment Data—Public Law 480 (Request for Vessel Approval), is furnished promptly confirming the information supplied by telephone or telegram. To obtain approval of proposed vessel charters and liner bookings the Form CCC–105 shall be submitted in duplicate to the office indicated:

(1) *For cotton.* Form CCC–105 (Cotton), Ocean Shipment Data—Public Law 480 Request for Vessel Approval, shall be submitted to the Director, ASCS Commodity Office, U.S. Department of Agriculture, Wirth Building, 120 Marais Street, New Orleans, La. 70112.

(2) *For commodities other than cotton.* Form CCC–105, Ocean Shipment Data—Public Law 480 Request for Vessel Approval shall be submitted to the Director, Ocean Transportation Division, Foreign Agricultural Service, U.S. Department of Agriculture, Washington, D.C. 20250.

(c) *Advice of vessel approval.* Approvals of charters and liner bookings will be given on Form CCC–106, Advice of Vessel Approval. The Form CCC–106 will state whether the vessel is approved as a dry cargo liner, dry bulk carrier, or tanker, and whether or not financing by CCC of any part of the ocean freight is authorized. Form CCC–106, Advice of Vessel Approval, will be issued as follows:

(1) *For cotton.* Form CCC–106–3 (white), signed for the Director, New Orleans ASCS Commodity Office, will be issued only to the supplier of the cotton on sales made on a c.i.f. or cost and

freight basis. If CCC finances any part of the ocean freight when cotton is shipped on an f.a.s. basis, two signed original copies of this form will be issued, one to the supplier of the cotton and the other to the ocean carrier.

(2) *For commodities other than cotton.* Form CCC–106, signed for the Director, Ocean Transportation Division, FAS, will be issued as follows:

(i) For shipments to be made on an f.o.b. or f.a.s. basis, the original of Form CCC–106–1 (yellow) will be issued to the supplier of the commodity and when CCC finances any part of the cost of ocean freight, the original of Form CCC–106–2 (blue) will be issued to the ocean carrier.

(ii) For shipments to be made on a c.i.f. or cost and freight basis, the original of Form CCC–106–1 (yellow) will be issued to the supplier of the commodity.

(d) *Special charter party provisions required when any part of ocean freight is financed by CCC.* When CCC finances any part of the ocean freight for commodities booked on charter terms, a copy of the charter party shall be forwarded immediately after its execution to the Director, Ocean Transportation Division, FAS, for review and approval prior to issuance of Form CCC–106–2. In the event of any conflict between the provisions of the regulations in this subpart and the charter party or ocean bills of lading issued pursuant thereto, the provisions of the regulations in this subpart shall prevail. The charter party shall contain or, for the purpose of financing pursuant to the regulations in this subpart, be deemed to contain the following provisions:

(1) That if there is any failure on the part of the supplier of ocean transportation to perform the charter party after the vessel has tendered at the loading port, the charterer shall be entitled to incur all expenses which in the judgment of the Administrator are required to enable the vessel to undertake and carry out her obligations under the charter party including but not limited to, expenses for lifting any liens asserted against the vessel.

(2) That, notwithstanding any prior assignments of freight made by the owner or operator, the expenses authorized in subparagraph (1) of this paragraph may be deducted from the freight earned under the charter party.

(3) That ocean freight is earned and that 90 percent thereof is payable by the charterers when the vessel and cargo arrive at the first port of discharge, subject to subparagraph (4) of this paragraph, and to the further condition that if a force majeure as described in paragraph (k)(7) of this section results in the loss of part of the vessel's cargo, 90 percent of the ocean freight is payable on the part so lost as well as the quantity which arrives when the vessel arrives at the first port of discharge. This provision does not relieve the carrier of the obligation to carry to other points of discharge if so required by the charter party. The final 10 percent on the cargo which arrives shall be settled promptly, subject to adjustments, if any, after submission of loading and discharging laytime statements and statement(s) of fact. The remaining 10 percent on the cargo lost shall not be due or payable.

(4) That if a force majeure as described in paragraph (k)(7) of this section prevents the vessel's arrival at the first port of discharge, not to exceed 90 percent of the freight shall be payable by the charterer at the time the Administrator determines that such force majeure was the cause of nonarrival. Any despatch earned at loading port will be deducted pro rata from amounts reimbursed by CCC as provided in § 17.9 (1). The remaining 10 percent of freight shall not be due or payable.

(5) That laydays are reversible.

(6) That in a dispute involving any rights and obligations of CCC, including rights and obligations as successor or assignee, which cannot be settled by agreement, the dispute shall not be subject to arbitration.

(e) *Special charter party information required when any part of ocean freight is financed by CCC.* When CCC finances any part of of the ocean freight for commodities booked on charter terms, the charter party shall contain the following information:

(1) The name of each party participating in the ocean freight brokerage commission, if any, and the percentage thereof payable to each party;

(2) The name of the vessel and the name of the substitute vessel, if any.

(f) *Notice of arrival.* Each Form CCC–106–2 will indicate whether a notice of arrival is required. A notice of arrival, when required, must be furnished promptly by the participant or its designated agent or other source acceptable to CCC (excluding the carrier or his agent) and must include the name of the vessel, the purchase authorization number, the first port of discharge, and the date of arrival.

(g) *Foreign-flag vessels.* CCC will not finance any part of the ocean freight on foreign-flag vessel(s), either as a part of the commodity contract price or separately.

(h) *U.S.-flag vessels.* When a commodity is required to be shipped on privately owned U.S.-flag commercial vessel, Form CCC–106 will set forth: (1) The rate of the ocean freight differential, if any, which the Director, Ocean Transportation Division, FAS (or Director, New Orleans ASCS Commodity Office, for cotton), determines to exist between the prevailing foreign-flag vessel rate and the U.S.-flag vessel rate; and (2) the approximate tonnage for which CCC will authorize reimbursement of ocean freight or ocean freight differential, as appropriate.

(i) *Items not eligible for CCC financing.* The following costs will not be financed either separately or as part of the commodity contract price:

(1) Loading, trimming, and other related shipping expenses unless included in the ocean freight rate;

(2) Discharge costs except when in accordance with trade custom;

(3) The cost of "dead freight";

(4) Cargo dues and taxes assessed by the country of import;

(5) Surcharges assessed by steamship conferences or carriers;

(6) General average contributions;

(7) Stevedoring overtime and vessel crew overtime;

(8) Address commissions, brokerage commissions in excess of 2½ percent of the freight financed and ship's disbursements.

(j) *General financing provisions.* When any part of ocean freight will be financed either separately or as part of the commodity contract price, the following shall apply:

(1) Charters and liner booking contracts must show the ocean freight rate from one loading port to one discharge port. A charter or liner booking contract may provide for an increase in rate for an additional port of loading or discharge, any alternate route or other option; CCC, however, will finance initially the lowest such rate or ocean freight differential, as appropriate. Increased amounts (if any) due because of the exercise of such option will be financed only after receipt of evidence that an option was exercised. Such increased financing shall apply to the ocean freight differential for shipments involving sales for foreign currencies, and to the full rate on long-term credit sales. If an option is exercised conclusively before the issuance of an ocean bill of lading, as shown thereon, CCC will finance the ocean freight or ocean freight differential, as appropriate, applicable to the option so exercised without further evidence that the option was exercised.

(2) When transshipment from a U.S.-flag vessel to a foreign-flag vessel occurs, CCC will finance the ocean freight or ocean freight differential, as appropriate, only to the point of transshipment, at a rate determined by the Administrator, and no part of the ocean freight beyond the point of transshipment will be financed by CCC unless specifically approved by the Administrator. If the commodity was transported from a U.S. port and was transshipped at another U.S. port, CCC will not finance, without prior approval of the Administrator, any part of the ocean freight incurred before transshipment.

(3) The ocean freight rate eligible for CCC financing and the rate used for the U.S.-flag vessel in calculating ocean freight differential shall not exceed the following rates for the category of the vessel concerned:

(i) For commodities covered by published tariff rates—the published conference contract rate;

(ii) For other commodities (bulk commodities and other commodities for which no tariff rates are currently effective, whether carried on liners, dry bulk carriers, or tankers)—the market rate prevailing at the time of request for approval as determined by the Director, Ocean Transportation Division, FAS (or for cotton by the Director, New Orleans ASCS Commodity Office), but in any event not in excess of rates charged other shippers (irrespective of booking dates)

for like commodities on the voyage concerned.

(4) Reimbursement will be made for ocean freight or ocean freight differential as appropriate, from loading points to discharge points at rates approved by the Director, Ocean Transportation Division, FAS (or for cotton, by the Director, New Orleans ASCS Commodity Office), on Form CCC–106 in conformity with the preceding subparagraph (3).

(5) Freight shall not be eligible for financing unless the vessel complies with the provisions of P.L. 87–266.

(6) For cost and freight, c.i.f., and f.a.s. sales of cotton when the financing of ocean freight differential is authorized on Form CCC–106–3 and such differential is not financed by a banking institution under a letter of credit the supplier may obtain payment for the differential on application to the New Orleans ASCS Commodity Office.

(k) *Initial reimbursement for ocean freight or ocean freight differential separately financed.* (1) When the Form CCC–106 states that a notice of arrival is not required and the carrier's invoice includes a certification that the contract does not provide for despatch earnings, reimbursement will be made for 100 percent of the ocean freight or ocean freight differential, as appropriate, on presentation of required documents.

(2) When the Form CCC–106 indicates that a notice of arrival is required and the carrier's invoice includes a certification that the contract does not provide for despatch earnings, reimbursement for advances up to 90 percent of the ocean freight or ocean freight differential, as appropriate, may be obtained before arrival at the first port of discharge if the supplier furnishes CCC financial coverage in the form of an acceptable letter of credit from a U.S. bank.

(3) When the Form CCC–106 indicates that a notice of arrival is not required and the carrier's contract provides for despatch earnings, reimbursement for 90 percent of the ocean freight or ocean freight differential, as appropriate, will be made on presentation of required documents.

(4) When the Form CCC–106 indicates that a notice of arrival is required and the charter party provides for despatch earnings, reimbursement for advances made to the supplier of ocean transportation up to 90 percent of ocean freight or ocean freight differential, as appropriate, may be obtained prior to arrival at the first port of discharge if the supplier furnishes CCC financial coverage in the form of an acceptable letter of credit from a U.S. bank.

(5) The amount of financial coverage required by CCC under subparagraphs (2) and (4) of this paragraph may be computed as follows:

(i) If a copy of an ocean bill of lading is not furnished CCC, 100 percent of the ocean freight or ocean freight differential, as appropriate, on the basis of the tonnage stated in the charter party (without tolerance) times the ocean freight rate or ocean freight differential rate, as appropriate, shown on the related Form CCC–106;

(ii) If a copy of an ocean bill of lading is furnished CCC, 90 percent of the ocean freight or ocean freight differential, as appropriate, on the basis of the tonnage shown on the related ocean bill of lading times the approved ocean freight rate or ocean freight differential rate, as appropriate, shown on the related Form CCC–106.

(6) On receipt of an acceptable letter of credit, the Controller will issue a waiver of the notice of arrival which is required under § 17.13(d)(2) for initial reimbursement of 90 percent of the ocean freight or ocean freight differential, as appropriate.

(7) The Administrator will waive the requirement for the notice of arrival required by Form CCC–106–2 by a written notice to the supplier of ocean transportation on the receipt of evidence satisfactory to the Administrator that the vessel is lost or unable to proceed to destination after completion of loading as a result of one or more of the following causes: Damage caused by perils of the sea or other waters; collisions; wrecks; stranding without the fault of the carrier; jettison; fire from any cause; Act of God; public enemies or pirates; arrest or restraint of princes, rulers, or peoples with the fault of the supplier of ocean transportation; wars; public disorders; captures; or detention by public authority in the interest of public safety. Such waiver may be substituted for the notice of arrival and in such cases reimbursement will be made for 90 percent of the ocean freight or ocean freight differential, as appropriate, or if the Administrator determines that less than 90 percent of the ocean freight is payable to the carrier, reimbursement will be made for a corresponding percentage of the ocean freight or ocean freight differential, as appropriate, as provided in subparagraph (8) of this paragraph.

(8) When the Administrator determines that a force majeure has occurred, as specified in the subparagraph (7) of this paragraph, the following shall apply:

(i) For shipments under long-term credit sales, not to exceed 90 percent of the ocean freight shall be eligible for reimbursement by CCC. Despatch shall be deducted in determining amounts to be reimbursed by CCC. The 10 percent balance of ocean freight shall not be eligible for financing.

(ii) For shipments under sales for foreign currencies, not to exceed 90 percent of the ocean freight differential shall be eligible for reimbursement by CCC. A pro rata portion of despatch will be deducted in determining amount to be reimbursed by CCC. The 10 percent balance of the ocean freight differential shall not be eligible for financing.

(9) The determination of a force majeure by the Administrator shall not relieve the participant from its obligation under the Agricultural Commodities Agreement to pay CCC, when due, of the dollar amount of ocean freight, plus interest (exclusive of ocean freight differential), financed by CCC pursuant to subparagraph (8)(i) of this paragraph.

(l) *Demurrage/Despatch.* Despatch may be credited first against demurrage, if any, incurred in connection with the same voyage. Any remaining despatch may be credited against elevator or terminal overtime (excluding stevedoring and vessel crew overtime) at loading port. Demurrage or elevator or terminal overtime in excess of despatch earnings for the same voyage will not be financed by CCC. Any balance of despatch shall be divided in proportion to the freight financed respectively by the participant and CCC. CCC's portion thereof shall be deducted from the amount of the final request for reimbursement.

(m) *Reimbursement for balance of ocean freight or ocean freight differential.* When the charter party or liner booking contract provides for despatch earnings or when Form CCC–106 indicates that a notice of arrival is required and subsequent to the reimbursement of 90 percent of the dollar cost of the ocean freight or ocean freight differential, as appropriate, it is established that a part or all of the final 10 percent is eligible for reimbursement, the supplier of ocean freight is entitled to prompt payment by the charterer of that portion of the final 10 percent which is not in dispute. On request of such supplier, the participant must arrange for the prompt submission of the notice of arrival, and when the charter party or liner booking contract provides for despatch earnings, for signed loading and discharging laytime statements and statements of fact unless waived by the Controller. The participant must also make prompt payment of the undisputed balance due.

(n) *Eligibility of ocean freight contracts for financing.* USDA will not approve ocean freight contracts if the supplier of ocean transportation is also the supplier of the commodity or is an affiliate of such supplier of the commodity, unless the supplier of ocean transportation (1) is the owner of the vessel named in the Form CCC–106 or (2) is the operator of such vessel by time charter or bareboat charter and the ocean freight rate used in determining the amount of ocean freight or ocean freight differential, as appropriate, for which reimbursement is claimed is not in excess of the contract rate under such charter.

(o) *Ocean freight included in the commodity contract price.* (1) For cost and freight or c.i.f. contracts the ocean freight, or the ocean freight differential, as appropriate, will be financed in the applicable purchase authorization.

(2) For cost and freight or c.i.f. contracts when the Form CCC–106 provides that CCC will not finance ocean freight or ocean freight differential, as appropriate, the supplier's detailed invoice covering the commodity shall show a deduction for the full cost of ocean freight.

§ 17.10 Letter of commitment method of financing.

(a) *General.* (1) The banking institution to which a letter of commitment is issued by the Controller will be designated by the participant, and must be acceptable to CCC. The letter of commit-

ment will assure reimbursement to the banking institution, not in excess of the amount specified in the letter of commitment, for payments made or drafts accepted under letters of credit for the account of the approved applicant.

(2) Each letter of commitment will name the Federal Reserve Bank to which drafts shall be presented by the banking institution to obtain reimbursement of amounts paid under the letters of credit and will name the ASCS Office which will administer the financing operations under the letter of commitment on behalf of CCC.

(b) *Application.*—(1) *Original application.* The participant shall apply for a letter of commitment by submitting the signed original of the Application for Letter of Commitment or Amendment, Form CCC–327, to the Controller. This form will designate the banking institution to receive the letter of commitment, will identify the approved applicant, and will show the maximum amount to be financed under the letter of commitment.

(2) *Amendment.* The participant shall submit the signed original of Form CCC–327 to the Controller to request a change in a letter of commitment, except for reduction in amount which may be made by the banking institution in accordance with paragraph (f) of this section.

(c) *Issuance.* On approval of the application for a letter of commitment, the Controller will issue the original and one copy of Form CCC–328, Letter of Commitment, to the designated banking institution. On approval of an application for an amendment of a letter of commitment, the Controller will issue the original and one copy of Form CCC–328–1, Amendment to Letter of Commitment, to the designated banking institution.

(d) *Acceptance by banking institution.* Each letter of commitment and any amendment issued in accordance with paragraph (c) of this section, except an amendment which increases the amount of the letter of commitment, shall be accepted or rejected by the banking institution. The banking institution shall promptly return to CCC the copy of Form CCC–328 or Form CCC–328–1, indicating acceptance or rejection.

(e) *Advice to participant.* The Controller will send to the appropriate office of the participant a copy of each letter of commitment or amendment accepted by the banking institution, including any amendment increasing the amount of a letter of commitment.

(f) *Reduction by banking institution.* The amount of a letter of commitment may be reduced by a banking institution, when so requested by the participant, by issuing a Notice of Reduction of Letter of Commitment, Form CCC 328–2. Instructions to the banking institution for the preparation and distribution of this form are contained on the form. The request of the participant to the banking institution may be made by letter or telegram or other method acceptable to the banking institution.

(g) *Successors.* The letter of commitment shall inure to the benefit of the banking institution's legal successors and assigns.

(h) *Issuance of letters of credit.* In issuing, confirming, or advising a letter of credit pursuant to a letter of commitment, the banking institution shall observe the following:

(1) *General.* The application or request for, and any agreement relating to, any letter of credit issued, confirmed, or advised in connection with a letter of commitment to a banking institution, may contain such provisions as the approved applicant and the banking institution may agree on, and the approved applicant and the banking institution may agree to any extension of the life of, or any other modification of, or variation from, the provisions of any such letter of credit: *Provided,* That such provisions and any such extension, modification, or variance shall be in no respect inconsistent with or contrary to the provisions of the letter of commitment; in the event of any such inconsistency or conflict, the provisions of the letter of commitment shall prevail with respect to CCC financing: *And provided further,* That when a letter of credit provides for acceptance of time drafts, such letter of credit (or application therefor) shall specify that the discount and acceptance fees shall be for the account of the importer. Every application for a letter of credit shall provide for submission to the banking institution of the documentation required by this subpart and by the purchase authorization.

(2) *Identification.* Each letter of credit, modification, or extension shall contain the number of the applicable purchase authorization and, if possible, of the letter of commitment.

(3) *Commodity description.* The commodity description in a letter of credit and the supplier's detailed invoice shall not be inconsistent with the description as shown on page one of the purchase authorization. In making payment or accepting a time draft under a letter of credit, the banking institution shall, on the basis of the information contained in the required documents, act in accordance with good commercial practice. (As to Form CCC–329 (Reverse), see § 17.15 (a)(3) and (c)(2).)

4. *Time drafts.* Immediately after acceptance of a time draft, the banking institution shall forward the documents required by § 17.13, to the ASCS Office named in the letter of commitment. Each draft drawn by the banking institution on CCC under a letter of commitment shall be presented to the Federal Reserve Bank and shall be supported by Form CCC–339, "Advice of Receipt of Documents," if such documents were submitted to CCC before presentation of the draft.

(5) *Deferred opening of letter of credit.* CCC may refuse to finance a transaction under any arrangement to delay opening of a letter of credit; but in any event interest or carrying charges incurred as a result of a delay in opening a letter of credit shall not be eligible for CCC financing.

(6) *Delay in presenting documents.* No transaction under a letter of credit which provides for deferred presentation of documentation required by CCC shall be eligible for financing.

(i) *Availability of information to CCC.* The banking institution shall make available to CCC, upon request, a copy of each letter of credit issued, confirmed, or advised by it, and of any extension or modification thereof; a copy of each application and agreement relating to such letter of credit; a copy of each document in its possession received by it under the letter of credit; and detailed advice of the interest, commissions, expenses, or other items charged by it in connection with each such letter of credit.

(j) *Acceptability of documents.* Acceptance by the banking institution of any document in the ordinary course of business in good faith as being genuine and valid and sufficient in the premises, and the delivery thereof to the Federal Reserve Bank or the ASCS Office as required, shall constitute full compliance by the banking institution with any provisions of this subpart, the purchase authorization, or the letter of commitment requiring delivery of a document of the sort that the document actually delivered purports to be. The banking institution shall be entitled to receive and retain reimbursement of the amount of all payments made or acceptances by it against documents so accepted, notwithstanding that such payments or acceptances may be made in connection with a sale at a price in excess of the maximum specified in § 17.7 except to the extent provided in § 17.15(b)(7).

(k) *Truth or accuracy of supplier's statements.* The banking institution shall have no responsibility for the truth or accuracy of the statements contained in the Forms CCC–329, Supplier's Certificate or Invoice-and-Contract Abstract. The rights of the banking institution under the letter of commitment will not be effected by the fact that such Forms CCC–329 may be incomplete, or may indicate noncompliance with any provision of the regulations in this subpart, or of the purchase authorization or of the letter of commitment, or may be inconsistent with other required documents.

(l) *Notice of supplement, modification, or revocation.* A supplement, modification, or revocation of any purchase authorization or letter of commitment shall become effective as to a banking institution on the receipt by it from the Controller of a written notice of such supplement, modification, or revocation, except that such supplement, modification, or revocation shall in no event affect or impair the right of the banking institution to obtain reimbursement to the extent of any payments made or drafts accepted or irrevocable obligations incurred in reliance on the letter of commitment before receipt of such notice, under a letter of credit issued or confirmed by the banking institution, and for which the banking institution has not been repaid by the approved applicant. The banking institution, how-

ever, is under no obligation to obtain such repayment. The term "purchase authorization" as used in a letter of commitment shall be deemed to include each such supplement or modification from and after receipt by the banking institution from the Controller of written notice thereof, subject always, however, to the foregoing terms and provisions preserving the banking institution's right of reimbursement.

(m) *Compliance with changes in purchase authorizations.* If the Administrator revokes a purchase authorization or supplement, or modifies its requirements with regard to the disposition of any document(s), and the Controller gives the banking institution written notice thereof, the banking institution shall in all respects comply with the instruction of the Controller to the extent it may do so without impairing or affecting any irrevocable obligation or liability theretofore incurred by it under any letter of credit issued or confirmed by it. The banking institution shall be reimbursed by CCC for the costs, expenses, and liabilities paid or incurred by it as a result of compliance with such instruction. Such reimbursement shall be made by CCC on application filed with the ASCS Office named in the letter of commitment and supported by an itemized statement of the costs, expenses, and liabilities certified to by an officer of the banking institution. The banking institution shall have no obligation whatsoever to the approved applicant for anything done or omitted to be done by it pursuant to such instruction of the Controller.

(n) *Payments in anticipation of letter of commitment.* Payments made or time drafts accepted by a banking institution in anticipation of a letter of commitment, and falling within the scope of payments authorized by such letter of commitment when issued, will be deemed to be payments to be reimbursed thereunder.

(o) *Deposit of foreign currency.* When the deposit of local currency is required by the terms of the purchase authorization, the importing country shall provide, as hereinafter stated, for the deposit of its local currency in an amount equivalent to the dollars disbursed by the banking institutions or by CCC except that local currency shall not be deposited for the amount of ocean freight differential stated on Form CCC–106 for the tonnage involved in the shipment. Each deposit shall be at the rate of exchange for U.S. dollars provided in the applicable Agricultural Commodities Agreement. Documentation for each such deposit shall be furnished to the United States Ambassador's designee, and shall show the number of the purchase authorization, the exchange rate applicable to the deposit, and the amount of local currency deposited. The times and circumstances under which a deposit shall be effected are as follows:

(1) When a time draft is accepted under a letter of credit, deposit shall be made on the date of maturity of each such draft or on an earlier date on which CCC disburses the amount of the draft to the banking institution.

(2) For any other payment under a letter of credit, deposit shall be made immediately after receipt by the approved applicant of documentation showing the amount of dollar disbursement to the supplier by the banking institution under such a letter of credit.

(p) *Final date for submission of drafts.* A draft drawn by a banking institution on CCC shall be supported by documents presented by the supplier to the banking institution to which the letter of commitment has been issued. Such draft shall be presented not later than 210 days after the expiration of the delivery period specified in the applicable purchase authorization or any extension of such 210-day period granted by the Administrator, except that the draft may be presented subsequent to that date if accompanied by a statement by the banking institution that the documents were received within the 210-day period and that payment to the supplier was made in due course.

§ 17.11 Reimbursement method of financing.

(a) *Contracted price of commodity.* When a purchase authorization provides for the reimbursement method of financing, CCC will reimburse the participant or assignee for dollar payments to suppliers on submission of the documents required by § 17.13(c). Letters of commitment will not be issued under reimbursement type purchase authorizations.

(b) *Ocean transportation.* Purchase authorizations which authorize financing of ocean freight separately from the commodity cost shall authorize financing of ocean freight by the reimbursement method. CCC will reimburse the participant or assignee for dollar payments to suppliers of ocean freight on submission of the documents required by § 17.13(d). Letters of commitment will not be issued for ocean transportation purchase authorizations.

(c) *Assignment.* (1) The right to receive reimbursement under a reimbursement type purchase authorization may be assigned by the participant to any bank, trust company or other financing institution in the United States by sending a completed Instrument of Assignment, Form CCC–335, in an original and one copy, to the assignee.

(2) If the assignee accepts the assignment, the original and two copies of the Notice of Assignment, Form CCC–334, should be prepared by the assignee and together with one copy of the signed Instrument of Assignment, Form CCC–335, filed with the Controller. The copy of the signed Instrument of Assignment submitted with the Notice of Assignment must contain all of the signatures, seals, acknowledgements, etc., which appear on the original. The Controller will acknowledge receipt of the assignment.

(d) *Limitation on assignment.* The assignment may be made only to a bank, trust company, or other financing institution in the United States. The assignment shall cover all amounts payable under the purchase authorization and not already paid, shall not be made to more than one party, and shall not be subject to further assignment, except that any such assignment may be made to one party as agent or trustee for two or more parties participating in the financing. Unless otherwise provided by the purchase authorization, the right of any such assignee to obtain reimbursement shall not be contingent on the deposit of currency by the importing country.

(e) *Protection of assignee.* A supplement, modification, or revocation of a reimbursement type purchase authorization shall become effective as to the assignee on receipt by the assignee from the Controller of written notice of such supplement, modification, or revocation except that such supplement, modification, or revocation shall in no event affect or impair the right to obtain reimbursement to the extent of any payments made in reliance on the assignment by such assignee before receipt of such notice, or any irrevocable obligations incurred before receipt of such notice under a letter of credit issued or confirmed by such assignee in reliance on such assignment, for which the assignee has not been repaid by the participant (there shall be no obligation on the assignee's part to obtain such repayment). The term "purchase authorization", as used in any assignment of the right to receive reimbursement under a reimbursement type purchase authorization shall be deemed to include each such supplement or modification from and after receipt by the assignee from the Controller of written notice of the same, subject always, however, to the foregoing provisions preserving rights of reimbursement on behalf of the assignee.

(f) *Requests for reimbursement.* (1) All requests for reimbursement, supported by the required documentation, shall be submitted to the ASCS Office named in the reimbursement type purchase authorization or to the bank, trust company, or other financing institution in the United States holding an assignment acknowledged by CCC, not later than 210 days after expiration of the delivery period specified in such purchase authorization or any extension of such 210-day period granted by the Administrator. When the request for reimbursement is submitted by a bank to CCC, a statement by the bank that the documents had been received within the 210-day period, and that payment to the supplier was authorized within such 210-day period, shall satisfy the requirements of this paragraph even though submission to CCC is made subsequent to the 210-day period.

(g) *Setoff of overpayments.* Amounts improperly paid to any assignee by CCC may be set off against amounts due the assignee under the same reimbursement type purchase authorization. Such overpayments may also be set off against amounts due the same assignee under other reimbursement type purchase authorizations issued to the same participant, provided such assignee is notified of the amount to be set off at the time receipt of the assignment is acknowledged by CCC.

(h) *Deposit of foreign currency.* When the deposit of foreign currency is required by the terms of the purchase authorization, the importing country shall provide, as hereinafter stated, for the deposit of foreign currency equivalent to dollars disbursed by CCC, except that foreign currency shall not be deposited for the amount of ocean freight differential. Deposits shall be at the rate of exchange for U.S. dollars provided in the applicable Agricultural Commodities Agreement. Documentation for each such deposit shall be furnished to the U.S. Ambassador's designee in the importing country and shall show the number of the purchase authorization, the date and amount of the related dollar disbursement, the exchange rate applicable to the deposit, and the amount of foreign currency deposited. Deposit shall be made immediately after receipt by the importing country or its designee of documentation showing the date and net amount of dollar reimbursement (after deduction of ocean freight differential, if any) by CCC to the importing country, or to its assignee if the right to receive reimbursement under the purchase authorization has been assigned.

(i) *Special provisions.* Requirements for special documentation, and other provisions not otherwise specified in the regulations in this subpart for reimbursement type purchase authorizations will be set forth in the purchase authorizations.

§ 17.12 Adjustment refunds and insurance.

(a) *Adjustment refunds.* All claims by importers for adjustment refunds arising out of terms of the contract or out of the normal customs of the trade, including arbitration and appeal awards, allowances, and claims for over payment of ocean transportation, if such refunds relate to amounts financed by CCC, shall be settled by payment in U.S. dollars and such payment shall be remitted by the supplier to the CCC except refunds on cotton contracts. Such refunds on cotton contracts shall be made as provided in Appendix A. The remittance shall be identified with the date and amount of the original payment, the commercial letter of credit number, and the applicable purchase authorization number.

(b) *Insurance on c.i.f. sales for account of importer.* The provisions of this paragraph (b) apply only to transactions under purchase authorizations that specifically authorize c.i.f. sales in which the cost of insurance is included in the net c.i.f. invoice price of the commodity financed. When the supplier furnishes insurance in favor of or for the account of the importer, the policies of certificates of insurance shall include a loss payable clause which provides that all claims shall be paid in U.S. dollars to the Controller except for insurance claims on cotton which shall be paid as provided in Appendix A. Such payments shall be accompanied by advice of the purchase authorization number, the names and addresses of the supplier and importer, the nature of the claim, the quantity of the commodity involved in the claim, the date of shipment, the bill of lading number, and the name of the vessel. CCC will credit the account of the participant or will refund local currency in accordance with paragraph (e) of this section.

(c) *Violation of Agricultural Commodities Agreements.* Whenever the Administrator determines that the participant has failed to comply with any agreement or commitment made by it in connection with the Agricultural Commodities Agreement between the United States and the participant pursuant to which the importation took place, the partcipant shall pay in U.S. dollars to CCC promptly on demand by the Administrator the entire amount financed by CCC or such lesser amount as the Administrator shall demand.

(d) *Refund of ineligible amounts.* If a sale has been financed and CCC determines that the sales price exceeds the maximum price permissible under § 17.7 or that the sale is otherwise in whole or in part, ineligible for financing, the supplier shall refund in dollars such ineligible amount to CCC promptly on demand. If not promptly refunded, such amount may be set off by CCC against monies it owes to the supplier. The making of any such refund to CCC, or any such setoff by CCC shall not prejudice the right of the supplier to challenge such determination in a court action brought against CCC for recovery of the amount refunded or set off.

(e) *Refund of local currency or reduction of amount due.* Immediately after receipt by CCC of U.S. dollar payment from suppliers or from or for the account of the participant under this section, CCC will provide for payment to the importing country of the local currency equivalent of dollars received, if such local currency has been deposited for the particular transaction or will credit the participant's account as follows:

(1) For payments under this section, except paragraph (c), the local currency refunded will be at the exchange rate agreed to by the Government of the United States and the government of the importing country in effect at the time the local currency is paid to or for the account of the importer except that if there has been a change in the exchange system or structure of the importing country, such payment shall be made at the agreed exchange rate which was in effect on the date of dollar disbursement for the transaction financed, and except further that local currency shall not be paid when the dollars are to be reauthorized for replacement of the commodity.

(2) For payment under paragraph (c) of this section, the local currency refunded will be at the agreed exchange rate in effect on the date of the dollar disbursement for the transaction financed: *Provided,* That local currency will not be refunded to the extent that deposits of such currency have been made available to the importing country on a grant basis.

(3) For refunds received by CCC under long-term credit agreements the participant's account shall be credited with the dollar amount refunded or otherwise recovered, and the participant notified accordingly.

§ 17.13 Documentation.

(a) *General.* A request for payment submitted to a banking institution by a supplier and a request submitted to CCC for reimbursement of commodity or ocean transportation payment, or both, shall be supported, except as otherwise provided in the purchase authorization, by the documents required by this section, the purchase authorization, the letter of commitment, and Appendix B unless such documents were previously submitted to CCC. Such documents, however, need not be submitted when and to the extent that the Controller determines that the intended purpose of a document is served by documents otherwise available to or under the control of CCC or by alternate documents specified in such determination. The documents required herein are in addition to any other documents the supplier may be required to submit to a bank under the applicable letter of credit. The supplier must present documentation required by CCC to the banking institution for immediate payment or acceptance of a time draft.

(b) *Identification.* (1) The following documents must be identified with the appropriate purchase authorization numbers or be readily identifiable therewith:

(i) Documents submitted by a supplier to a bank with request for payment of commodity price (including ocean freight or ocean freight differential, as appropriate, and insurance when covered by the commodity price) and such documents when submitted to CCC for reimbursement.

(ii) Documents submitted to CCC to obtain reimbursement under a purchase authorization for ocean freight, or for ocean freight differential, which shall be identified with the number thereof including the "OT" suffix, except that a copy of the ocean bill of lading may contain the related commodity purchase authorization number.

(2) The supplier must put the appropriate purchase authorization number on all documents specified in this section which are prepared under his control. He should arrange for the appropriate purchase authorization number to be put on all other required documents at the time of their preparation.

(c) *Documents required for financing commodity price.* A detailed list of all documents required for each commodity is contained in Appendix B. Any additions, deletions or other changes will be stated in the purchase authorization or letter of commitment. General provisions relating to such documents are as follows:

(1) *Supplier's certificates.* Signed originals of Form CCC–329, Supplier's Certificate and Invoice-and-Contract Abstract are required for each request for payment as follows:

(i) When the ocean freight is financed in whole or in part by CCC, two Forms CCC–329 are required, that is, one covering the commodity supplier's invoice price expressed in dollars (to be executed by the supplier of the commodity) and one covering ocean freight or ocean freight differential, as appropriate, expressed in dollars (to be executed by the ocean carrier).

(ii) When no part of the ocean freight is being financed by CCC, only one Form CCC–329 is required covering the supplier's net invoice price for the commodity expressed in dollars, executed by the supplier of the commodity.

(2) *Supplier's detailed invoice.* The copy of the supplier's detailed invoice submitted pursuant to Appendix B shall show quantity, description, contacted show quantity, description, contracted price, and net total invoice price expressed in dollars and basis of delivery (e.g., f.o.b. vessel, cost and freight) of the commodity. For the reimbursement method of financing the invoice shall also be marked "paid". Whenever the Form CCC–106 provides for an ocean freight rate differential on a cost and freight or c.i.f. sale and authorizes financing of any portion of ocean freight by CCC, the supplier's detailed invoice shall show a computation of the dollar amount of ocean freight differential. In arriving at the net invoice price there shall be deducted:

(i) The ocean freight, or portion thereof which is not being financed by CCC when ocean freight is included in the contracted price;

(ii) All discounts from the supplier's contracted price through payments, credits, or other allowances made or to be made to the importer, his agent or consignee;

(iii) All purchasing agents' commissions;

(iv) All other amounts not eligible for financing.

(3) *Additional payment.* A request for an additional payment submitted for a transaction for which all or part of the required documents have been previously submitted to the bank, shall be supported by the following documents as applicable:

(i) The Form CCC–329, Supplier's Certificate and the Invoice-and-Contract Abstract and the supplier's detailed invoice, covering the additional amount requested. The supplier's invoice must show the date, serial number and the amount of the original invoice and the basis for the additional amount claimed;

(ii) A statement signed by the ship's master or owner (or agent of either of them) showing exercise of the higher-rated option, if the payment is stated to be due because of the exercise of a higher-rated option provided in a liner booking contract or charter party.

(4) *Weight certificate.* Whenever a copy of a weight certificate is required by these regulations in this subpart or the applicable purchase authorization, the supplier shall submit a weight certificate issued by or on authority of a State or other governmental weighing department, Chamber of Commerce, Board of Trade, Grain Exchange, or other independent organization or firm providing public weighing services. Such organization or firm must have (i) qualified, impartial, supervised weighmasters stationed at the port facility or, if authorized under the applicable purchase authorization, other facility where weights customarily are determined, one of whom performed the weighing covered by the certificate, or (ii) qualified, independent, impartial, supervised weighmasters stationed at the port facility or, if authorized under the applicable purchase authorization, other facility where weights are customarily determined, one of whom supervised the employee of such a facility in the performance of the weighing covered by the certificate.

(5) *Federal appeal inspection certificate.* A Federal appeal inspection certificate, when included in the documents presented for payment, shall supersede any other inspection certificate required by this subpart, the applicable purchase authorization, or the letter of commitment. Appendix B or the applicable purchase authorization will specify the particulars of any required inspection certificate.

(6) *Notice of price approval.* (i) The document required for each commodity to show that the price is approved for financing (see Appendix B) shall be submitted to the bank with the documents covering the first transaction under the contract. The unit price shown on the supplier's invoice must not exceed the approved unit price shown on the price approval document.

(ii) For subsequent transactions under the same contract, the supplier shall certify on the CCC copy of the detailed invoice as follows:

I hereby certify that the applicable signed copy of the notice of price approval was submitted to (name of bank) with documents covering Invoice No. _____ dated _____ for $_____.

(7) *Transshipment, certification required on invoice.* If the Form CCC–106 requires grain to be exported from a Canadian transshipment point in a U.S.-flag vessel, and if it authorizes financing of ocean freight or ocean freight differential by CCC, the following certification is required on the supplier's invoice:

The undersigned hereby certifies that an equivalent quantity of the same kind of grain covered by this invoice has been shipped in U.S.-flag vessels from U.S. Great Lakes ports via the St. Lawrence Seaway and received by the undersigned at Canadian transshipment points and such quantity was not previously applied by the undersigned to any government program to which the provisions of P.L. 664, 83d Congress are applicable.

"Kind of grain" as used in the above certification is defined as the same kind of grain covered by the invoice without regard to grade or class.

(8) *Other required documents.* The other required documents are as follows:

(i) One copy of the ocean bill of lading.

(ii) Signed original of Form CCC–106–1 or 106–3.

(iii) One nonnegotiable copy of the insurance certificate or policy where the cost of insurance is included in the price of the commodity to be financed by CCC.

(iv) Signed original of Form CCC–329–3, "Statement of Transmittal of Ocean Bills of Lading," showing that two nonnegotiable copies of ocean bills of lading have been sent to the Administrator, FAS, USDA, Washington, D.C. 20250.

(d) *Documents required for reimbursement of ocean freight financed separately from commodity price.* To obtain reimbursement for ocean freight, or for ocean freight differential for any portion thereof which is financed separately from the commodity price, the following documentation shall be submitted:

(1) Signed original of Form CCC–329, Supplier's (ocean carrier or agent) Certificate, and Invoice-and-Contract Abstract to be executed by the carrier or agent, covering the ocean freight or ocean freight differential.

(2) One copy of the ocean bill of lading and, if required by the related Form CCC 106–2, a notice of arrival at the first port of discharge of the vessel named in the Form CCC 106–2. In lieu of a notice of arrival the carrier may present a waiver of the notice of arrival signed by the Administrator or Controller.

(3) One copy of carrier's detailed invoice covering charges eligible for reimbursement by CCC, marked "paid." Such invoice shall contain the following typed or stamped certification, executed by the supplier:

The undersigned hereby certifies that the vessel named herein and for which ocean freight is claimed, qualifies as a privately owned U.S.-flag commercial vessel within the requirements of P.L. 87–266 and is an eligible U.S.-flag vessel for the purposes of P.L. 664, 83d Congress.

(4) Signed original of Form CCC 106–2 (or Form CCC–106–3 in the case of cotton).

(5) One copy of the charter party for shipment by dry bulk carrier or tanker.

(6) A request for reimbursement of any balance claimed on a shipment after initial reimbursement of 90 percent of ocean freight or ocean freight differential as provided in § 17.9(m), shall be supported by the following documents:

(i) A copy of the carrier's final invoice covering charges eligible for reimbursement by CCC, marked "paid." When the freight contract does not provide for despatch and the supplier certifies this fact on his final invoice the documents in subdivisions (iii) and (iv) of this subparagraph are not required.

(ii) A notice of arrival, if required by the Form CCC–106 and not previously presented to support the 90 percent payment.

(iii) A copy of loading and discharging laytime statement and statement of fact signed by the ship's master or owner and the charterer or consignee. Agents' signatures are acceptable.

(iv) If a copy of the charter party was not presented pursuant to subparagraph

(5) of this paragraph, a copy of the freight contract showing the terms of despatch and demurrage.

(v) The Form CCC–329, Supplier's Certificate covering the balance claimed.

(7) A request for payment of any amounts claimed because of the exercise of a higher rated option following payment of a lower rated option pursuant to § 17.9(j)(1) shall be supported by the following documents:

(i) A copy of the carrier's detailed invoice covering charges eligible for reimbursement by CCC marked, "paid";

(ii) The Form CCC–329, Supplier's Certificate, for the balance claimed;

(iii) A statement signed by the ship's master, owner, or owner's agent, and signed laytime statements or other written concurrence of charterer or his agent showing the exercise of the higher rated option.

(8) *Notice of arrival.* Whenever required by the related Form CCC 106–2, a notice of arrival at the first port of discharge of the vessel named in the Form CCC 106–2 shall be submitted. In lieu of a notice of arrival required by § 17.9(k) the carrier may present a waiver of the notice of arrival signed by the Administrator or Controller.

(e) *Documentary requirements.* In addition to the general requirements set forth in paragraphs (a) through (c) of this section, each purchase authorization or letter of commitment (1) will refer to a specific section of Appendix B for documentary requirements for the commodity, and (2) will specify any additions to or changes from Appendix B.

§ 17.14 Documents in support of drafts drawn on CCC by banking institutions.

Drafts drawn on CCC by banking institutions under letter of commitment for reimbursement of amount disbursed to suppliers shall be supported by the following documents:

(a) *Documents obtained from suppliers.* Documents specified in § 17.13 and such additional or substitute documents as may be required with respect to any particular transaction as specified in the purchase authorization and in Appendix B or in the letter of commitment. A banking institution holding a letter of commitment is not required by CCC to obtain any other documents from suppliers.

(b) *Documents originated by banking institution.* (1) Form CCC–331, Advice of Payment or Acceptance of Draft, containing an authorized signature for the banking institution.

(2) A copy of the advice of payment for ocean freight differential when required by § 17.15(a)(7).

(c) *Documents originated by ASCS Offices.* Form CCC–339, Advice of Receipt of Documents, signed for CCC when documentation was previously submitted to and acknowledged by CCC.

§ 17.15 Responsibilities of banking institutions for transactions under letters of commitment.

The responsibilities of banking institutions under the regulations in this subpart for transactions under letters of commitment are limited to the responsibilities stated under paragraphs (a) and (b) of this section and as stated in §§ 17.10 and 17.14.

(a) *Full responsibilities.* The banking institution shall have full responsibility for the following:

(1) *Delivery of documents.* The banking institution shall deliver to the Federal Reserve Bank named in the letter of commitment, documents required by the regulations in this subpart, the letter of commitment, and the purchase authorization. In addition to the general documentation requirements set forth in § 17.13 each purchase authorization or letter of commitment will (i) refer to specific sections of Appendix B for documentation requirements and (ii) specify any additions to or changes from the provisions of Appendix B.

(2) *Advice to approved applicant.* The banking institution shall give advice of the amount of dollar disbursement or the dollar amount and maturity of time drafts accepted to the approved applicant or its designee, which advice shall accompany documents transmitted to the approved applicant. The transmittal shall include whichever of the following is applicable:

(i) When the purchase authorization is for sales on long-term credit there shall be included a request that the approved applicant notify the participant that "the net amount of the supplier's invoice financed by CCC under the transaction is $_____", or

(ii) When the purchase authorization is for sales for foreign currency there shall be included a request that the local currency equivalent of dollar disbursements be deposited immediately in the account of the U.S. Disbursing Officer, or that the local currency equivalent of the dollar amount of time drafts being financed by CCC be deposited in the account of the U.S. Disbursing Officer at maturity.

(3) *Examination of documents.* The banking institution shall examine the required documents, except the Form CCC–329 Reverse, "Invoice-and-Contract Abstract", in accordance with good commercial practice.

(4) *Delivery date.* The banking institution shall ascertain that the ocean bills of lading bear a date within the delivery period specified in the purchase authorization, or any extension thereof granted by the Administrator.

(5) *Destination.* The banking institution shall ascertain that the required documents are consistent, under good commercial practice with shipment, transshipment, or reshipment to the country required by the purchase authorization.

(6) *Description.* Section 17.10(h)(3) provides that the commodity description in letters of credit and on the supplier's detailed invoice shall not be inconsistent with the description on page 1 of the purchase authorization. In making payment or accepting time drafts under letters of credit, the banking institution shall, on the basis of the description contained in the required documents (other than Form CCC–329) act in accordance with good commercial practice.

(7) *Verification of computation of ocean freight differential and notification to approved applicant.* When Form CCC–106 provides for an ocean freight rate differential on a cost and freight or c.i.f. sale, and authorizes financing of any part of ocean freight by CCC, and the transaction is financed by the bank under a letter of credit, the banking institution shall:

(i) Determine that the supplier's detailed invoice shows a computation of the dollar amount of ocean freight differential;

(ii) Verify the computation of such amount of differential, using the rate stated in Form CCC-106 and the gross weight shown on the supplier's detailed invoice or the ocean bill of lading, whichever is less; and

(iii) Include with the advice of dollar disbursement or time draft accepted under the letter of credit, advice of whichever of the following is applicable:

(*a*) Under long-term credit sales the net dollar amount for which the participant is indebted to the Government of the United States. Such notice shall be in substantially the following language:

> The amount of $_____ paid to the beneficiary includes an ocean freight differential of $_____. The participant is indebted to the Government of the United States for the net amount of $_____.

(*b*) Under sales for foreign currency, the net dollar amount for which the equivalent in local currency is to be deposited immediately or at maturity of a time draft as provided in § 17.10(o). This advice shall specify that deposit of local currency is not required for the value of the ocean freight differential. Such advice shall be in substantially the following language:

> The amount of $_____ paid to the beneficiary includes an ocean freight differential of $_____ according to the provisions of the attached copy of Form CCC–106, Advice of Vessel Approval. You are requested to deposit only the local currency equivalent to the net amount of $_____.

A copy of such advice, when the amount paid includes such differential, shall be sent with the other required documents to the ASCS Office named in the letter of commitment.

(8) *Reimbursement of CCC for losses.* On demand by CCC, the banking institution shall promptly reimburse CCC for the amounts of any losses sustained as a direct result of failure on the part of the banking institution to carry out its responsibilities as required by the regulations in this subpart and shall pay to CCC interest on the amount of such losses at a per annum rate equal to the Federal Reserve Bank of New York's discount rate in effect on the date that CCC makes demand upon the banking institution, computed from and including the date of the original payment by or reimbursement by CCC to but not including the date that the banking institution reimburses CCC for the amounts of such losses.

(9) *Adjustment refunds.* (i) The banking institution shall at the end of each calendar month, report to the Controller the total amount of any adjustment refunds for cotton sales received during the month pursuant to sections (V) and (W) of Appendix A which were remitted to the approved applicant or agent for the account of the importer.

(ii) A copy of each advice sent to approved applicants or agents shall accompany each monthly report. The banking institution has no other responsibility under § 17.12.

(10) *Purchase authorization number.* The banking institution shall examine required documents to determine that they bear the appropriate purchase authorization number or are readily identifiable therewith.

(11) *Additional requirements.* Any additional particulars for which the banking institution is to be responsible will be specified in the purchase authorization or letter of commitment as (i) additional required documents, (ii) additional statements to be contained in the required documents, or (iii) additional actions to be performed.

(b) *Limited responsibilities.* The banking institution shall have limited responsibility for transactions under letters of commitment as follows:

(1) *Contracting.* Section 17.6 provides that contracts must meet certain specific requirements to be eligible for financing. The banking institution is responsible only to the extend of ascertaining that the required documents show delivery terms as required by the purchase authorization (f.o.b., f.a.s., cost and freight, or c.i.f.). The banking institution has no other responsibility under § 17.6.

(2) *Vessel approval.* The banking institution shall not make payment under the letter of credit unless the name of the vessel shown on Form CCC–106 agrees with the name of the vessel shown on the ocean bill of lading. The banking institution is not required to verify the signature appearing on Form CCC–106 or to make an independent inquiry as to the correctness of the information shown thereon.

(3) *Discounts, purchasing agents' commissions and consular fees.* The banking institution is not required to make independent inquiry as to whether the net invoice price includes either discounts (whether expressed as such or as "commissions" to the importer, or made or to be made through payments, credits to other allowances to the buyer or consignee), commissions payable to purchasing agents, or consular fees but shall not honor any such items when disclosed by required documents other than Form CCC–329. The provisions of § 17.8(c) regarding commissions are intended primarily for the instruction of suppliers, and banking institutions are not responsible for compliance therewith except to the extent set forth above.

(4) *Weight certificate.* The banking institution is responsible for ascertaining that a weight certificate is included in the documentation when required by the purchase authorization or Appendix B, and that the quantity invoiced does not exceed the weight shown on the certificate. The banking institution is not responsible for ascertaining that the weight certificate meets the requirements of § 17.13(c)(4).

(5) *Insurance.* The banking institution is responsible only for ascertaining that a copy of the policy or certificate of insurance accompanies the required documents whenever the cost of insurance is included in the commodity price under a purchase authorization specifically authorized contraction on a c.i.f. basis.

(6) *Deduction for ocean freight on cost and freight or c.i.f. invoices.* (i) If Form CCC–106 provides that ocean freight is not to be financed by CCC, the banking institution shall not make payment or accept time drafts under the letter of credit unless a deduction for ocean freight is shown on the CCC copy of the supplier's detailed invoice. The banking institution is not responsible for the accuracy of such deduction.

(ii) If the Form CCC–106 provides for ocean freight differential financing by CCC, the banking institution shall not make payment or accept a time draft unless a deduction is shown on the invoice for that part of the cost of ocean freight not being financed by CCC. See also subparagraph (8) of this paragraph.

(7) *Price.* The banking institution is responsible for verifying that the unit price stated in the supplier's invoice does not exceed the unit price stated in the document showing price approval by USDA when such document is required, but is not responsible for the price provisions set forth in § 17.7.

(8) *Ocean transportation.* The banking institution is responsible for provisions relating to ocean transportation as set forth in § 17.9 only to the extent specified in paragraphs (a) (5) and (7), and (b) (2) and (6) of this section.

(9) *Information from other sources.* The right of reimbursement for payments made or drafts accepted by a banking institution in accordance with good commercial practice will not be affected, except for those particulars set forth in paragraphs (a) and (b) of this section, by the fact that the documents received by the banking institution or information or notice received from any other source indicates noncompliance with any provisions of the regulations in this subpart or of the purchase authorization or the letter of commitment.

(10) *Delivery of documents.* The banking institution is not responsible for delivery of documents required by the provisions of Appendix B, except as provided in paragraph (a)(1) of this section.

(c) *No responsibility.* For transactions under a letter of commitment, the following shall apply:

(1) *Supplier's certification.* The banking institution is not responsible for the truth or accuracy of information contained in Form CCC–329, Supplier's Certificate, or in any special certification required by the regulations in this subpart, the terms of the purchase authorization or the letter of commitment. The banking institution is entitled to rely on such certifications.

(2) *Invoice-and-Contract Abstract.* The banking institution is not responsible for the truth or accuracy of information contained in Form CCC–329 (Reverse), Invoice-and-Contract Abstract, for the sufficiency or completeness of such information or for any indication by such information of noncompliance with any provisions of the regulations in this subpart or the purchase authorization.

(3) *Contracting period.* The purchase authorization specifies the period during which contracts may be entered into by suppliers and importers. A banking institution has no responsibility with regard to compliance with this requirement.

(4) *Statements in required documents.* The banking institution is not responsible for the truth or accuracy of the statements, if any, contained in the required documents. A banking institution is not obligated to look beyond these documents or to make independent investigations as to the accuracy of statements made therein. Acceptability of documents is described in § 17.10(j).

(5) *Deposit or convertibility of local currency.* The banking institution is not responsible for the deposit or convertibility of local currency or the repayment of long-term obligations.

(6) *Purchase authorizations—Eligible commodities.* The banking institution is not responsible for ascertaining compliance with the provisions of §§ 17.3 and 17.5, except to the extent specified in this section.

(7) *Compliance with contracting provisions.* The banking institution is not responsible for ascertaining compliance with the provisions of Appendix A, except as set forth in the purchase authorization or the letter of commitment as the responsibility of the banking institution.

(d) *Responsibilities under reimbursement method of financing.* No letter of commitment is issued for purchase authorizations which provide for the reimbursement method of financing.

(e) This section shall not relieve the banking institutions of the responsibilities which they may have assumed under private trade entity agreements or guarantees pursuant to private trade entity agreements.

§ 17.16 ASCS Offices.

The addresses of the ASCS Offices are as follows:

ASCS Commodity Office, U.S. Department of Agriculture, Wirth Building, 120 Marais Street, New Orleans, La. 70112.

New York Field Office—Fiscal Division, ASCS, 80 Lafayette Street, New York, N.Y. 10013.

Fiscal Division, Agricultural Stabilization and Conservation Service, U.S. Department of Agriculture, Washington, D.C. 20250.

§ 17.17 Supplier's records.

The supplier shall permit authorized representatives of USDA to have access to his premises during regular hours to inspect, examine, audit and make copies of such books, records and accounts. The supplier shall keep accurate books, rec-

ords and accounts, with respect to all contracts entered into hereunder. Such records shall be retained until the expiration of 3 years after final payment under such contracts.

§ 17.18 Effective date.

The regulations in this subpart shall become effective upon publication in the FEDERAL REGISTER as to financing of the sale and exportation of commodities pursuant to Agricultural Commodities Agreements dated on or after January 1, 1967. The financing of sale and exportation of commodities pursuant to Agricultural Commodities Agreements dated before January 1, 1967, shall continue to be subject to the provisions of the regulations which were applicable before January 1, 1967, unless made subject to the regulations in this subpart by the applicable purchase authorization.

NOTE: The reporting and/or recordkeeping requirements contained herein have been approved by the Bureau of the Budgets in accordance with the Federal Reports Act of 1942.

Done at Washington, D.C., this 27th day of December 1966.

ORVILLE L. FREEMAN,
Secretary.

Appendix A—Contracting Requirements

(A) Wheat in bulk or bags.
(B) Wheat flour.
(C) Feed grains in bulk or bags.
(D) Corn meal (edible).
(E) Cracked corn or corn meal.
(F) Soybean oil or cottonseed oil.
(G) Unmanufactured and tobacco products:
(1) Unmanufactured tobacco.
(2) Tobacco products: Cigarettes, and packaged and cut tobacco.
(3) Tobacco products: Cased strips and shredded tobacco.
(H) Rice (milled and brown) bags and bulk.
(I) Dry edible beans.
(J) Dry edible peas.
(K) Tallow (inedible).
(L) Lard.
(M) Poultry (frozen chickens and turkeys).
(N) Canned milk (sweetened condensed and evaporated).
(O) Nonfat dry milk.
(P) Dry whole milk.
(Q) Butter.
(R) Anhydrous milk fat and anhydrous butter fat and butteroil.
(S) Cheese (cheddar and process).
(T) Ghee.
(U) Stabilized dried whole eggs.
(V) Upland cotton.
(W) Extra long staple cotton.

In addition to the other provisions of the regulations in Part 17, Subpart A, and unless otherwise provided in the applicable purchase authorizations, the following special provisions apply in the case of specific commodities.

(A) *Wheat in bulk or bags.*

(1) *Contract eligibility:* Contracts will not be eligible for financing unless the supplier has complied with the requirements of the "Wheat Export Program, (GR–345) Terms and Conditions", as amended, as they pertain to sales pursuant to the Agricultural Trade Development and Assistance Act of 1954, as amended.

(2) *Contract approval:* Contracts between suppliers and importers made subject to the applicable purchase authorization shall be deemed to be conditioned on the approval by FAS, of the supplier, and the supplier's agent, if any, and the contract price.

(3) *Time of sale:* In lieu of the definition of time of sale in section 17.7(a) of the regulations, the time of sale shall have the same meaning as provided in GR–345. Any amendment to a contract which has been registered under GR–345 which affects the price shall subject the terms of sale to reexamination.

(4) *Quality description:* Contracts shall provide for quality description in terms of the Official Grain Standards of the United States.

(5) *Transshipment:* To the extent that exportation of wheat from Canadian transshipment point(s) is required in U.S.-flag vessels, the Form CCC–106 will require shipment of an equivalent quantity of U.S. wheat from U.S. Great Lakes ports to the Canadian transshipment point(s) via the St. Lawrence Seaway in U.S.-flag vessels.

(6) *Weight and grade (bulk):* In the case of bulk wheat, the weight shall be determined at point of loading to vessel and the grade shall be determined by an inspector holding a license under the U.S. Grain Standards Act or the Agricultural Marketing Act at point of loading to vessel.

(7) *Weight and grade (bags):* In the case of wheat in bags, the grade shall be determined by an inspector holding a license under the U.S. Grain Standards Act or the Agricultural Marketing Act not more than 15 days prior to loading to vessel while the wheat was at port under the supervision of the Port Authority, and the wheat shall be checkloaded by the Grain Division, C&MS, at the time of loading the wheat for shipment to port for export or at time of loading the wheat to vessel.

(8) *Dockage:* In determining the quantities to be shown on the supplier's invoice, for which the supplier invoices the importer, there shall be deducted the amount of any dockage where there is a separate percentage for dockage shown on the inspection certificate.

(B) *Wheat flour.*

(1) *Contract eligibility:* Contracts will not be eligible for financing hereunder unless the supplier has complied with the requirements of the "Flour Export Program, Cash Payment (GR–346) Terms and Conditions", as amended, as they pertain to sales pursuant to the Agricultural Trade Development and Assistance Act of 1954, as amended.

(2) *Contract specifications:* Contracts for flour shall provide for the following quality specifications:

(a) Protein: *Not less than* (percentage to be specified in the applicable purchase authorization) basis 14 percent moisture. (The minimum protein content eligible for financing shall be not more than 0.5 percent below the protein content specified in the contract.)

(b) Ash: *Not more than* 0.48 percent basis 14 percent moisture. (The maximum ash content eligible for financing shall be not more than 0.53 percent.)

(c) Moisture: *Not more than* 14 percent. (The maximum moisture content eligible for financing shall be not more than 0.5 percent above the moisture content specified in the contract.)

The approved price for flour which does not meet the protein, ash or moisture content shown on Form CCC–362 Declaration of Sale, shall be subject to the discounts provided in paragraph 7 of this section.

(3) Contracts shall state the type and weight of bags required by the importer.

(4) Contracts between the supplier and importer made subject to the applicable purchase authorization shall be deemed to be conditioned on the approval by FAS, of the supplier, the supplier's agent if any and the contract price.

(5) *Time of sale:* In lieu of the definition of time of sale in § 17.7(a) of the regulations, the time of sale shall have the same meaning as provided in GR–346. Any amendment to a contract which has been registered under GR–346 which affects the price shall subject the terms of sale to reexamination.

(6) *Sampling, Analysis, Checkweighing, Bags and Markings:*

(a) Ten (10) days prior to sampling the supplier must furnish contract specifications regarding quality, in duplicate, to the Program Operations Division, FAS, USDA, Washington, D.C. 20250, together with the name and address of the persons, firms, or agency that will perform the sampling and analysis service and the location of the flour and dates available for sampling.

(b) *Sampling:* The drawing of samples shall be performed by the Inspection Branch, Grain Division, C&MS, or by an independent surveyor mutually acceptable to the importer and the supplier. The supplier shall request inspection of the flour upon arrival at port of loading to vessel. If the inspection certificate is dated more than fifteen (15) days prior to on-board date shown on the ocean bill of lading the supplier shall obtain additional inspection within fifteen (15) days of the on-board date shown on the ocean bill of lading showing that the flour was free of infestation.

(c) *Minimum rates for sampling:* The following minimum rate applies to any delivery or portions of delivery for which a separate inspection has been requested. The minimum rate of sampling shall be one composite sample of flour for each 500,000 pounds or part thereof. A composite sample shall consist of all the products from 50 probes. Each of the 50 probes shall be obtained from a different bag of flour selected at random. When it is desired to increase the sampling rate because of nonuniformity of the flour or for other reasons, it shall be done by increasing the number (not size) of composite sample for each 500,000 pound portion. Each composite sample shall be tested separately in a laboratory to determine quality. The result of the analyses of composite samples will be averaged (weighted average) and certified on one certificate when no individual composite sample deviates from the contract specification for any factor by more than the tolerance in the following schedule:

MAXIMUM DEVIATION OF A SAMPLE RESULT FROM THE CONTRACT SPECIFICATION

Minus 0.5 percent protein.
Plus 0.2 percent moisture.
Plus 0.02 percent ash.

If one or more composite samples exceed the tolerance in the above schedule for any factor, each of these shall be certified separately. The remaining composite samples shall be averaged and certified on one certificate.

(d) *Recoopering:* Recoopering of bags shall be the responsibility of the supplier and performed at his expense.

(e) *Analysis:* The quality of the flour exported shall be determined by the Inspection Branch, Grain Division, C&MS, or by a commercial laboratory mutually acceptable to buyer and seller.

(f) *Check sampling and analysis:* If the services are performed by independent surveyors and commercial laboratories, FAS may at any time request the Inspection Branch, Grain Division, C&MS, to draw check samples and perform check analysis. The cost of such check sampling and analyses will be for the account of CCC.

(g) *Checkweighing:* The flour to be exported shall be checkweighed at the mill at the time of loading to sealed cars or trucks for shipment to port of export, or at the port

of export while the flour was at port under the control of the Port Authority, by the Inspection Branch, Grain Division, C&MS, or by an independent weighmaster or an independent surveyor mutually acceptable to the importer and seller to determine (i) gross weight, (ii) net weight, and (iii) tare weight.

(h) *Bag specifications:* Compliance with contract specifications and suitability of bags for export shall be determined by an independent surveyor. Each bag shall be marked with the name of the importing country and the purchase authorization number.

(7) *Schedule of Discounts on deficient protein and excess moisture or ash and either excess or deficient maltose (protein, ash and maltose will be on the basis of 14% moisture):*

If the flour exported does not meet the contract quality specifications as shown on the Form CCC-362, the approved price shall be reduced by the following schedule of discounts:

[Per each 100 pounds]

Excess ash	Excess moisture	Deficient protein
0.01—2 cents	0.1—2 cents	0.1—2 cents.
0.02—4 cents	0.2—4 cents	0.2—4 cents.
0.03—6 cents	0.3—6 cents	0.3—6 cents.
0.04—8 cents	0.4—8 cents	0.4—8 cents.
0.05—12 cents	0.5—12 cents	0.5—12 cents.
(1)	(1)	(1).

[1] Over 0.05—12 cents plus 12 cents for each 0.01 percent.

Flour with protein deficiency of more than 0.5 percent, excess moisture more than 0.5 percent, and ash content more than 0.53 percent will not be eligible for financing.

If specified in the terms of the contract, the approved price shall be reduced by the following schedule of discounts:

EXCESS OR DEFICIENT DIASTATIC ACTIVITY (MALTOSE CONTENT) BELOW 300 OR ABOVE 400 MG. FOR EACH 10 GRAMS PER EACH 100 LBS.

3 cents for 1–25 mg. maltose.
6 cents for 26–50 mg. maltose.
10 cents for 51–75 mg. maltose.
15 cents for 76–100 mg. maltose.

For each 25 mg. or fraction thereof maltose over 100 mg. plus 15 cents.

(C) *Feed grains in bulk or bags.*

(1) *Notifications of sale by supplier:* The supplier shall, immediately after the date of export sale, furnish a written or telegraphic notification of sale to the Office of the General Sales Manager (GSM), FAS, USDA, Washington, D.C. 20250. Such notification should not be withheld for performance of contract provisions which make a contract conditional on the occurrence of certain events, for instance, on the receipt of acceptable letters of credit or delivery instructions. Similarly, notifications should not be delayed pending receipt from a sales agent of individual contract numbers or buyers names and addresses for sales negotiated by the sale agent with a group of buyers under identical terms. Written notification of any contract amendments shall also be furnished to the GSM immediately after the date of the amendment. If the supplier fails to furnish the notification within 5 days after the date of export sale, or the date of an amendment to the contract if applicable, CCC shall have the right to refuse to finance the sale under the program. The following information shall be included in the written notification of the sale:

Supplier's name and address.
Purchase authorization number.
Name of importer.
Sales contract or order number, if any.
Date and time of sale.
Complete commodity description (give full contract specifications including quality factors).

If other than bulk shipment, show complete pack and package material specification.

Quantity expressed in contract units and bushels. Indicate separately, by percentage, the loading tolerance provided for in the contract (not to exceed 10 percent, more or less). If the contract does not provide for a loading tolerance, indicate "no loading tolerance." Also set forth separately contract options for additional quantities exercisable by the supplier or the foreign buyers. If there are no such options indicate "no options." Contract options for additional quantities exercisable by the supplier or foreign buyer shall not exceed 10 percent of the original contract quantity, exclusive of consideration of loading tolerance. Larger quantities must be contracted separately.

Price per contract unit and per bushel.

Delivery terms (f.o.b., f.a.s., etc.) and coastal range of export (specify Pacific, Gulf, Atlantic, Great Lakes, or St. Lawrence River ports and any option to be exercised by the exporter and/or foreign importer).

Contract delivery schedule.

Name and address of sales agent, if any.

The supplier will be notified by letter, and by telephone if requested from the GSM after receipt of the notification of sale or notification of any amendments to the contract as to whether or not the price is approved for financing.

When a price is disapproved, the supplier shall have 5 calendar days following the date of the notification of sale within which to submit a price which may be approved by the GSM. During such 5-day period, USDA will not recognize any new sale between the same supplier and foreign buyer in substitution of the original transaction. If an acceptable price is not submitted within such 5-day period, the original notification of sale, any subsequent notification of price adjustments and the related contract between supplier and the foreign buyer shall, for purposes of the price review program be considered null and void. Any subsequent negotiations after expiration of such 5-day period which result in a contract between the supplier and the same foreign buyer shall be subject to the submission of a new notification of sale.

(2) *Contract approval:* Contracts between supplier and importers made subject to the applicable purchase authorization shall be deemed to be conditioned on the approval by FAS, of the supplier, the supplier's agent, if any, and the contract price.

(3) *Weight and grade (bulk):* For feed grains in bulk, the weight shall be determined at point of loading to vessel and the grade shall be determined by an inspector holding a license under the U.S. Grain Standards Act or the Agricultural Marketing Act at point of loading to vessel.

(4) *Weight and grade (bags):* For feed grains in bags, the grade shall be determined by an inspector holding a license under the U.S. Grain Standards Act or the Agricultural Marketing Act not more than 15 days prior to loading to vessel while the feed grain was at port under the supervision of the Port Authority, and the feed grains shall be checkloaded by the Grain Division, C&MS, at the time of loading the feed grain for shipment to port for export or at time of loading the feed grain to vessel.

(5) *Transshipment:* To the extent that exportation of feed grain from a Canadian transshipment point is required in U.S.-flag vessels, the Form CCC-106 will require shipment of an equivalent quantity of U.S. feed grain from U.S. Great Lakes ports to the Canadian transshipment point via the St. Lawrence Seaway in U.S.-flag vessels.

(6) *Quality description:* Contracts shall provide for quality description in terms of the Official Grain Standards of the United States.

(7) *Dockage:* In determining the quantities to be shown on the supplier's invoice, for which the supplier invoices the importer, there shall be deducted the amount of any dockage where there is a separate percentage for dockage shown on the inspection certificate, except that dockage up to 2 percent for barley will not be deductible to the extent that the sales contract provides for a specified dockage allowance. Sales contracts for barley will not be approved if the dockage allowed exceeds 2 percent.

(D) *Corn Meal (edible).*

(1) *Notification of sale by supplier:* The supplier shall, immediately after the date of export sale, furnish a written or telegraphic notification of sale to the Office of the General Sales Manager (GSM), FAS, USDA, Washington, D.C. 20250. Such notification should not be withheld for performance of contract provisions which make a contract conditional on the occurrence of certain events, for instance, on the receipt of acceptable letters of credit or delivery instructions. Similarly, notifications should not be delayed pending receipt from a sales agent of individual contract numbers or buyers names and addresses for sales negotiated by the sales agent with a group of buyers under identical terms. Written notification of any contract amendments shall also be furnished to the GSM immediately after the date of the amendment. If the supplier fails to furnish the notification within 5 days after the date of export sale, or the date of an amendment to the contract if applicable, CCC shall have the right to refuse to finance the sale under the program. The following information shall be included in the written notification of the sale:

Supplier's name and address.
Purchase authorization number.
Name of importer.
Sales contract or order number, if any.
Date and time of sale.
Complete commodity description (give full contract specifications including quality factors).

Complete pack and package material specifications.

Quantity expressed in contract units and 100 pounds net weight. Indicate separately, by percentage, the loading tolerance provided for in the contract (not to exceed 10 percent, more or less). If the contract does not provide for a loading tolerance indicate "no loading tolerance." Also set forth separately contract options for additional quantities exercisable by the supplier or the foreign buyers. If there are no such options indicate "no options." Contract options for additional quantities exercisable by the supplier or foreign buyer shall not exceed 10 percent of the original contract quantity, exclusive of consideration of loading tolerance. Larger quantities must be contracted separately.

Price per contract unit and per 100 pounds.

Delivery terms (f.o.b., f.a.s., etc.) and coastal range of export (specify Pacific, Gulf, Atlantic, Great Lakes, or St. Lawrence River ports and any option to be exercised by the exporter and/or foreign importer).

Contract delivery schedule.

Name and address of sales agent, if any.

The supplier will be notified by letter, and by telephone if requested, from the GSM promptly after receipt of the notification of sale or notification of any amendment to the contract as to whether or not the price is approved for financing.

When a price is disapproved, the supplier shall have 5 calendar days following the date of the notification of sale within which to submit a price which may be approved by the GSM. During such 5-day period, USDA will not recognize any new sale between the same supplier and foreign buyer in substitution of the original transaction. If an acceptable price is not submitted within such 5-day period, the original notification of sale, any subsequent notification of price adjustments and the related contract between supplier and the foreign buyer shall, for purposes of the price review program be considered null and void. Any subsequent negotiations after expiration of such 5-day period which result in a contract between the supplier and the same foreign buyer shall be subject to the submission of a new notification of sale.

(2) *Contract approval:* Contracts between suppliers and importers made subject to the applicable purchase authorization shall be deemed to be conditioned on the approval by FAS, of the supplier, the supplier's agent, if any, and the contract price.

(3) *Specifications:* Corn meal shall be degermed yellow corn meal, Type II, Class B, Granulation 2, Color b. The corn meal shall conform with the requirements of Federal Specifications N–C–521–c (and shall meet all the requirements of sections 1 through 4 of such Federal Specifications).

(4) *Sampling, analysis, and weighing:*

(a) *Advice of contract specifications:* Ten (10) days prior to sampling the supplier shall furnish contract specifications regarding quality to the Grain Division, C&MS, USDA, Washington, D.C. 20250. The U.S. supplier shall submit, with the contract specifications, the names of the port(s) of exportation.

(b) *Sampling:* The drawing of samples shall be performed by the Inspection Branch, Grain Division, C&MS, at point of loading to vessel not more than fifteen (15) days prior to loading to vessel.

(c) *Recoopering of bags:* Recoopering of bags shall be the responsibility of the supplier and performed at his expense.

(d) *Analysis:* The quality of the corn meal exported shall be determined by the Inspection Branch, Grain Division, C&MS.

(e) *Weighing:* The corn meal to be exported shall be checkloaded at the mill at the time of loading to sealed cars or trucks for shipment to port of export, or at the port of export while the corn meal is at port under the control of the Port Authority by the Inspection Branch, Grain Division, C&MS, to determine (i) gross weight, (ii) net weight, and (iii) tare weight.

(f) *Bags specifications:* Compliance with contract specifications and suitability of bags for export shall be determined by an independent surveyor. Each bag shall be marked with the name of the importing country and the purchase authorization number.

(5) *Quality discount for corn meal—not meeting specifications:* If the quality of the corn meal does not meet the quality specifications required by paragraph (3) of this section, but falls within the limits listed below, the maximum price financed by CCC will be the contract price, less the applicable discount shown below for each 100 pounds of corn meal. Corn meal will not be financed which deviates from specifications more than the limits indicated below.

DISCOUNTS

Percent ash	Percent fat degermed	Percent moisture
0.60—0 cent	1.50—0 cent	13.5—0 cent.
0.70—1 cent	1.60—2 cents	13.6—2 cents.
0.80—2 cents	1.70—4 cents	13.7—4 cents.
0.90—4 cents	1.80—6 cents	13.8—6 cents.
1.00—6 cents	1.90—10 cents	13.9—8 cents.
1.10—8 cents	2.00—12 cents	14.0—12 cents.

GRANULATION

Not more than 20 percent through 80 sieve.
Not more than 30 percent through 45 sieve.
Not less than 90 percent through 25 sieve.
Not less than 99 percent through 20 sieve.

	Cents
1 percent off	1
2–3 percent off	2
4–5 percent off	3
6–7 percent off	5
8–10 percent off	7

(E) *Cracked corn or corn meal.*

(1) *Notification of sale by supplier:* The supplier shall, immediately after the date of export sale, furnish a written or telegraphic notification of sale to the Office of the General Sales Manager (GSM), FAS, USDA, Washington, D.C. 20250. Such notification should not be withheld for performance of contract provisions which make a contract conditional on the occurrence of certain events, for instance, on the receipt of acceptable letters of credit or delivery instructions. Similarly, notifications should not be delayed pending receipt from a sales agent of individual contract numbers or buyers names and addresses for sales negotiated by the sales agent with a group of buyers under identical terms. Written notification of any contract amendments shall also be furnished to the GSM immediately after the date of the amendment. If the supplier fails to furnish the notification within 5 days after the date of export sale, or the date of an amendment to the contract if applicable, CCC shall have the right to refuse to finance the sale under the program. The following information shall be included in the written notification of the sale:

Supplier's name and address.

Purchase authorization number.

Name of importer.

Sales contract or order number, if any.

Date and time of sale.

Complete commodity description (give full contract specifications including quality factors).

Complete pack and package material specification.

Quantity expressed in contract units and 100 pounds net weight. Indicate separately, by percentage, the loading tolerance provided for in the contract (not to exceed 10 percent, more or less). If the contract does not provide for a loading tolerance indicate "no loading tolerance." Also set forth separately contract options for additional quantities exercisable by the supplier or the foreign buyers. If there are no such options indicate "no options." Contract options for additional quantities exerciseable by the supplier or foreign buyer shall not exceed 10 percent of the original contract quantity, exclusive of consideration of loading tolerance. Larger quantities must be contracted separately.

Price per contract unit and per 100 pounds.

Delivery terms (f.o.b., f.a.s., etc.) and coastal range of export (specify Pacific, Gulf, Atlantic, Great Lakes or St. Lawrence River ports and any option to be exercised by the exporter and/or foreign importer).

Contract delivery schedule.

Name and address of sales agent, if any.

The supplier will be notified by letter, and by telephone if requested, from the GSM promptly after receipt of the notification of sale or notification of any amendments to the contract as to whether or not the price is approved for financing.

When a price is disapproved, the supplier shall have 5 calendar days following the date of the notification of sale within which to submit a price which may be approved by the GSM. During such 5-day period, USDA will not recognize any new sale between the same supplier and foreign buyer in substitution of the original transaction. If an acceptable price is not submitted within such 5-day period, the original notification of sale, any subsequent notification of price adjustments and the related contract between supplier and the foreign buyer shall, for purposes of the price review program be considered null and void. Any subsequent negotiations after expiration of such 5-day period which result in a contract between the supplier and the same foreign buyer shall be subject to the submission of a new notification of sale.

(2) *Contract approval:* Contracts between suppliers and importers made subject to the applicable purchase authorization shall be deemed to be conditioned on the approval by FAS, of the supplier, the supplier's agent if any, and the contract price.

(3) *Inspection and weight:* The yellow corn from which the commodity was processed must grade No. 4 or better as determined by an inspector holding a license under the U.S. Grain Standards Act. The processed commodity shall be checkloaded by or under the supervision of the Grain Division, C&MS, at the time of loading for shipment to port for export or at time of loading to vessel.

(4) *Kind and size of bags:* The contract shall specify the kind and size of bags and whether such bags are new or used.

(F) *Soybean oil or cottonseed oil.*

(1) *Notification of sale by supplier:* The supplier shall, immediately after the date of export sale, furnish a written or telegraphic notification of sale to the Office of the General Sales Manager (GSM), FAS, USDA, Washington, D.C. 20250. Such notification should not be withheld for performance of contract provisions which make a contract conditional on the occurrence of certain events, for instance, on the receipt of acceptable letters of credit or delivery instructions. Similarly, notification should not be delayed pending receipt from a sales agent of individual contract numbers or buyers names and addresses for sales negotiated by the sales agent with a group of buyers under identical terms. Written notification of any contract amendments shall also be furnished to the GSM immediately after the date of the amendment. If the supplier fails to furnish the notification within 5 days after the date of export sale, or the date of an amendment to the contract if applicable, CCC shall have the right to refuse to finance the sale under the program. The following information shall be included in the written notification of the sale:

Supplier's name and address.

Purchase authorization number.

Name of importer.

Sales contract or order number, if any.

Date of sale.

Complete commodity description (give full contract specifications including quality factors).

If other than bulk shipment, show complete pack and package material specification.

Quantity expressed in contract units and pounds. Indicate separately, by percentage, the loading tolerance provided for in the contract (not to exceed 10 percent, more or less). If the contract does not provide for

a loading tolerance indicate "no loading tolerance." Also set forth separately contract options for additional quantities exercisable by the supplier or the foreign buyers. If there are no such options indicate "no options." Contract options for additional quantities exercisable by the supplier or foreign buyer shall not exceed 10 percent of the original contract quantity, exclusive of consideration of loading tolerance. Larger quantities must be contracted separately.

Price per contract unit and per pound.

Delivery terms (f.o.b., f.a.s., etc.) and coastal range of export (specify Pacific, Gulf, Atlantic, Great Lakes or St. Lawrence River ports and any option to be exercised by the exporter and/or foreign importer).

Contract delivery schedule.

Name and address of sales agent, if any.

The supplier will be notified by letter, and by telephone if requested, from the GSM promptly after receipt of the notification of sale or notification of any amendments to the contract as to whether or not the price is approved for financing.

When a price is disapproved, the supplier shall have 5 calendar days following the date of the notification of sale within which to submit a price which may be approved by the GSM. During such 5-day period, USDA will not recognize any new sale between the same supplier and foreign buyer in substitution of the original transaction. If an acceptable price is not submitted within such 5-day period, the original notification of sale, any subsequent notification of price adjustments and the related contract between supplier and the foreign buyer shall, for purposes of the price review program, be considered null and void. Any subsequent negotiations after expiration of such 5-day period which result in a contract between the supplier and the same foreign buyer shall be subject to the submission of a new notification of sale.

(2) *Contract approval:* Contracts between suppliers and importers made subject to the applicable purchase authorization shall be deemed to be conditioned on the approval by FAS, of the supplier, the supplier's agent if any, and the contract price.

(3) *Quality and containers:* Contracts for cottonseed and/or soybean oil will not be eligible for financing unless the oil meets quality specifications as provided in the applicable purchase authorization. If the commodity is to be purchased in drums, they must be new or reconditioned drums, if in barrels, they must be new barrels, and if in bags, the contract must state the type, size and weight of the bags.

(4) *Sampling and analysis:*

(a) Ten (10) days prior to sampling the supplier must furnish contract specifications regarding quality, in duplicate, to the Program Operations Division, FAS, USDA, Washington, D.C. 20250, together with the name and address of the persons, firms or agency that will perform the sampling and analysis service and the location of the oil and dates when available for sampling.

(b) The drawing of samples and laboratory analysis may be performed by the Inspection Branch, Grain Division, C&MS, or by independent surveyor(s) and commercial laboratories mutually agreeable to the importer and the supplier. The chemical analysis by commercial laboratories must be performed under procedures prescribed in the Trading Rules of the National Soybean Processors Association, or in the Trading Rules of the National Cottonseed Products Association.

If the services are performed by independent surveyor(s) and commercial laboratories, FAS may at any time request the Inspection Branch, Grain Division, C&MS, to draw check samples and perform check analysis. The cost of such check sampling and analysis will be for the account of CCC.

(c) *Bulk oil:* For bulk oil, the samples shall be obtained in accordance with American Oil Chemists' Society Method C 1–47.

(d) *Oil in drums or barrels:* For oil in drums or barrels, samples shall be drawn not more than 30 days prior to onboard date shown on the ocean bill of lading, while the containers are being filled.

(e) *Flakes in bags:* For flakes in bags, samples shall be drawn from 10 percent of bags selected at random at the time and point of loading to vessel.

(5) *Weighing:* Determination of weight shall be by an independent surveyor or independent weighmaster.

(a) *Bulk oil:* The weight shall be determined at the time of loading aboard the vessel.

(b) *Oil in drums or barrels:* The weight of the oil in drums or barrels shall be determined at time of filling the containers.

(c) *Flakes in bags:* The weight of flakes in bags shall be determined at the time of filling the bags.

(6) *Surveying of containers:*

(a) *Bulk oil:* Each tank into which the oil is to be loaded shall be examined by an independent surveyor prior to loading to determine that the tank(s) are clean and otherwise suitable for receipt of the oil.

(b) *Oil in drums:* Drums shall be examined, prior to filling, by an independent surveyor. The drums shall be new or reconditioned and shall be rejected if mechanically unsound, contaminated with previous contents, or printed with labels or markings for other commodities. The weight of each drum shall be determined at the time of inspection for the purpose of establishing the tare and weight.

(c) *Oil in barrels:* Barrels must be new and shall be examined prior to filling by an independent surveyor. They shall be rejected if mechanically unsound, or printed with labels or markings for other commodities. The weight of each barrel shall be determined at the time of inspection for the purposes of establishing the tare weight.

(d) *Flakes in bags:* Suitability of bags for export and compliance with contract specifications shall be determined by an independent surveyor.

(7) *Markings:* Markings requested by the importer shall be stenciled on the drums, barrels or bags and shall include the name or symbol of the supplier, the purchase authorization number and the name of the importing country.

(G) *Unmanufactured and/or tobacco products.*

(1) *Unmanufactured tobacco.*

(a) *Prices, loading on vessel, and weights:* A determination that the supplier's prices are not in excess of the prices which may be approved pursuant to the regulations shall be made by the Producer Associations Division, ASCS, Washington, D.C. 20250, following examination at port of loading to vessel. The following certificates shall be required: (i) For tobacco examined at the loading pier, a certification by an official of the port authority that the tobacco was loaded on board vessel; and (ii) for tobacco examined at a public warehouse in the port area, a certification by a warehouse official that the tobacco was consigned to the port authority and a certification by an official of the port authority that such tobacco was received and was loaded aboard vessel. Weights shall be determined as provided in the Tobacco Export Program Regulations (31 F.R. 12997) as amended.

(b) *Notification of sale by supplier:* As soon as possible after the contract is signed and at least 10 days prior to exportation the supplier must notify the Director, Producer Associations Division, ASCS, USDA, Washington, D.C. 20250, of the date and port at which the tobacco or tobacco products will be available for examination together with contract data as follows:

Supplier's name and address.

Purchase authorization number.

Country of destination.

Commodity description including hogshead or shipping numbers, grade, number of cases, type, and selling price per hundred weight.

Name and address of the sales agent, if any.

Such additional information as may be required by the Director, Producer Associations Division, ASCS.

(c) *Markings:* In addition to other markings required by the importer, there shall be stenciled on each hogshead or case the hogshead or case number (or designated shipping number), gross weight, purchase authorization number and name of country of destination.

(d) *Costs of inspection and other services:* Any costs involved in the examination of the tobacco, and for services of port officials, warehouse officials and weighmasters as required by these regulations will be for the account of the supplier.

(e) *Contents:* The unmanufactured tobacco shall not include cigar cuttings, cigar trimmings, siftings, stems (except the stem of the leaf sold), homogenized leaf, or scrap: *Provided, however,* That the cigar types of tobacco processed into "short filler" lengths shall not be considered scrap.

(2) *Tobacco products, cigarettes, and/or packaged and cut tobacco.*

(a) *CCC financing:* The portion of the contracted price which will be financed by CCC, unless otherwise specified in the purchase authorization, is as follows:

Cigarettes:

Nonfilter Standard Brands (including all-tobacco tip standard brands) $2.25 per thousand.

Filter and "Economy" brands—$1.75 per thousand.

Pipe and Cut Tobacco—75 percent of the unit price.

(b) *Contracts:* All contracts between suppliers and importers shall state:

The tobacco products, the quantity, the contract unit price, and the total contract price of such product.

The portion of the contract unit price of the tobacco product to be financed by CCC which represents the unmanufactured U.S. leaf tobacco used in its manufacture. (The portion of total contract price to be financed by CCC computed in accordance with subparagraph (a) above will be the basis for the completion of Blocks 18, 19, and 20 of Form CCC–329 (Reverse).

The portion of the unit price of the tobacco product to be financed by the importer. Commissions to sales agents are not to be reported in Blocks 13, 14, and 15 of Form CCC–329 (Reverse), since CCC financing represents only the value of the unmanufactured leaf content used in the manufacture of the product.

(3) *Tobacco products—cased and shredded tobacco.*

(a) *Price, loading on vessel, and weights:* A determination that the supplier's prices are not in excess of the prices which may be approved pursuant to the regulations shall be made by the Producer Associations Division, ASCS, Washington, D.C. 20250, following examination at port of loading to vessel. In the case of tobacco examined at the loading pier, a certification by an official of the port authority that the tobacco was loaded on board vessel is required; and in the case of tobacco examined at a public warehouse in the port area, a certification by a warehouse official that the tobacco was consigned to the port authority and a certification by an official of the port authority that such tobacco was received and was

loaded aboard vessel are required. Weights shall be determined as provided in the Tobacco Export Program Regulations (31 F.R. 12997) or as amended.

(b) *Notification of sale by supplier:* As soon as possible after the contract is signed and at least 10 days prior to exportation the supplier must notify the Director, Producer Associations Division, ASCS, USDA, Washington, D.C. 20250, of the date and port at which the tobacco or tobacco products will be available for examination together with contract data as follows:

Supplier's name and address.
Purchase authorization number.
Country of destination.

The basis of the contract in terms of the f.a.s. (vessel) value of the untreated case or shredded tobacco to be included in the tobacco products as follows:

Grade	No. Hhds. or cases	Net Weight	Type	F.a.s. vessel value per Hundred Weight

The time and place at which the cased or shredded tobacco may be examined immediately prior to processing and the tobacco product sampled immediately after processing.

Name and address of the sales agent, if any.

Such additional information as may be required by the Director, Producer Associations Division, ASCS.

(c) *Markings:* In addition to other markings required by the importer, there shall be stenciled on each hogshead or case the hogshead or case number (or designated shipping number), gross weight, purchase authorization number and name of the country of destination.

(d) *Costs of inspection and other services:* Any cost involved in the examination of the tobacco, and for services of port officials, warehouse officials and weighmasters as required by these regulations will be for the account of the supplier.

(e) *Contents:* The unmanufactured leaf from which the tobacco product is made shall not include cigar cuttings, cigar trimmings, siftings, stems (except the stem of the leaf sold), homogenized leaf, or scrap: Provided, however, the cigar types of tobacco processed into "short filler" lengths shall not be considered scrap.

(f) *CCC financing exclusive of any freight and insurance:* CCC financing exclusive of any freight and insurance will be the lesser of (i) the amount determined by CCC to represent the f.a.s. value of the untreated cased tobacco or shredded tobacco contained in the tobacco products, or (ii) the contract price less the cost of the flavoring, casing material, and other tobacco added including its application, as evidenced by FAS Form 480–C.

(g) *Contracts:* All contracts between suppliers and importers shall state:

The tobacco product, the quantity, the contract unit price, and the total contract price of such product;

The portion of the contract unit price of the tobacco product to be financed by CCC which represents the unmanufactured U.S. leaf tobacco used in its manufacture;

The portion of the unit price of the tobacco product to be financed by the importer.

(h) *Supplier's certificate, Form CCC–329:* The Invoice and Contract Abstract part of this form will be prepared on the basis of the applicable tobacco product covered in this section.

(H) *Rice, milled and/or brown in bags and/or bulk:*

(1) *Rice Export Program:* Contracts will not be eligible for financing unless the supplier has complied with the requirements of the "Rice Export Program (GR–369), Terms and Conditions" as amended or revised, as they pertain to sales pursuant to these regulations. The above shall apply even though the export payment is zero.

(2) *Contract approval:* Contracts between suppliers and importers shall be deemed to be conditioned on the approval by FAS, of the supplier, the supplier's agent, if any, and the contract price. Contracts shall be expressed in price terms per cwt., and in the unit price to be used in invoicing as well. Both the price per cwt. and such other unit price as may be intended for use shall be entered on Form CCC–421, Declaration of Sale.

(3) *Prices:* Supplier's sales price will not be approved for financing if such price exceeds: (a) The prevailing range of export market prices as determined under Section 17.7 of these regulations, and (b) The price stated in the applicable purchase authorization for milled rice, basis U.S. No. 5 (maximum 20 percent broken kernels), in 100 lb. bags, f.a.s. Gulf and West Coast ports, or comparable prices for other varieties, grades, qualities, packaging specifications, and delivery points as determined by the General Sales Manager, FAS, less in either case the applicable export payment rate under Rice Export Program (GR–369), as amended or revised.

Comparable prices may be obtained from the Office of GSM, FAS, Washington, D.C. 20250.

(4) *Weights and grades:*

(a) *Rice in bags:* The rice shall be check loaded by or under the supervision of the Grain Division, C&MS, at time of loading the rice for shipment to port for export, or at time of loading of rice to ocean vessel as shown on a Commodity Examination Report, Form GR–116.

Grades shall be determined by lot inspection by or under the supervision of the Grain Division, C&MS, made not more than 15 days prior to loading to ocean vessel while the rice was at port under the supervision of the Port Authority.

(b) *Rice in bulk:* For rice in bulk, weights shall be obtained at point of loading to ocean vessel; *or* if the supplier has obtained approval from the Director, Program Operations Division, FAS, to furnish weights to be taken at point other than at point of loading to ocean vessel, weights shall be 99.5 percent of the weight shown on a weight certificate (weights to be taken at time of loading to barge less a deduction for the weight of any rice loaded onto the barge which was not unloaded into the ocean vessel, or to be the difference between heavy and light weights of rail car or truck loading direct to ocean vessel). The supplier shall obtain a copy of a Commodity Examination Report, Form GR–116, issued by or under the supervision of the Grain Division, C&MS, which shows that the rice was transferred from the carrier to ocean vessel in the manner specified in the letter of approval from the Director, Program Operations Division, FAS, and containing a notification regarding any rice not so transferred.

Grades shall be determined by lot inspection by or under the supervision of the Grain Division, C&MS, at point of loading to ocean vessel.

(I) *Dry edible beans:*

(1) *Notification of sale by supplier:* The supplier shall, immediately after the date of export sale, furnish a written or telegraphic notificattion of sale to the Office of the General Sales Manager (GSM), FAS, USDA, Washington, D.C. 20250. Such notification should not be withheld for performance of contract provisions which make a contract conditional on the occurrence of certain events, for instance, on the receipt of acceptable letters of credit or delivery instructions. Similarly, notification should not be delayed pending receipt from a sales agent of individual contract numbers or buyers names and addresses for sales negotiated by the sales agent with a group of buyers under identical terms. Written notification of any contract amendments shall also be furnished to the GSM immediately after the date of the amendment. If the supplier fails to furnish the notification within 5 days after the date of export sale, or the date of an amendment to the contract if applicable, CCC shall have the right to refuse to finance the sale under the program. The following information shall be included in the written notification of the sale:

Supplier's name and address.
Purchase authorization number.
Name of importer.
Sales contract or order number, if any.
Date and time of sale.

Complete commodity description (give full contract specifications including quality factors).

Complete pack and package material specification.

Quantity expressed in contract units and in 100 pounds net weight.

Indicate separately, by percentage, the loading tolerance provided for in the contract (not to exceed 10 percent, more or less). If the contract does not provide for a loading tolerance indicate "no loading tolerance." Also set forth separately contract options for additional quantities exercisable by the supplier or the foreign buyers. If there are no such options indicate "no options." Contract options for additional quantities exercisable by the supplier or foreign buyer, shall not exceed 10 percent of the original contract quantity, exclusive of consideration of loading tolerance. Larger quantities must be contracted separately.

Price per contract unit and per 100 pounds net weight.

Delivery terms (f.o.b., f.a.s., etc.) and coastal range of export (specify Pacific, Gulf, Atlantic, Great Lakes or St. Lawrence River ports and any option to be exercised by the exporter and/or foreign importer).

Contract delivery schedule.

Name and address of sales agent, if any.

The supplier will be notified by letter, and by telephone if requested, from the GSM promptly after receipt of the notification of sale or notification of any amendments to the contract as to whether or not the price is approved for financing.

When a price is disapproved, the supplier shall have five calendar days following the date of the notification of sale within which to submit a price which may be approved by the GSM. During such 5-day period, USDA will not recognize any new sale between the same supplier and foreign buyer in substitution of the original transaction. If an acceptable price is not submitted within such 5-day period, the original notification of sale, any subsequent notification of price adjustments and the related contract between supplier and the foreign buyer shall, for purposes of the price review program, be considered null and void. Any subsequent negotiations after expiration of such 5-day period which result in a contract between the supplier and the same foreign buyer shall be subject to the submission of a new notification of sale.

(2) *Contract approval:* Contracts between suppliers and importers shall be deemed to be conditioned on the approval by FAS, of the supplier, the supplier's agent if any, and the contract price.

(3) *Quality:* Quality description shall be in terms of the U.S. Standards for beans.

(4) *Weights and grades:* The beans shall be checkloaded by the Grain Division, C&MS,

at time of loading the beans for shipment to port for export, or at time of loading of the beans to vessel; and grade shall be determined by or under the supervision of the Grain Division, C&MS, not more than 15 days prior to loading to vessel while the beans were at port under the supervision of the Port Authority.

(J) *Dry edible peas:*

(1) *Notification of sale by supplier:* The supplier shall, immediately after the date of export sale, furnish a written or telegraphic notification of sale to the Office of the General Sales Manager (GSM), FAS, USDA, Washington, D.C. 20250. Such notification should not be withheld for performance of contract provisions which make a contract conditional on the occurrence of certain events, for instance, on the receipt of acceptable letters of credit or delivery instructions. Similarly, notification should not be delayed pending receipt from a sales agent of individual contract numbers or buyers names and addresses for sales negotiated by the sales agent with a group of buyers under identical terms. Written notification of any contract amendments shall also be furnished to the GSM immediately after the date of the amendment. If the supplier fails to furnish the notification within 5 days after the date of export sale, or the date of an amendment to the contract if applicable, CCC shall have the right to refuse to finance the sale under the program. The following information shall be included in the written notification of the sale:

Supplier's name and address.
Purchase authorization number.
Name of importer.
Sales contract or order number, if any.
Date and time of sale.
Complete commodity description (give full contract specifications including quality factors).
Complete pack and packaging material specification.
Quantity expressed in contract units and in 100 pounds net weight.
Indicate separately, by percentage, the loading tolerance provided for in the contract (not to exceed 10 percent, more or less). If the contract does not provide for a loading tolerance indicate "no loading tolerance." Also set forth separately contract options for additional quantities exercisable by the supplier or the foreign buyers. If there are no such options indicate "no options." Contract options for additional quantities exercisable by the supplier or foreign buyer shall not exceed 10 percent of the original contract quantity, exclusive of consideration of loading tolerance. Larger quantities must be contracted separately.
Price per contract unit and per 100 pounds net weight.
Delivery terms (f.o.b., f.a.s., etc.) and coastal range of export (specify Pacific, Gulf, Atlantic, Great Lakes or St. Lawrence River ports and any option to be exercised by the exporter and/or foreign importer).
Contract delivery schedule.
Name and address of sales agent, if any.

The supplier will be notified by letter, and by telephone if requested, from the GSM promptly after receipt of the notification of sale or notification of any amendments to the contract as to whether or not the price is approved for financing.

When a price is disapproved, the supplier shall have 5 calendar days following the date of the notification of sale within which to submit a price which may be approved by the GSM. During such 5-day period, USDA will not recognize any new sale between the same supplier and foreign buyer in substitution of the original transaction. If an acceptable price is not submitted within such 5-day period, the original notification of sale, any subsequent notification of price adjustments and the related contract between supplier and the foreign buyer shall for purposes of the price review program, be considered null and void. Any subsequent negotiations after expiration of such 5-day period which result in a contract between the supplier and the same foreign buyer shall be subject to the submission of a new notification of sale.

(2) *Contract approval:* Contracts between suppliers and importers made subject to the applicable purchase authorization shall be deemed to be conditioned on the approval by the FAS, of the supplier, the supplier's agent, if any, and the contract price.

(3) *Quality:* Quality description shall be in terms of the U.S. Standards for dry peas.

(4) *Weights and grades:* The peas shall be checkloaded by or under the supervision of the Grain Division, C&MS, at time of loading the peas for shipment to port for export or at time of loading of the peas to vessel; and grade shall be determined by or under the supervision of the Grain Division, C&MS, not more than 15 days prior to loading to vessel while the peas were at port under the supervision of the Port Authority.

(K) *Tallow (inedible):*

(1) *Notification of sale by supplier:* The supplier shall, immediately after the date of export sale, furnish a written or telegraphic notification of sale to the Office of the General Sales Manager (GSM), FAS, USDA, Washington, D.C. 20250. Such notification should not be withheld for performance of contract provisions which make a contract conditional on the occurrence of certain events, for instance, on the receipt of acceptable letters of credit or delivery instructions. Similarly, notifications should not be delayed pending receipt from a sales agent of individual contract numbers or buyers names and addresses for sales negotiated by the sales agent with a group of buyers under identical terms. Written notification of any contract amendments shall also be furnished to the GSM immediately after the date of the amendment. If the supplier fails to furnish the notification within 5 days after the date of export sale, or the date of an amendment to the contract if applicable, CCC shall have the right to refuse to finance the sale under the program. The following information shall be included in the written notification of the sale:

Supplier's name and address.
Purchase authorization number.
Name of importer.
Sales contract or order number, if any.
Date of sale.
Complete commodity description (give full contract specifications including quality factors).
If other than bulk shipment, show complete pack and package material specification.
Quantity expressed in contract units and in pounds. Indicate separately, by percentage, the loading tolerance provided for in the contract (not to exceed 10 percent, more or less). If the contract does not provide for a loading tolerance indicate "no loading tolerance."
Also set forth separately contract options for additional quantities exercisable by the supplier or the foreign buyers. If there are no such options indicate "no options." Contract options for additional quantities exercisable by the supplier or foreign buyer shall not exceed 10 percent of the original contract quantity, exclusive of consideration of loading tolerance. Larger quantities must be contracted separately.
Price per contract unit and per pound.
Delivery terms (f.o.b., f.a.s., etc.) and coastal range of export (specify Pacific, Gulf, Atlantic, Great Lakes or St. Lawrence River ports and any option to be exercised by the exporter and/or foreign importer).
Contract delivery schedule.
Name and address of sales agent, if any.

The supplier will be notified by letter, and by telephone if requested, from the GSM promptly after receipt of the notification of sale or notification of any amendments to the contract as to whether or not the price is approved for financing.

When a price is disapproved, the supplier shall have 5 calendar days following the date of the notification of sale within which to submit a price which may be approved by the GSM. During such 5-day period, USDA will not recognize any new sale between the same supplier and foreign buyer in substitution of the original transaction. If an acceptable price is not submitted within such 5-day period, the original notification of sale, any subsequent notification of price adjustments and the related contract between supplier and the foreign buyer shall, for purposes of the price review program, be considered null and void. Any subsequent negotiations after expiration of such 5-day period which result in a contract between the supplier and the same foreign buyer shall be subject to the submission of a new notification of sale.

(2) *Contract approval:* Contracts between suppliers and importers made subject to the applicable purchase authorization shall be deemed to be conditioned on the approval by the FAS, of the supplier, the supplier's agent if any, and the contract price.

(3) *Quality description* shall be as defined in the "Rules of the New York Produce Exchange for Animal Oils and Fats" (Export Contract for Bulk Tallows and Greases) that are in effect the date the contract is entered into. The minimum quality eligible for financing shall be "Special Grade." In the case of "Special Grade" inedible tallow, no tolerances will be applicable. If the contract provides for "Prime Grade" or better tolerances and discounts as provided in the NYPE rules will apply.

(4) *Sampling and analysis:*

(a) Ten (10) days prior to sampling the supplier must furnish contract specifications regarding quality, in duplicate, to the Program Operations Division, FAS, together with a citation to the name and address of the persons, firms or agency that will perform the sampling and analysis service and the location of the tallow and dates when available for sampling.

(b) The drawing of samples and laboratory analysis may be performed by the Meat Grading Branch, Livestock Division, C&MS, or by independent surveyors and commercial laboratories mutually agreeable to the importer and the supplier. If the services are performed by independent surveyor(s) and commercial laboratories, FAS may at any time request the Meat Grading Branch, Livestock Division, C&MS, to draw check samples and perform check analysis. The cost of such check sampling and analysis will be for the account of CCC.

(c) *Bulk tallow:* For bulk tallow, the samples shall be obtained in accordance with the American Oil Chemists' Society Method C1–47.

(d) *Tallow in drums:* For tallow in drums, samples must be obtained at the time of filling drums. Samples shall be drawn from at least 5 percent of the drums, but in all cases the higher of 10 drums or 5 percent of the total drums in the lot shall be sampled. The samples from each 1,000 drum lot or portion thereof shall be composited and a single sample drawn from the composited sample for analysis.

(5) *Weighing:* Determination of weight shall be by an independent weighmaster or independent surveyor or by the Meat Grading Branch, Livestock Division, C&MS.

(a) *Bulk tallow:* The weight shall be determined at the time of loading aboard vessel.

(b) *Tallow in drums:* The weight of the tallow in drums shall be determined at the time of filling drums.

(6) *Kind of drums:* The drums must be new or reconditioned.

(7) *Surveying of containers:* Suitability of the tanks, holds, or drums for export shall be determined by an independent surveyor or by the Meat Grading Branch, Livestock Division, C&MS.

(a) *Bulk tallow:* Each tank or hold into which the tallow is to be loaded shall be examined by an independent surveyor or by the Meat Grading Branch, Livestock Division, C&MS, prior to loading to determine that the tanks are clean and in such condition as not to contaminate the product and that the tank is otherwise acceptable for receipt of tallow.

(b) *Tallow in drums:* Drums shall be examined, prior to filling, by an independent surveyor or the Meat Grading Branch, Livestock Division, C&MS. The drums shall be new or reconditioned and shall be rejected if mechanically unsound, contaminated with previous contents, or printed with labels or markings for other commodities. The weight of each drum shall be determined at the time of inspection for the purpose of establishing the tare weight.

(8) *Markings:* Markings requested by the importer shall be stenciled on the drums, and shall include the name or symbol of the supplier, purchase authorization number, the name of the importing country, and the work "inedible."

(L) *Lard:*

(1) *Notification of sale by supplier:* The supplier shall, immediately after the date of export sale, furnish a written or telegraphic notification of sale to the Office of the General Sales Manager (GSM), FAS, USDA, Washington, D.C. 20250. Such notification should not be withheld for performance of contract provisions which make a contract conditional on the occurrence of certain events, for instance, on the receipt of acceptable letters of credit or delivery instructions. Similarly, notifications should not be delayed pending receipt from a sales agent of individual contract numbers or buyers names and addresses for sales negotiated by the sales agent with a group of buyers under identical terms. Written notification of any contract amendments shall also be furnished to the GSM immediately after the date of the amendment. If the supplier fails to furnish the notification within 5 days after the date of export sale, or the date of an amendment to the contract if applicable, CCC shall have the right to refuse to finance the sale under the program. The following information shall be included in the written notification of the sale:

Supplier's name and address.
Purchase authorization number.
Name of importer.
Sales contract or order number, if any.
Date of sale.

Complete commodity description (give full contract specifications including quality factors).

If other than bulk shipment, show complete pack and package material specifications.

Quantity expressed in contract units and in pounds. Indicate separately, by percentage, the loading tolerance provided for in the contract (not to exceed 10 percent, more or less). If the contract does not provide for a loading tolerance indicate "no loading tolerance."

Also set forth separately contract options for additional quantities exercisable by the supplier or the foreign buyers. If there are no such options indicate "no options." Contract options for additional quantities exercisable by the supplier or foreign buyer shall not exceed 10 percent of the original contract quantity, exclusive of consideration of loading tolerance. Larger quantities must be contracted separately.

Price per contract unit and per pound.

Delivery terms (f.o.b., f.a.s., etc.) and coastal range of export (specify Pacific, Gulf, Atlantic, Great Lakes or St. Lawrence River ports and any option to be exercised by the exporter and/or foreign importer).

Contract delivery schedule.

Name and address of sales agent, if any.

The supplier will be notified by letter, and by telephone if requested, from the GSM promptly after receipt of the notification of sale or notification of any amendments to the contract as to whether or not the price is approved for financing.

When a price is disapproved, the supplier shall have 5 calendar days following the date of the notification of sale within which to submit a price which may be approved by the GSM. During such 5-day period, USDA will not recognize any new sale between the same supplier and foreign buyer in substitution of the original transaction. If an acceptable price is not submitted within such 5-day period, the original notification of sale, any subsequent notification of price adjustments and the related contract between supplier and the foreign buyer shall, for purposes of the price review program, be considered null and void. Any subsequent negotiations after expiration of such 5-day period which result in a contract between the supplier and the same foreign buyer shall be subject to the submission of a new notification of sale.

(2) *Contract approval:* Contracts between suppliers and importers made subject to the applicable purchase authorization shall be deemed to be conditioned on the approval by the FAS, USDA, of the supplier, the supplier's agent if any and the contract price.

(3) *Quality:* Quality description shall be as defined in Federal Specifications No. EE–S–321–b (Shortening Compound and Lard), as amended.

(4) *Advice of contract specifications:* The supplier must furnish contract specifications, regarding quality and packaging to the meat inspection office of the Processed Meat Inspection Division, C&MS, having supervision of his establishment.

(5) *Wholesomeness, specifications, and weight:* The Processed Meat Inspection Division, C&MS, shall make determination as to the wholesomeness of the lard. The Meat Grading Branch, Livestock Division, C&MS, shall make determinations at the point of origin as to compliance with specifications and as to weight and shall also make determination at dockside as to quantity and condition of containers and that the product is the same as that examined at the point of origin.

(6) *Markings:* Labeling and marking of cans and shipping containers shall be in accordance with the regulations, as amended, of the Processed Meat Inspection Division, C&MS.

(M) *Poultry (Frozen chickens and turkeys):*

(1) *Notification of sale by supplier:* The supplier shall, immediately after the date of export sale, furnish a written or telegraphic notification of sale to the Office of the General Sales Manager (GSM), FAS, USDA, Washington, D.C. 20250. Such notification should not be withheld for performance of contract provisions which make a contract conditional on the occurrence of certain events, for instance, on the receipt of acceptable letters of credit or delivery instructions. Similarly, notifications should not be delayed pending receipt from a sales agent of individual contract numbers or buyers names and addresses for sales negotiated by the sales agent with a group of buyers under identical terms. Written notification of any contract amendments shall also be furnished to the GSM immediately after the date of the amendment. If the supplier fails to furnish the notification within 5 days after the date of export sale, or the date of an amendment to the contract if applicable, CCC shall have the right to refuse to finance the sale under the program. The following information shall be included in the written notification of the sale:

Supplier's name and address.
Purchase authorization number.
Name of importer.
Sales contract or order number, if any.
Date of sale.

Complete commodity description (give full contract specifications including quality factors).

Details of package, label, and shipping container material specifications.

Quantity expressed in contract units and pounds. Indicate separately, by percentage, the loading tolerance provided for in the contract (not to exceed 10 percent, more or less). If the contract does not provide for a loading tolerance indicate "no loading tolerance." Also set forth separately contract options for additional quantities exercisable by the supplier or the foreign buyers. If there are no such options indicate "no options." Contract options for additional quantities exercisable by the supplier or foreign buyer shall not exceed 10 percent of the original contract quantity, exclusive of consideration of loading tolerance. Larger quantities must be contracted separately.

Price per contract unit and per pound.

Delivery terms (f.o.b., f.a.s., etc.) and coastal range of export (specify Pacific, Gulf, Atlantic, Great Lakes or St. Lawrence River ports and any option to be exercised by the exporter and/or foreign importer).

Contract delivery schedule.

Name and address of sales agent, if any.

The supplier will be notified by letter, and by telephone if requested, from the GSM promptly after receipt of the notification of sale or notification of any amendments to the contract as to whether or not the price is approved for financing.

When a price is disapproved, the supplier shall have 5 calendar days following the date of the notification of sale within which to submit a price which may be approved by the GSM. During such 5-day period, USDA will not recognize any new sale between the same supplier and foreign buyer in substitution of the original transaction. If an acceptable price is not submitted within such 5-day period, the original notification of sale, any subsequent notification of price adjustments and the related contract between supplier and the foreign buyer shall, for purposes of the price review program, be considered null and void. Any subsequent negotiations after expiration of such 5-day period which result in a contract between the supplier and the same foreign buyer shall be subject to the submission of a new notification of sale.

(2) *Contract approval:* Contracts between suppliers and importers made subject to the applicable purchase authorization shall be deemed to be conditioned on the approval by FAS of the supplier, the supplier's agent if any, and the contract price.

(3) *Advice of contract specifications:* The supplier shall notify the Grading Branch, Poultry Division, C&MS, USDA, Washington, D.C. 20250, sufficiently in advance to permit USDA inspectors to plan inspection of the poultry.

(4) *Slaughtering:* The slaughtering shall be performed according to contracts between suppliers and importers.

(5) *Packaging and markings:*

(a) *Whole birds* shall be individually packaged in a bag of shrinkable film or wrapped in shrinkable film. If bags are used

they shall be vacuumed and sealed with a clip or any other suitable closure which will maintain the seal. If the whole birds are wrapped in sheets of shrinkable film, the film shall be heat sealed and shrunk.

(b) *Parts* shall be tray-packed in a shrinkable film or polyethylene wrap which can be heat-sealed. All bags and wraps shall bear the phrase "Product of U.S.A." Brand names may also be included.

(6) *Shipping containers:*

(a) *For chickens* the shipping containers shall comply with the requirements for Level A as set forth in section 5 of Federal Specifications PP–C–248e, as amended.

(b) *For turkeys* the shipping containers shall comply with the requirements for Level A as set forth in section 5 of Federal Specifications PP–T–791f, as amended.

(c) Each shipping container shall be marked with an official inspection and a grade mark issued by the Poultry Division, C&MS.

(7) *Grading and weight certificates:* Each lot must be wholesome and meet the requirements of the special provisions of the applicable purchase authorization, if any, with respect to class, condition, packaging, weight and quality. Determination shall be made at shipside and at the inland inspection point in the United States, by the Poultry Division, C&MS, evidencing wholesomeness, class, condition, packaging, weight, and quality.

(N) *Canned milk (sweetened condensed and/or evaporated):*

(1) *Notification of sale by supplier:* The supplier shall, immediately after the date of export sale, furnish a written or telegraphic notification of sale to the Office of the General Sales Manager (GSM), FAS, USDA, Washington, D.C. 20250. Such notification should not be withheld for performance of contract provisions which make a contract conditional on the occurrence of certain events, for instance, on the receipt of acceptable letters of credit or delivery instructions. Similarly, notifications should not be delayed pending receipt from a sales agent of individual contract numbers or buyers names and addresses for sales negotiated by the sales agent with a group of buyers under identical terms. Written notifications of any contract amendments shall also be furnished to the GSM immediately after the date of the amendment. If the supplier fails to furnish the notification within 5 days after the date of export sale, or the date of an amendment to the contract if applicable, CCC shall have the right to refuse to finance the sale under the program. The following information shall be included in the written notification of the sale:

Supplier's name and address.
Purchase authorization number.
Name of importer.
Sales contract or order number, if any.
Date of sale.

Complete commodity description (give full contract specifications including quality factors).

Details of package, label, and shipping container material specifications.

Quantity expressed in contract units and pounds.

Indicated separately, by percentage, the loading tolerance provided for in the contract (not to exceed 10 percent, more or less). If the contract does not provide for a loading tolerance indicate "no loading tolerance." Also set forth separately contract options for additional quantities exercisable by the supplier or the foreign buyers. If there are no such options indicate "no options." Contract options for additional quantities exercisable by the supplier or foreign buyer shall not exceed 10 percent of the original contract quantity, exclusive of consideration of loading tolerance. Larger quantities must be contracted separately.

Price per contract unit and per pound.

Delivery terms (f.o.b., f.a.s., etc.) and coastal range of export (specify Pacific, Gulf, Atlantic, Great Lakes, or St. Lawrence River ports and any option to be exercised by the exporter and/or foreign importer).

Contract delivery schedule.

The supplier will be notified by letter, and by telephone if requested, from the GSM promptly after receipt of the notification of sale or notification of any amendments to the contract as to whether or not the price is approved for financing.

When a price is disapproved, the supplier shall have 5 calendar days following the date of the notification of sale within which to submit a price which may be approved by the GSM. During such 5-day period, USDA will not recognize any new sale between the same supplier and foreign buyer in substitution of the original transaction. If an acceptable price is not submitted within such 5-day period, the original notification of sale, any subsequent notification of price adjustments, and the related contract between supplier and the foreign buyer shall, for purposes of the price review program, be considered null and void. Any subsequent negotiations after expiration of such 5-day period which result in a contract between the supplier and the same foreign buyer shall be subject to the submission of a new notification of sale.

(2) *Contract approval:* Contracts between suppliers and importers made subject to the applicable purchase authorization shall be deemed to be conditioned on the approval by the FAS, of the supplier, the supplier's agent if any, and the contract price.

(3) *Quality:* Quality and packaging shall be as specified in the contract between the supplier and the importer.

(4) *Sweetened condensed milk:* Quality and composition for sweetened condensed milk shall comply with the following requirements:

(a) The product shall contain not less than 28-percent total milk solids, not less than 8.5-percent milk fat, and not less than 61.5 percent sugar (sucrose) in water ratio.

(b) The product shall possess a sweet, pleasing, desirable flavor of a milk and sugar mixture with not more than a definite cooked flavor.

(c) The color of the product shall be white to light cream and free from visible brown specks. The product shall be of uniform consistency and appearance free from fat separation, lumps, and may possess not more than very slight lactose precipitation. The product, at 75° F., shall be sufficiently viscous that upon being poured it piles up above the surface of the previously poured milk but does not retain a definite form.

(d) Determination shall be made by the Inspection and Grading Branch, Dairy Division, C&MS, showing the quality, condition, and weight of the sweetened condensed milk; that the sweetened condensed milk was packaged in accordance with the requirements of the contract between the supplier and importer; and that the requirements of section 17.8(d) of these regulations were complied with.

(5) *Evaporated milk.*

(a) Quality and composition for the evaporated milk shall comply with sections 3.3 and 3.4 of Federal Specifications C–M–37b(1), as amended.

(b) Determination shall be made by the Inspection and Grading Branch, Dairy Division, C&MS, showing the quality, condition, and weight of the evaporated milk; that the evaporated milk was packaged in accordance with the requirements of the contract between the supplier and the importer; and that the requirements of section 17.8(d) of these regulations were complied with.

(6) *Advice of contract specifications:* The supplier must furnish contract specifications, regarding quality, packaging, and the location of the milk and dates available for sampling to the Inspection and Grading Branch, Dairy Division, C&MS, USDA, Washington, D.C. 20250.

(7) *Labels:* Canned milk exported with a brand label attached to the unit container shall conform to the following:

The label shall be printed or lithographed and shall contain a statement clearly establishing the commodity as being produced, processed, and packaged in U.S.A. Stamped or stenciled label information will not be acceptable.

(O) *Nonfat dry milk:*

(1) *Notification of sale by supplier:* The supplier shall, immediately after the date of export sale, furnish a written or telegraphic notification of sale to the Office of the General Sales Manager (GSM), FAS, USDA, Washington, D.C. 20250. Such notification should not be withheld for performance of contract provisions which make a contract conditional on the occurrence of certain events, for instance, on the receipt of acceptable letters of credit or delivery instructions. Similarly, notifications should not be delayed pending receipt from a sales agent of individual contract numbers or buyers names and addresses for sales negotiated by the sales agent with a group of buyers under identical terms. Written notification of any contract amendments shall also be furnished to the GSM immediately after the date of the amendment. If the supplier fails to furnish the notification within 5 days after the date of export sale, or the date of an amendment to the contract if applicable, CCC shall have the right to refuse to finance the sale under the program. The following information shall be included in the written notification of the sale:

Supplier's name and address.
Purchase authorization number.
Name of importer.
Sales contract or order number, if any.
Date of sale.

Complete commodity description (give full contract specifications including quality factors).

Details of package, label, and shipping container material specifications.

Quantity expressed in contract units and pounds. Indicate separately, by percentage, the loading tolerance provided for in the contract (not to exceed 10 percent, more or less).

If the contract does not provide for a loading tolerance indicate "no loading tolerance." Also set forth separately contract options for additional quantities exercisable by the supplier or the foreign buyers. If there are no such options indicate "no options." Contract options for additional quantities exercisable by the supplier or foreign buyer shall not exceed 10 percent of the original contract quantity, exclusive of consideration of loading tolerance. Larger quantities must be contracted separately.

Price per contract unit and per pound.

Delivery terms (f.o.b., f.a.s., etc.) and coastal range of export (specify Pacific, Gulf, Atlantic, Great Lakes or St. Lawrence River ports and any option to be exercised by the exporter and/or foreign importer).

Contract delivery schedule.

Name and address of sales agent, if any.

The supplier will be notified by letter, and by telephone if requested, from the GSM promptly after receipt of the notification of sale or notification of any amendments to the contract as to whether or not the price is approved for financing.

When a price is disapproved, the supplier shall have 5 calendar days following the date of the notification of sale within which to submit a price which may be approved

by the GSM. During such 5-day period, USDA will not recognize any new sale between the same supplier and foreign buyer in substitution of the original transaction. If an acceptable price is not submitted within such 5-day period, the original notification of sale, any subsequent notification of price adjustments and the related contract between supplier and the foreign buyer shall for purposes of the price review program be considered null and void. Any subsequent negotiations after expiration of such 5-day period, which result in a contract between the supplier and the same foreign buyer shall be subject to the submission of a new notification of sale.

(2) *Contract approval:* Contracts between suppliers and importers made subject to the applicable purchase authorization shall be deemed to be conditioned on the approval by the FAS, of the supplier, the supplier's agent if any, and the contract price.

(3) *Quality:* Quality and packaging shall be as specified in the contract between the supplier and importer. Quality shall be in accordance with U.S. Standards for Grades of nonfat dry milk effective July 1, 1958, as amended.

(4) *Advice of contract specifications:* The supplier must furnish contract specifications, regarding quality and packaging, the location of the milk and dates available for sampling to the Inspection and Grading Branch, Dairy Division, C&MS, USDA, Washington, D.C. 20250.

(5) *Grade and weight:* Determinations shall be made by the Inspection and Grading Branch, Dairy Division, C&MS, showing the grade and weight of the nonfat dry milk, that the milk was packaged in accordance with the requirements of the contract between supplier and the importer, and that the requirements of section 17.8(d) of these regulations were complied with.

(6) *Labels:* Nonfat dry milk exported with a brand label attached to the unit container shall conform to the following:

The label shall be printed or lithographed and shall contain a statement clearly establishing the commodity as being produced, processed, and packaged in U.S.A. Stamped and stenciled label information will not be acceptable.

(P) *Dry whole milk:*

(1) *Notification of sale by supplier:* The supplier shall, immediately after the date of export sale, furnish a written or telegraphic notification of sale to the Office of the General Sales Manager (GSM), FAS, USDA, Washington, D.C. 20250. Such notification should not be withheld for performance of contract provisions which make a contract conditional on the occurrence of certain events, for instance, on the receipt of acceptable letters of credit or delivery instructions. Similarly, notifications should not be delayed pending receipt from a sales agent of individual contract numbers or buyers names and addresses for sales negotiated by the sales agent with a group of buyers under identical terms. Written notification of any contract amendments shall also be furnished to the GSM, immediately after the date of the amendment. If the supplier fails to furnish the notification within 5 days after the date of export sale, or the date of an amendment to the contract if applicable, CCC shall have the right to refuse to finance the sale under the program. The following information shall be included in the written notification of the sale:

Supplier's name and address.
Purchase authorization number.
Name of importer.
Sales contract or order number, if any.
Date of sale.

Complete commodity description (give full contract specifications including quality factors).

Details of package, label, and shipping container material specifications.

Quantity expressed in contract units and pounds. Indicate separately, by percentage, the loading tolerance provided for in the contract (not to exceed 10 percent, more or less). If the contract does not provide for a loading tolerance indicate "no loading tolerance." Also set forth separately contract options for additional quantities exercisable by the supplier or the foreign buyers. If there are no such options indicate "no options." Contract options for additional quantities exercisable by the supplier or foreign buyer shall not exceed 10 percent of the original contract quantity, exclusive of consideration of loading tolerance. Larger quantities must be contracted separately.

Price per contract unit and per pound.

Delivery terms (f.o.b., f.a.s., etc.) and coastal range of export (specify Pacific, Gulf, Atlantic, Great Lakes or St. Lawrence River ports and any option to be exercised by the exporter and/or foreign importer).

Contract delivery schedule.

Name and address of sales agent, if any.

The supplier will be notified by letter, and by telephone if requested, from the GSM promptly after receipt of the notification of sale or notification of any amendments to the contract as to whether or not the price is approved for financing.

When a price is disapproved, the supplier shall have 5 calendar days following the date of the notification of sale within which to submit a price which may be approved by GSM. During such 5-day period, USDA will not recognize any new sale between the same supplier and foreign buyer in substitution of the original transactions. If an acceptable price is not submitted within such 5-day period, the original notification of sale, any subsequent notification of price adjustments and the related contract between supplier and the foreign buyer shall for purposes of the price review program be considered null and void. Any subsequent negotiations after expiration of such 5-day period which result in a contract between the supplier and the same foreign buyer shall be subject to the submission of a new notification of sale.

(2) *Contract approval:* Contracts between suppliers and importers made subject to the applicable purchase authorization shall be deemed to be conditioned on the approval by FAS of the supplier, the supplier's agent if any and the contract price.

(3) *Quality:* Quality and packaging shall be as specified in the contract between the supplier and the importer. Quality shall be in accordance with U.S. Standards for Grades of Dry Whole Milk, as amended.

(4) *Advice of contract specifications:* The supplier must furnish contract specifications regarding quality and packaging and the location of the milk and dates available for sampling to the Inspection and Grading Branch, Dairy Division, C&MS, USDA, Washington, D.C. 20250.

(5) *Grade and weights:* Determinations shall be made by the Inspection and Grading Branch, Dairy Division, C&MS, showing the grade and weight of the dry whole milk; that the dry whole milk was packaged in accordance with the requirements of the contract between the supplier and the importer; and that the requirements of Section 17.8(d) of these regulations were complied with.

(6) *Labels:* Dry whole milk exported with a brand label attached to the unit container shall conform to the following:

The label shall be printed or lithographed and shall contain a statement clearly establishing the commodity as being produced, processed, and packaged in the U.S.A. Stamped or stenciled label information will not be acceptable.

(Q) *Butter:*

(1) *Notification of sale by supplier:* The supplier shall, immediately after the date of export sale, furnish a written or telegraphic notification of sale to the Office of the General Sales Manager (GSM), FAS, USDA, Washington, D.C. 20250. Such notification should not be withheld for performance of contract provisions which make a contract conditional on the occurrence of certain events, for instance, on the receipt of acceptable letters of credit or delivery instructions. Similarly, notifications should not be delayed pending receipt from a sales agent of individual contract numbers or buyers names and addresses for sales negotiated by the sales agent with a group of buyers under identical terms. Written notifications of any contract amendments shall also be furnished to the GSM immediately after the date of the amendment. If the supplier fails to furnish the notification within 5 days after the date of export sale, or the date of an amendment to the contract if applicable, CCC shall have the right to refuse to finance the sale under the program. The following information shall be included in the written notification of the sale:

Supplier's name and address.
Purchase authorization number.
Name of importer.
Sales contract or order number, if any.
Date of sale.

Complete commodity description (give full contract specifications including quality factors).

Details of package, label, and shipping container material specifications.

Quantity expressed in contract units and pounds. Indicate separately, by percentage, the loading tolerance provided for in the contract (not to exceed 10 percent, more or less). If the contract does not provide for a loading tolerance indicate "no loading tolerance." Also set forth separately contract options for additional quantities exercisable by the supplier or the foreign buyers. If there are no such options indicate "no options." Contract options for additional quantities exercisable by the supplier or foreign buyer shall not exceed 10 percent of the original contract quantity, exclusive of consideration of loading tolerance. Larger quantities must be contracted separately.

Price per contract unit and per pound.

Delivery terms (f.o.b., f.a.s., etc.) and coastal range of export (specify Pacific, Gulf, Atlantic, Great Lakes or St. Lawrence River ports and any option to be exercised by the exporter and/or foreign importer).

Contract delivery schedule.

Name and address of sales agent, if any.

The supplier will be notified by letter, and by telephone if requested, from the GSM after receipt of the notification of sale or notification of any amendments to the contract as to whether or not the price is approved for financing.

When a price is disapproved, the supplier shall have 5 calendar days following the date of the notification of sale within which to submit a price which may be approved by the GSM. During such 5-day period, USDA will not recognize any new sale between the same supplier and foreign buyer in substitution of the original transactions. If an acceptable price is not submitted within such 5-day period, the original notification of sale, any subsequent notification of price adjustments and the related contract between supplier and the foreign buyer shall for purposes of the price review program be considered null and void. Any subsequent negotiations after expiration of such 5-day period which result in a contract between the supplier and the same foreign buyer shall be subject to the submission of a new notification of sale.

(2) *Contract approval:* Contracts between suppliers and importers made subject to the applicable purchase authorization shall be deemed to be conditioned on the approval by

the FAS, of the supplier, the supplier's agent if any and the contract price.

(3) *Quality:* Quality and packaging shall be as specified in the contract between the supplier and the importer. Quality shall be in accordance with U.S. Standards for Grade of Butter, as amended. If the butter is unsalted the ph shall be less than 5 but not less than 4.6.

(4) *Advice of contract specifications:* The supplier must furnish contract specifications, regarding quality and packaging and the location of the butter and dates available for sampling to the Inspection and Grading Branch, Dairy Division, C&MS, USDA, Washington, D.C. 20250.

(5) *Grade and weight:* Determination shall be made by the Inspection and Grading Branch, Dairy Division, C&MS, showing the quality condition, and weight of the butter; that the butter was packaged in accordance with the requirements of the contract between the supplier and the importer; and that the requirements of section 17.8(d) of these regulations were complied with.

(6) *Labels:* Butter exported with a brand label attached to the unit container shall conform to the following:

The label shall be printed or lithographed and shall contain a statement clearly establishing the commodity as being produced, processed, and packaged in USA. Stamped or stenciled label information will not be acceptable.

(R) *Anhydrous milk fat or anhydrous butter fat or butteroil:*

(1) *Notification of sale by supplier:* The supplier shall, immediately after the date of export sale, furnish a written or telegraphic notification of sale to the Office of the General Sales Manager (GSM), FAS, USDA, Washington, D.C. 20250. Such notification should not be withheld for performance of contract provisions which make a contract conditional on the occurrence of certain events, for instance, on the receipt of acceptable letters of credit or delivery instructions. Similarly, notifications should not be delayed pending receipt from a sales agent of individual contract numbers or buyers names and addresses for sales negotiated by the sales agent with a group of buyers under identical terms. Written notification of any contract amendments shall also be furnished to the GSM immediately after the date of the amendment. If the supplier fails to furnish the notification within 5 days after the date of export sale, or the date of an amendment to the contract if applicable, CCC shall have the right to refuse to finance the sale under the program. The following information shall be included in the written notification of the sale:

Supplier's name and address.
Purchase authorization number.
Name of importer.
Sale contract or order number, if any.
Date of sale.
Complete commodity description (give full contract specifications including quality factors).
Details of package, label, and shipping container material specifications.
Quantity expressed in contract units and pounds. Indicate separately, by percentage, the loading tolerance provided for in the contract (not to exceed 10 percent, more or less). If the contract does not provide for a loading tolerance indicate "no loading tolerance." Also set forth separately contract options for additional quantities exercisable by the supplier or the foreign buyers. If there are such options indicate "no options." Contract options for additional quantities exercisable by the supplier or foreign buyer shall not exceed 10 percent of the original contract quantity exclusive of consideration of loading tolerance. Larger quantities must be contracted separately.
Price per contract unit and per pound.
Delivery terms (f.o.b., f.a.s., etc.) and coastal range of export (specify Pacific, Gulf, Atlantic, Great Lakes or St. Lawrence River ports and any option to be exercised by the exporter and/or foreign importer).
Contract delivery schedule.
Name and address of sales agent, if any.

The supplier will be notified by letter, and by telephone if requested from the GSM promptly after receipt of the notification of sale or notification of any amendments to the contract as to whether or not the price is approved for financing.

When a price is disapproved, the supplier shall have 5 calendar days following the date of the notification of sale within which to submit a price which may be approved by the GSM. During such 5-day period, USDA will not recognize any new sale between the same supplier and foreign buyer in substitution of the original transaction. If an acceptable price is not submitted within such 5-day period, the original notification of sale, any subsequent notification of price adjustments and related contract between supplier and the foreign buyer shall for purposes of the price review program be considered null and void. Any subsequent negotiations after expiration of such 5-day period which result in a contract between the supplier and the same foreign buyer shall be subject to the submission of a new notification of sale.

(2) *Contract approval:* Contracts between suppliers and importers made subject to the applicable purchase authorization shall be deemed to be conditioned on the approval by the FAS, of the supplier, the supplier's agent if any, and the contract price.

(3) *Anhydrous milk fat or anhydrous butter fat:*

(a) The anhydrous milk fat must have been unmanufactured from fresh sweet cream produced in the continental United States from which Grade A or better butter could be manufactured. The anhydrous butter fat must have been manufactured U.S. Grade A or better unsalted butter not over 30 days old.

(b) The finished product shall be free from lumps and large crystals such as produced by slow cooling. The color shall be uniform and of a normal yellow better color. The flavor and odor of the product shall be sweet and clean; free from rancid, tallowy, fishy, cheesy, soapy, scorched, storage or other objectionable flavors and colors.

(c) The product shall meet the following analytical requirements:

Milk fat	Not less than 99.8 percent.
Moisture	Not more than 0.1 percent.
Copper	Not more than 0.10 p.p.m.[1]
Peroxide value	Not more than 0.5 mill equivalent per kilogram of fat.
Free fatty acid	Not more than 0.3 percent.

[1] If all equipment and utensils coming into direct contact with the product during processing do not show exposed copper and are made of non-copper-bearing metals or alloys and testing of product indicated compliance with requirements, subsequent testing for copper shall be on a reduced basis. Testing one lot from each contract or spot testing on a 3-month basis, may be considered adequate provided no exposed surfaces of copper are observed and testing shows compliance, otherwise each production lot shall be tested.

(4) *Butteroil:*

(a) The color shall be uniform, normal yellow butter. The flavor and odor shall be bland, and free from rancid, tallowy, cheesy, soapy, scorched, storage or other objectionable flavors and odors.

(b) Butteroil shall meet the following analytical requirements:

Milk fat	Not less than 99.6 percent.
Moisture	Not more than 0.3 percent.

Other butter constituents not more than 0.1 percent of which salt shall be not more than 0.05 percent.

Copper	Not more than 0.1 p.p.m.[1]
Peroxide value	Not more than 0.5 mill equivalent per kilogram of fat.
Free fatty acid	Not more than 0.5 percent.

[1] If all equipment and utensils coming in direct contact with the product during processing do not show exposed copper and are made of non-copper-bearing metals or alloys and testing of product indicated compliance with requirements, subsequent testing for copper shall be on a reduced basis. Testing one lot from each contract may be considered adequate provided no exposed surfaces of copper are observed and testing show compliance, otherwise each production lot will be tested.

(5) *Processing supervision:* The processing of the anhydrous milk fat, anhydrous butter fat and butteroil shall be under the supervision of the Inspection and Grading Branch, Dairy Division, C&MS.

(6) *Advice of contract specifications:* The supplier must furnish contract specification regarding quality and packaging and the location of the commodities and dates available for sampling to the Inspection and Grading Branch, Dairy Division, C&MS, USDA, Washington, D.C. 20250.

(7) *Grade and weight:* Determinations shall be made by the Inspection and Grading Branch, Dairy Division, C&MS, showing the quality, condition, and weight of the product, that the product was packaged in accordance with the requirements of the contract between the supplier and the importer; and that the requirements of section 17.8(d) of these regulations were complied with.

(8) *Labels:* Products exported with a brand label attached to the unit container shall conform to the following:

The label shall be printed or lithographed and shall contain a statement clearly establishing the commodity as being produced, processed, and packaged in U.S.A. Stamped or stenciled label information will not be acceptable.

(S) *Cheese (cheddar and/or process):*

(1) *Notification of sale by supplier:* The supplier shall, immediately after the date of export sale, furnish a written or telegraphic notification of sale to the Office of the General Sales Manager (GSM), FAS, USDA, Washington, D.C. 20250. Such notification should not be withheld for performance of contract provisions which make a contract conditional on the occurrence of certain events, for instance, on the receipt of acceptable letters of credit or delivery instructions. Similarly, notifications should not be delayed pending receipt from a sales agent of individual contract numbers or buyers names and addresses for sales negotiated by the sales agent with a group of buyers under identical terms. Written notifications of any contract amendments shall also be furnished to the GSM immediately after the date of the amendment. If the supplier fails to furnish the notification within 5 days after the date of export sale, or the date of an amendment to the contract if applicable, CCC shall have the right to refuse to finance the sale under the program. The following

information shall be included in the written notification of the sale.

Supplier's name and address.
Purchase authorization number.
Name of importer.
Sales contract or order number, if any.
Date of sale.
Complete commodity description (give full contract specifications including quality factors).
Details of package, label, and shipping container material specifications.
Quantity expressed in contract units and pounds. Indicate separately, by percentage, the loading tolerance provided for in the contract (not to exceed 10 percent, more or less).

If the contract does not provide for a loading tolerance indicate "no loading tolerance." Also set forth separately contract options for additional quantities exercisable by the supplier or the foreign buyers. If there are no such options indicate "no options." Contract options for additional quantities exercisable by the supplier or foreign buyer shall not exceed 10 percent of the original contract quantity, exclusive of consideration of loading tolerance. Larger quantities must be contracted separately.

Price per contract unit and per pound.
Delivery terms (f.o.b., f.a.s., etc.) and coastal range of export (specify Pacific, Gulf, Atlantic, Great Lakes, or St. Lawrence River ports and any option to be exercised by the exporter and/or foreign importer).
Contract delivery schedule.
Name and address of sales agent, if any.

The supplier will be notified by letter, and by telephone if requested, from the GSM promptly after receipt of the notification of sale or notification of any amendments to the contract as to whether or not the price is approved for financing.

When a price is disapproved, the supplier shall have 5 calendar days following the date of the notification of sale within which to submit a price which may be approved by the GSM. During such 5-day period, USDA will not recognize any new sale between the same supplier and foreign buyer in substitution of the original transaction. If an acceptable price is not submitted within such 5-day period, the original notification of sale, any subsequent notification of price adjustments and the related contract between supplier and the foreign buyer shall for purposes of the price review program be considered null and void. Any subsequent negotiations after expiration of such 5-day period which result in a contract between the supplier and the same foreign buyer shall be subject to the submission of a new notification of sale.

(2) *Contract approval:* Contracts between the supplier and the importer made subject to the applicable purchase authorization shall be deemed to be conditioned on the approval by the FAS, of the supplier, the supplier's agent if any, and the contract price.

(3) *Quality:* Quality and packaging shall be as specified in the contract between the supplier and the importer.

(a) Quality for cheddar cheese shall be in accordance with U.S. Standards for Grades of Cheddar Cheese, as amended.

(b) The quality for pasteurized process cheese shall meet the requirements of Federal Specification C–C 291a, Cheese, Process Pasteurized, as amended, for Type I (Process American) or Type III (Process Cheddar). In addition, for process cheese packaged in cans the pH shall be in the range of 5.5 to 5.7.

(4) *Grade and weight:* Determinations shall be made by the Inspection and Grading Branch, Dairy Division, C&MS, showing the quality, condition and weight of the cheese; that the cheese was packaged in accordance with the requirements of the contract between the supplier and the importer; and that the requirements of section 17.8(d) of these regulations were complied with.

(5) *Advice of contract specifications:* The supplier must furnish contract specifications, regarding quality and packaging, the location of the products, and dates available for sampling, to the Inspection and Grading Branch, Dairy Division, C&MS, USDA, Washington, D.C. 20250.

(6) *Labels:* Cheese exported with a brand label attached to the unit container shall conform to the following:

The label shall be printed or lithographed and shall contain a statement clearly establishing the commodity as being produced, processed, and packaged in U.S.A. Stamped or stenciled label information will not be acceptable.

(T) *Ghee:*

(1) *Notification of sale by supplier:* The supplier shall, immediately after the date of export sale, furnish a written or telegraphic notification of sale to the Office of the General Sales Manager (GSM), FAS, USDA, Washington, D.C. 20250. Such notification should not be withheld for performance of contract provisions which make a contract conditional on the occurrence of certain events, for instance, on the receipt of acceptable letters of credit or delivery instructions. Similarly, notifications should not be delayed pending receipt from a sales agent of individual contract numbers or buyers names and addresses for sales negotiated by the sales agent with a group of buyers under identical terms. Written notification of any contract amendments shall also be furnished to the GSM, immediately after the date of the amendment. If the supplier fails to furnish the notification within 5 days after the date of export sale, or the date of an amendment to the contract, if applicable, CCC shall have the right to refuse to finance the sale under the program. The following information shall be included in the written notification of the sale:

Supplier's name and address.
Purchase authorization number.
Name of importer.
Sales contract or order number, if any.
Date of sale.
Complete commodity description (give full contract specifications including quality factors).
Details of package, label, and shipping container material specifications.
Quantity expressed in contract units and pounds. Indicate separately, by percentage, the loading tolerance provided for in the contract (not to exceed 10 percent, more or less). If the contract does not provide for a loading tolerance indicate "no loading tolerance." Also set forth separately contract options for additional quantities exercisable by the supplier or the foreign buyers. If there are no such options indicate "no options." Contract options for additional quantities exercisable by the supplier or foreign buyer shall not exceed 10 percent of the original contract quantity, exclusive of consideration of loading tolerance. Larger quantities must be contracted separately.
Price per contract unit and per pound.
Delivery terms (f.o.b., f.a.s., etc.) and coastal range of export (specify Pacific, Gulf, Atlantic, Great Lakes, or St. Lawrence River ports and any option to be exercised by the exporter and/or foreign importer).
Contract delivery schedule.
Name and address of sales agent, if any.

The supplier will be notified by letter, and by telephone if requested, from the GSM promptly after receipt of the notification of sale or notification of any amendments to the contract as to whether or not the price is approved for financing.

When a price is disapproved, the supplier shall have 5 calendar days following the date of the notification of sale within which to submit a price which may be approved by the GSM. During such 5-day period, USDA will not recognize any new sale between the same supplier and foreign buyer in substitution of the original transaction. If an acceptable price is not submitted within such 5-day period, the original notification of sale, any subsequent notification of price adjustments and the related contract between supplier and the foreign buyer shall, for purposes of the price review program, be considered null and void. Any subsequent negotiations after expiration of such 5-day period which result in a contract between the supplier and the same foreign buyer shall be subject to the submission of a new notification of sale.

(2) *Contract approval:* Contracts between suppliers and importers made subject to the applicable purchase authorization shall be deemed to be conditioned on the approval by FAS, of the supplier, the supplier's agent if any, and the contract price.

(3) *Quality:* Quality and packaging shall be as specified in the contract between the supplier and the importer.

(4) *Specifications:* The ghee shall have a pleasant flavor and odor. It may have a slightly cooked or caramelized flavor. The product shall have a uniform, typical grainy texture characteristic of ghee. When melted it shall be transparent, clear and practically free from curd.

The product shall meet the following analytical requirements:

Milk fat	Not less than 99.6 percent.
Copper	Not more than 0.1 p.p.m.[1]
Peroxide value	Not more than 0.5 milliequivalent per kilogram of fat.
Free fatty acid	Not more than 0.5 percent.

[1] If all equipment and utensils coming in direct contact with the product during processing do not show exposed copper and are made of non-copper-bearing metals or alloys and testing of product indicated compliance with requirements, subsequent testing for copper shall be on a reduced basis. Testing one lot from each contract may be considered adequate provided no exposed surfaces of copper are observed and testing shows compliance, otherwise each production lot will be tested.

The processing of ghee shall be under the supervision of the Inspection and Grading Branch, Dairy Division, C&MS.

(5) *Advice of contract specifications:* The supplier must furnish contract specifications, regarding quality and packaging and the location of the ghee and dates available for sampling to the Inspection and Grading Branch, Dairy Division, C&MS, USDA, Washington, D.C. 20250.

(6) *Grade and weight:* Determinations shall be made by the Inspection and Grading Branch, Dairy Division, C&MS, showing the quality, condition, and weight of the ghee, that the ghee was packaged in accordance with the requirements of the contract between the supplier and the importer and the requirements of section 17.8(d) of these regulations were complied with.

(7) *Label:* Ghee exported hereunder with a brand label attached to the unit container shall conform to the following:

The label shall be printed or lithographed and shall contain a statement clearly establishing the commodity as being produced, processed, and packaged in the U.S.A. Stamped or stenciled label information will not be acceptable.

(U) *Stabilized dried whole eggs:*

(1) *Notification of sale by supplier:* The supplier shall, immediately after the date of export sale, furnish a written or telegraphic notification of sale to the Office of the General Sales Manager (GSM), FAS, USDA,

Washington, D.C. 20250. Such Notification should not be withheld for performance of contract provisions which make a contract conditional on the occurrence of certain events, for instance, on the receipt of acceptable letters of credit or delivery instructions. Similarly, notifications should not be delayed pending receipt from a sales agent of individual contract numbers or buyers names and addresses for sales negotiated by the sales agent with a group of buyers under identical terms. Written notifications of any contract amendments shall also be furnished to the GSM immediately after the date of the amendment. If the supplier fails to furnish the notification within 5 days after the date of export sale, or the date of an amendment to the contract if applicable, CCC shall have the right to refuse to finance the sale under the program. The following information shall be included in the written notification of the sale:

Supplier's name and address.

Purchase authorization number.

Name of importer.

Sales contract or order number, if any.

Date of sale.

Complete commodity description including type of process (give full contract specifications including quality factors).

Details of package, whether gas packed, label and shipping container material specifications.

Quantity expressed in contract units and pounds. Indicate separately, by percentage, the loading tolerance provided for in the contract (not to exceed 10 percent, more or less). If the contract does not provide for a loading tolerance indicate "no loading tolerance." Also set forth separately contract options for additional quantities exercisable by the supplier or the foreign buyers. If there are no such options indicate "no options." Contract options for additional quantities exercisable by the supplier or foreign buyer shall not exceed 10 percent of the original contract quantity, exclusive of consideration of loading tolerance. Larger quantities must be contracted separately.

Price per contract unit and per pound.

Delivery terms (f.o.b., f.a.s., etc.) and coastal range of export (specify Pacific, Gulf, Atlantic, Great Lakes or St. Lawrence River ports and any option to be exercised by the exporter and/or the foreign importer).

Contract delivery schedule.

Name and address of sales agent, if any.

The supplier will be notified by letter, and by telephone if requested, from the GSM after receipt of the notification of sale or notification of any amendments to the contract as to whether or not the price is approved for financing.

When a price is disapproved, the supplier shall have 5 calendar days following the date of the notification of sale within which to submit a price which may be approved by the GSM. During such 5-day period, USDA will not recognize any new sale between the same supplier and foreign buyer in substitution of the original transaction. If an acceptable price is not submitted within such 5-day period, the original notification of sale, any subsequent notification of price adjustments and the related contract between supplier and the foreign buyer shall, for purposes of the price review program, be considered null and void. Any subsequent negotiations after expiration of such 5-day period which result in a contract between the supplier and the same foreign buyer shall be subject to the submission of a new notification of sale.

(2) *Contract approval:* Contract between the supplier and the importer made subject to the applicable purchase authorization shall be deemed to be conditioned on the approval by FAS, of the supplier, the supplier's agent, if any, and the contract price.

(3) *USDA approved processors:* The stabilized dried whole eggs purchased under the applicable purchase authorization must be produced only by processors who are USDA approved establishments under the supervision of the Grading Branch, Poultry Division, C&MS, and shall be inspected in accordance with the regulations contained in the Code of Federal Regulations, "Grading and Inspection of Egg Products", as amended.

(4) *Quality:* Quality and packaging shall be as specified in the contract between the supplier and the importer. Quality shall be in accordance with Schedule SS Revised, Dried Whole Egg Solids (Stabilized) Specifications as amended.

(5) *Advice of contract specifications:* The supplier must furnish contract specifications regarding quality and packaging and the locations of the eggs and dates available for sampling to the Grading Branch, Poultry Division, C&MS, USDA, Washington, D.C. 20250.

(6) *Grade and weights:* Determinations shall be made by the Grading Branch, Poultry Division, C&MS, at the processing plant showing the quality, condition, and weight of the dried eggs; that the eggs were packaged in accordance with the requirements of the contract between the supplier and the importer, and that the requirements of section 17.8(d) of these regulations were complied with. Determinations shall also be made at shipside, prior to export, by the Grading Branch, Poultry Division, C&MS, that the lot(s) meet the requirement(s) of the contract and that the product is the same as that previously examined at the processing plant.

(7) *Markings:* Each shipping container shall be marked with the Official Inspection Mark (shield) as approved by the Poultry Division, C&MS.

(8) *Labels:* Stabilized dried whole eggs exported with a brand label attached to the unit container shall comply with the Code of Federal Regulations, "Grading and Inspection of Egg Products", as amended. The label shall be printed or lithographed and shall contain a statement clearly establishing the commodity as being produced, processed, and packaged in U.S.A. Stamped or stenciled label information will not be acceptable.

(V) *Upland cotton:*

(1) *Notification of sale by the supplier:* The supplier shall, within 5 days from the date of export sale, furnish the Director, ASCS Commodity Office, Wirth Building, 120 Marais Street, New Orleans, La. 70112, with a copy of his sales confirmation, and if the supplier fails to do so, CCC shall have the right to refuse to finance the sale under the program. The supplier must furnish the name and address of the sales agent, if any.

(2) *Price confirmation:* The ASCS Commodity Office will undertake, on behalf of CCC, to check the sales confirmation as to price and to inform the supplier, within 3 business days from receipt of the sales confirmation whether such price is in conformance with section 17.7 of these regulations.

(a) If the ASCS Commodity Office determines that the sales price is in conformance with section 17.7(a), of the regulations, the supplier will immediately be informed by telegram of the registration number assigned to the sale by CCC. The ASCS Commodity Office also will mail to the supplier the original and one copy of Form NOCO–467 which will show the unit price approval and the amount (100 percent or 98 percent) of financing approved by CCC.

(b) Failure by the ASCS Commodity Office to so notify the supplier by telegram within 5 business days after receipt of the copy of the sales confirmation will indicate that the sale price is not acceptable, and the sale will not be financed under the program unless the supplier satisfies CCC that the sale price is in conformance with section 17.7(a) of the regulations.

(3) *Financing:* The participant is responsible for opening letters of credit in favor of U.S. suppliers for amounts to be financed by CCC, and for opening letters of credit or making other acceptable arrangements for prompt payment of amounts not being financed by CCC. Such arrangements must assure prompt payment of the full contracted price. If prompt payment of such amount is not made to a U.S. supplier in dollars the entire transaction may be determined by USDA to be ineligible for CCC financing, and the participant shall, upon demand, make U.S. dollar refund to CCC of the amount financed by CCC. On receipt of such remittance, under foreign currency sales CCC will refund equivalent local currency to the importing country and for long-term credit sales CCC will credit the participant's account.

(a) *Contracts basis Form A Sample Classification Memorandum (USDA Form CN–354) and Form M Classification Memorandum—Mechanically Drawn Samples (USDA Form CN–355) (Such forms are hereinafter referred to respectively as Form A or Form M Certificates):*

If USDA Form A or Form M Certificates are required the terms of the contract CCC will finance:

(i) *For Long-Term Credit Sales.*

(*a*) 100 percent of c.i.f. or cost and freight invoice value if registered as a c.i.f. or cost and freight sale and ocean freight is authorized on Form CCC 106–3.

(*b*) 100 percent of the c.i.f. or cost of freight invoice value—less ocean freight—if registered as c.i.f. or cost of freight sale and ocean freight is not authorized on Form CCC 106–3.

(*c*) 100 percent of the invoice value (basis f.a.s.) if registered as a f.a.s. sale (CCC does not finance ocean freight on f.a.s. sales except under a separate Purchase Authorization for the Procurement of Ocean Transportation).

(ii) *For Foreign Currency Sales.*

(*a*) 100 percent of the c.i.f. or cost and freight invoice value—less freight—if registered as a c.i.f. or cost and freight sale.

(*b*) 100 percent of the f.a.s. invoice value if registered as a f.a.s. sale.

(b) *Contracts basis foreign arbitration:* For all contracts other than those which require USDA Form A or Form M Certificates CCC will finance:

(i) *For Long-Term Credit Sales.*

(*a*) 98 percent of the invoice value of cotton and insurance plus 100 percent of freight for c.i.f. sales if registered as c.i.f. and ocean freight is authorized on Form CCC 106–3.

(*b*) 98 percent of the invoice value of cotton plus 100 percent of freight for cost and freight sales if registered as cost and freight and ocean freight financing is authorized on Form CCC 106–3.

(*c*) 98 percent of (invoice value less freight) for c.i.f. and cost and freight sale if registered as such and ocean freight financing is not authorized on Form CCC 106–3.

(*d*) 98 percent of invoice value (basis f.a.s.) for all sales registered as f.a.s.

(ii) *For Foreign Currency Sales.*

(*a*) 98 percent of the (invoice value—less freight) for c.i.f. or cost and freight sales if registered as such.

(*b*) 98 percent of the f.a.s. invoice value—if registered as a f.a.s. sale.

(c) *Reimbursement for ocean freight differential:* For sales registered as cost and freight, c.i.f., or f.a.s., when the Form CCC–106–3 authorizes financing ocean freight differential the supplier may obtain reimbursement for ocean freight differential not in-

cluded in payment under the letter of credit by application to the New Orleans ASCS Commodity Office.

(d) *Refunds:* The provisions of section 17.12(a) which require remittance of refunds to CCC do not apply to refunds arising out of cotton sales financed under these regulations unless otherwise provided in the purchase authorization or letter of commitment. Such refunds shall be remitted by the supplier for the account of the importer through the U.S. bank which financed the original transaction. The remittance shall be identified with the date and amount of the original payment, the commercial letter of credit number, and the purchase authorization number. (For transactions where the supplier is billed by CCC for refund of amounts over-financed, the supplier shall remit directly to the billing office.) The participant may retain all dollar exchange received in connection with the adjustment refunds under a purchase authorization which is subject to the regulations. In the case of ineligible cotton, the supplier shall remit directly to CCC. CCC will make appropriate local currency refunds to importers for dollar recoveries by CCC direct from suppliers, or will advise the participant of credit to its account as appropriate.

(e) *Insurance:* The provisions of section 17.12(b) of the regulations with regard to insurance claims which require that claims be paid to the Controller do not apply to cotton sales for which c.i.f. financing is authorized. The participant may retain all dollar exchange received in connection with insurance claims under such c.i.f. financed cotton sales.

(4) *U.S. net weight:* Net weight shall be determined in the United States and certified by a U.S. warehouseman, or it shall be determined at the U.S. port of export and certified by an authorized weigher (sales basis leaded weight, ex-dock and ex-warehouse—consigned stocks—are not eligible for financing).

(5) *Quality:* Although seller's offers may be on the basis of private types, in all invitations for bids the quality shall be described in terms of the Official Cotton Standards of the United States. Quality shall be specified in contracts between importers and suppliers. A contract shall cover only one quality. Quality descriptions in contracts shall be in terms of the Official Cotton Standards of the United States, except where sales are made on the basis of private types. In the case of private-type sales, the supplier must make such private types available for classification by C&MS no later than the date the sale confirmation is furnished the New Orleans ASCS Commodity Office.

(6) *Arbitration:* Cotton shall be subject to arbitration for quality (unless the contract provides for Form A or Form M Certificates) and for other terms under rules of an established cotton exchange or association agreed upon by the importer and supplier, such established cotton exchange or association to be identified in the contract. An importer of cotton shall, if requested by CCC, obtain foreign quality arbitration under the specified cotton exchange or association rules. If the contract provides for Form A or Form M Certificate, CCC will not request such arbitration. The arbitration award may be appealed by the supplier or the importer and shall be appealed by the importer, upon request by CCC, under the applicable rules specified in the contract. If the costs paid by the importer for an arbitration or appeal requested by CCC are in excess of the award, CCC will reimburse the importer, or other party designated by the importer, in an amount equal to such excess, upon submission to the Director, ASCS Commodity Office, New Orleans, La. 70112, of documentation showing the amount of costs incurred by the importer and the amount of the award. These provisions shall not alter the rights of the importer and the supplier to effect adjustment by arbitration or otherwise in accordance with the provisions of the contract or customs of the trade for other than quality deficiencies, or for quality deficiencies if CCC does not request arbitration.

(7) *Certification as to quality and classification:* Block 21 of the signed original Form CCC–329 or a signed attachment thereto shall contain the following certification: "The undersigned hereby represents that he believes the quality and classification of the cotton shipped under this contract are substantially as stated in the contract. The supplier does not guarantee the quality or classification, and agrees to adjust the price for any difference in quality or classification determined by arbitration as provided in the regulations or the purchase authorization".

(8) *Delayed letter of credit:* Interest or carrying charges incurred as a result of delays in establishing letters of credit are not eligible for financing.

(9) *Sampling, classification, and adjustment of contract price:* (This provision is applicable to all sales hereunder unless the contract provides for Form A or Form M Certificate.)

(a) *Tag lists and sampling:* The supplier shall furnish to any permanent C&MS classing office, of the supplier's choice, a tag list of the cotton included in a single export shipment showing the supplier's name and address; the CCC registration number; purchase authorization number; the supplier's sale number, if any; the name, address and CCC code number of the warehouse in which the cotton is stored; and the warehouse bale numbers of the cotton to be exported listed in numerical sequence. A separate tag list must be submitted for the cotton to be shipped from each warehouse. Samples will be required from a minimum of 10 percent of the bales of cotton (larger percentages will be used on small lots). The bales to be sampled will be selected by the chosen C&MS classing office and entered on a Record Sheet. If the supplier desires a larger percentage of samples to be drawn than the minimum required, he should indicate such percentage on the tag list. At the time the copy of the tag list is furnished the warehouseman by the supplier, he shall instruct him to sample the bales of cotton listed on the Record Sheet and to handle such samples in accordance with instructions issued by the New Orleans ASCS Commodity Office. The supplier shall also instruct the warehouseman that the cotton must not be shipped until after it has been sampled in accordance with instructions issued by the New Orleans ASCS Commodity Office. All costs relating to the samples and sampling will be for the account of the supplier.

(b) *Submitting private-type for classification:* If the sale is made on the basis of private-type and if the particular type has not been classed under the revised standards effective June 15, 1963, the supplier shall submit the private-type for classing directly to the Appeal Board of Review Examiners, Cotton Division, C&MS, USDA, 4841 Summer Avenue, Memphis, Tenn. 38117, along with a completed Request for Classification (Form CN–357). The type shall be identified by the supplier's name and address and private-type name or designation.

If the sale is made on the basis of private-type classed under the revised standards effective June 15, 1963, the supplier shall so advise the New Orleans ASCS Commodity Office and identify such private-type by furnishing the supplier's name and address, the number of the C&MS classification memorandum, the date of such classification memorandum, and the supplier's private-type name or designation.

The private-type submitted for classification hereunder shall be identical in quality with the private-type on which the sale is based and the private-type supplied to the arbitration board in connection with the contract covering the sale.

(c) *Adjustment of contract price:* In addition to the other requirements for quality arbitration, the following will also apply:

(i) If the allowances awarded by an arbitration board or an appeal board for quality differences on a shipment covered by one lot mark average 150 points or more per pound and CCC has determined the maximum export price to be less than 26 cents per pound for such shipment based on C&MS classing memorandum issued for samples drawn and handled pursuant to subparagraph (9)(a) above of this paragraph, or if no such classing memorandum was received by CCC, such award shall be increased by the larger of the following two amounts: One-half the amount of such allowances awarded, or the sum of any additional penalties for abnormal quality differences imposed under the contract or applicable cotton exchange or association rules for such differences.

(ii) If the allowance awarded by an arbitration board or an appeal board for quality differences on a shipment covered by one mark average 300 points or more per pound and CCC has determined the maximum export price to be 26 or more cents per pound for such shipment based on a C&MS classing memorandum issued for samples drawn and handled pursuant to subparagraph (9)(a) above, or if no such classing memorandum was received by CCC, such award shall be increased by the larger of the following two amounts: One-half the amount of such allowances awarded, or the sum of any additional penalties for abnormal quality differences imposed under the contract or applicable cotton exchange or association rules for such differences.

(iii) If the classification of the cotton is determined by an appeal board in connection with an appeal from an arbitration award, the contract price shall be reduced by the larger of the following two amounts: The award assigned under (i) or (ii) above or the amount by which the contract price exceeds the prevailing range of export prices at the time of sale as determined by CCC on the basis of the classification assigned by the appeal board in connection with such appeal.

In any case where the classification of the cotton is not determined by an appeal board in connection with an appeal from an arbitration award, the contract price shall be reduced by the amount of the award assigned under (i) or (ii) above.

(10) *Extra copy of invoice:* Supplier shall forward, immediately after shipment of the cotton, a legible copy of his invoice to the Director, ASCS Commodity Office, Wirth Building, 120 Marais Street, New Orleans, La. 70112, Attention: CO–8–JPD. Such copy is in addition to the copy for CCC to be submitted with other required documents to the banking institution.

(W) *Extra Long Staple Cotton:*

(1) *Notification of Sale by the Supplier:* The supplier shall, within 5 days from the date of export sale, furnish the Director, ASCS Commodity Office, Wirth Building, 120 Marais Street, New Orleans, La. 70112, with a copy of his sales confirmation, and if the supplier fails to do so, CCC shall have the right to refuse to finance the sale under the program. The supplier must furnish the name and address of the sales agent, if any.

(2) *Price confirmation:* The ASCS Commodity Office will undertake, on behalf of CCC, to check the sales confirmation as to price and to inform the supplier, within 3 business days from receipt of the sales con-

firmation, whether such price is in conformance with section 17.7(a) of these regulations.

(a) If the ASCS Commodity Office determines that the sale price is in conformance with section 17.7(a) of the regulations, the supplier will immediately be informed by telegram of the registration number assigned to the sale by CCC. The ASCS Commodity Office also will mail the original and one copy of Form NOCO–467 which will show the unit price approval, and the amount (100 percent or 98 percent) of financing approved by CCC.

(b) Failure by the ASCS Commodity Office to so notify the supplier by telegram within 5 business days after receipt of the copy of the sales confirmation will indicate that the sale price is not acceptable, and the sale will not be financed under the program unless the supplier satisfies CCC that the sale price is in conformance with section 17.7(a) of these regulations.

(3) *Financing:* The participant is responsible for opening letters of credit in favor of U.S. suppliers for amounts to be financed by CCC, and for opening letters of credit or making other acceptable arrangements for prompt payment of amounts not being financed by CCC. Such arrangements must assure prompt payment of the full contracted price. If prompt payment of such amount is not made to a U.S. supplier in dollars the entire transaction may be determined by USDA to be ineligible for CCC financing, and the participant shall, upon demand, make U.S. dollar refund to CCC of the amount financed by CCC. On receipt of such remittance, under foreign currency sales CCC will refund equivalent local currency to the importing country and for long-term credit sales CCC will credit the participant's account.

(a) *Contracts basis Form A Sample Classification Memorandum (USDA Form CN–354) and Form M Classification Memorandum—Mechanically Drawn Samples (USDA Form CN–355) (Such forms are hereinafter referred to respectively as Form A or Form M Certificates).* If USDA Form A or Form M Certificates are required under the terms of the contract CCC will finance:

(i) *For Long-Term Credit Sales:*

(*a*) 100 percent of c.i.f. or cost and freight invoice value if registered as a c.i.f. or cost and freight sale and ocean freight is authorized on Form CCC 106–3.

(*b*) 100 percent of the c.i.f. or cost and freight invoice value—less ocean freight—if registered as c.i.f. or cost and freight sale and ocean freight is not authorized on Form CCC 106–3.

(*c*) 100 percent of the invoice value (basis f.a.s.) if registered as a f.a.s. sale (CCC does not finance ocean freight on f.a.s. sales except under a separate purchase authorization for the Procurement of Ocean Transportation).

(ii) *For Foreign Currency Sales:*

(*a*) 100 percent of the c.i.f. or cost and freight invoice value—less freight—if registered as a c.i.f. or cost and freight sale.

(*b*) 100 percent of the f.a.s. invoice value if registered as a f.a.s. sale.

(b) *Contracts basis foreign arbitration:* For all contracts other than those which require USDA Form A or Form M Certificates CCC will finance:

(i) *For Long-Term Credit Sales:*

(*a*) 98 percent of the invoice value of cotton and insurance plus 100 percent of freight for c.i.f. sales if registered as c.i.f. and ocean freight is authorized on Form CCC 106–3.

(*b*) 98 percent of the invoice value of cotton plus 100 percent of freight for cost and freight sales if registered as cost and freight and ocean freight financing is authorized on Form CCC 106–3.

(*c*) 98 percent of (invoice value less freight) for c.i.f. and cost and freight sale if registered as such and ocean freight financing is not authorized on Form CCC 106–3.

(*d*) 98 percent of invoice value (basis f.a.s.) for all sales registered as f.a.s.

(ii) *For Foreign Currency Sales:*

(*a*) 98 percent of the (invoice value—less freight) for c.i.f. or cost and freight sales if registered as such.

(*b*) 98 percent of the f.a.s. invoice value—if registered as an f.a.s. sale.

(c) *Reimbursement for Ocean Freight Differential:* For sales registered as cost and freight, c.i.f. or f.a.s., when the Form CCC–106–3 authorizes financing ocean freight differential the supplier may obtain reimbursement for ocean freight differential not included in payment under the letter of credit by application to the New Orleans ASCS Commodity Office.

(d) *Refunds:* The provisions of section 17.12(a) which require remittance of refunds to CCC do not apply to refunds arising out of cotton sales financed under these regulations unless otherwise provided in the purchase authorization or letter of commitment. Such refunds shall be remitted by the supplier for the account of the importer through the U.S. bank which financed the original transaction. The remittance shall be identified with the date and amount of the original payment, the commercial letter of credit number, and the purchase authorization number. (For transactions where the supplier is billed by CCC for refund of amounts overfinanced, the supplier shall remit directly to the billing office.) The participant may retain all dollar exchange received in connection with adjustment refunds under a purchase authorization which is subject to these regulations. In the case of ineligible cotton, the supplier shall remit directly to CCC. CCC will make appropriate local currency refunds to importers for dollar recoveries by CCC direct from suppliers, or will advise the participant of credit to its account as appropriate.

(e) *Insurance:* The provision of section 17.12(b) of these regulations with regard to insurance claims which require that claims be paid to the Controller do not apply to cotton sales for which c.i.f. financing is authorized. The participant may retain all dollar exchange received in connection with insurance claims under such c.i.f. financed cotton sales.

(4) *U.S. net weight:* Net weight shall be determined in the United States and certified by a U.S. warehouseman, or it shall be determined at the U.S. port of export and certified by other authorized weigher (sales basis landed weight, ex-dock and ex-warehouse-consigned stocks are not eligible for financing).

(5) *Quality:* Although sellers' offers may be on the basis of private types, in all invitations for bids the quality shall be described in terms of the Official Cotton Standards of the United States. Quality shall be specified in contracts between importers and suppliers. A contract shall cover only one quality. Quality descriptions in contracts shall be in terms of the Official Cotton Standards of the United States, except where sales are made on the basis of private types. In the case of private-type sales, the supplier must make such private types available for classification by C&MS no later than the date the sales confirmation is furnished the New Orleans ASCS Commodity Office.

(6) *Arbitration:* Cotton shall be subject to arbitration for quality (unless the contract provides for Form A or Form M Certificates) and for other terms under rules of an established cotton exchange or association agreed upon by the importer and supplier, such association or established cotton exchange to be identified in the contract. An importer of cotton shall, if requested by CCC, obtain foreign quality arbitration under the specified cotton exchange or association rules. If the contract provides for USDA Form A or Form M Certificates, CCC will not request such arbitration. The arbitration award may be appealed by the supplier or the importer and shall be appealed by the importer upon request by CCC, under the applicable rules specified in the contract. If the costs paid by the importer for an arbitration or appeal requested by CCC are in excess of the award, CCC will reimburse the importer, or other party designated by the importer, in an amount equal to such excess, upon submission to the Director, ASCS Commodity Office, New Orleans, La., of documentation showing the amount of costs incurred by the importer and the amount of the award. These provisions shall not alter the rights of the importer and the supplier to effect adjustments by arbitration or otherwise in accordance with the provisions of the contract or customs of the trade for other than quality deficiencies, or for quality deficiencies if CCC does not request arbitration.

(7) *Certification as to quality and classification:* Block 21 of the signed original Form CCC–329 or a signed attachment thereto shall contain the following certification: "The undersigned hereby represents that he believes the quality and classification of the cotton shipped under this contract are substantially as stated in the contract. The supplier does not quarantee the quality or classification, and agrees to adjust the price for any difference in quality or classification determined by arbitration as provided in these regulations or the purchase authorization."

(8) *Delayed letter of credit:* Interest or carrying charges incurred as a result of delays in establishing letters of credit are not eligible for financing hereunder.

(9) *Sampling, classification and adjustment of contract price* (This provision is applicable to all sales hereunder unless the contract provides for Form A or Form M Certificates):

(a) *Tag lists and sampling:* The supplier shall furnish to any permanent C&MS classing office of the supplier's choice a tag list of the cotton included in a single export shipment showing the supplier's name and address; the CCC registration number; the purchase authorization number; the supplier's sale number, if any; the name, address and CCC code number of the warehouse in which the cotton is stored; and the warehouse bale number of the cotton to be exported listed in numerical sequence. A separate tag list must be submitted for the cotton to be shipped from each warehouse. Samples will be required from a minimum of 10 percent of the bales of cotton (larger percentages will be used on small lots). The bales to be sampled will be selected by the chosen C&MS classing office and entered on a Record Sheet. If the supplier desires a larger percentage of samples to be drawn than the minimum required he should indicate such percentage on the tag list. At the time the copy of the tag list is furnished the warehouseman by the supplier, he shall instruct him to sample the bales of cotton listed on the Record Sheet and to handle such samples in accordance with instructions issued by the New Orleans ASCS Commodity Office. The supplier shall also instruct the warehouseman that the cotton must not be shipped until after it has been sampled in accordance with instructions issued by the New Orleans ASCS Commodity Office. All costs relating to the samples and sampling will be for the account of the supplier.

(b) *Submitting private-type for classification:* If the sale is made on the basis of private-type and if the particular type has not been submitted on or after August 1, 1962, for classification, the supplier shall submit

the private-type for classing directly to the Appeal Board for Review Examiners, Cotton Division, C&MS, Department of Agriculture, 4841 Summer Avenue, Memphis, Tenn., 38117. The type shall be identified by the supplier's name and address and private-type name or designation. The classification of any type submitted prior to August 1, 1962, will not be acceptable.

If the sale is made on the basis of a private-type previously submitted on or after August 1, 1962, for classification, the supplier shall so advise the New Orleans ASCS Commodity Office and identify such private-type by furnishing the supplier's name and address, the number of C&MS classification memorandum, the date of such classification memorandum, and the supplier's private-type name or designation.

The private-type submitted for classification hereunder shall be identical in quality with the private-type on which the sale is based and the private-type supplied to the arbitration board in connection with the contract covering the sale.

(c) *Adjustment of contract price:* In addition to the other requirements for quality arbitration, the following will also apply:

(i) If the allowances awarded by an arbitration board or an appeal board for quality differences on a shipment covered by one lot mark average 300 points or more per pound, such award shall be increased by the larger of the following two amounts: One-half the amount of such allowances awarded, or the sum of any additional penalties for abnormal quality differences imposed under the contract or applicable cotton exchange or association rules for such differences.

(ii) If the classification of the cotton is determined by an appeal board in connection with an appeal from an arbitration award, the contract price shall be reduced by the larger of the following two amounts: The award assigned under (i) above or the amount by which the contract price exceeds the prevailing range of export prices at the time of sale as determined by CCC on the basis of the classification assigned by the appeal board in connection with such appeal.

(iii) In any case where the classification of the cotton is not determined by an appeal board in connection with an appeal from an arbitration award, the contract shall be reduced by the amount of the award assigned under (i) or (ii) above.

(10) *Extra copy of invoice:* The supplier shall forward, immediately after shipment of the cotton, a legible copy of his invoice to the Director, ASCS Commodity Office, New Orleans, Wirth Building, 120 Marais Street, New Orleans, La. 70112, Attention: CO–8–JPD. Such copy is in addition to the copy for CCC to be submitted with other required documents to the banking institution.

Appendix B—Documentary Requirements

(A) Wheat:
(1) Wheat in bulk.
(2) Wheat in bags.
(B) Wheat flour.
(C) Feed grains:
(1) Feed grains in bulk.
(2) Feed grains in bags.
(D) Corn meal (edible).
(E) Cracked corn or corn meal.
(F) Soybean oil and cottonseed oil:
(1) Soybean oil and cottonseed oil in drums, barrels, or bags.
(2) Soybean oil and cottonseed oil in bulk.
(G) Unmanufactured and tobacco products:
(1) Unmanufactured tobacco.
(2) Tobacco products: Cigarettes and/or packaged and cut tobacco.
(3) Tobacco products: Cased strips and shredded tobacco.
(H) Rice (milled and brown):
(1) Rice in bags.
(2) Rice in bulk.
(I) Dry edible beans.
(J) Dry edible peas.
(K) Tallow (inedible):
(1) Tallow in drums.
(2) Tallow in bulk.
(L) Lard.
(M) Poultry (frozen chickens and turkeys).
(N) Canned milk (sweetened condensed and evaporated).
(O) Nonfat dry milk.
(P) Dry whole milk.
(Q) Butter.
(R) Anhydrous milk fat and anhydrous butter fat and butteroil.
(S) Cheese (cheddar and process).
(T) Ghee.
(U) Stabilized dried whole eggs.
(V) Upland cotton.
(W) Extra long staple cotton.

The documentation required for specific commodities is set forth in this Appendix B pursuant to the provisions of the regulations in Part 17, Subpart A. Any additions, deletions or other changes will be stated in the purchase authorization or letter of commitment.

(A) *Wheat:*
(1) *Wheat in bulk:*
(a) One copy of the supplier's invoice.
(b) Signed original of Form CCC–329, Supplier's Certificate:
(i) From the supplier of the commodity, and
(ii) If any part of ocean freight is financed on cost and freight or c.i.f. sales, also from the supplier of ocean freight.
(c) A copy of the ocean bill of lading.
(d) Signed original of Form CCC–106–1, Advice of Vessel Approval.
(e) One nonnegotiable copy of insurance policy or certificate, if c.i.f.
(f) Signed original of Form CCC–329–3, Statement of Transmittal of Ocean Bill of Lading.
(g) One copy of Form CCC–359, Declaration of Sale, signed for the Administrator, by which the supplier will have been notified that the price is approved for financing.
(h) One copy of a grain inspection certificate issued by an inspector holding a license under the U.S. Grain Standards Act, covering inspection at point of loading to vessel in the United States, or a copy of a Commodity Inspection Certificate (Form GR–292) for grain issued by an inspector holding a license under the Agricultural Marketing Act, covering inspection at point of loading to vessel in Canada.
(i) One copy of a weight certificate issued at point of loading to vessel.
(2) *Wheat in bags:*
(a) One copy of the supplier's invoice which shall show the size and type of bags and whether they are new or used.
(b) Signed original of Form CCC–329, Supplier's Certificate:
(i) From the supplier of the commodity, and
(ii) If any part of ocean freight is financed on cost and freight or c.i.f. sales, also from the supplier of ocean freight.
(c) A copy of an ocean bill of lading, which shall show the net weight of the wheat or the number of bags, and the gross weight of the wheat loaded aboard the vessel: *Provided*, That the weight of the bags is either shown on the bill of lading or is evidenced by the following certification furnished by the supplier:

"The undersigned hereby certifies that the weight of the bags is _____ pounds."

(d) Signed original of Form CCC–106–1, Advice of Vessel Approval.
(e) A nonnegotiable copy of insurance policy or certificate, if c.i.f.
(f) Signed original of Form CCC–329–3, Statement of Transmittal of Ocean Bill of Lading.
(g) One copy of Form CCC–359, Declaration of Sale, signed for the Administrator, by which the supplier will have been notified that the price is approved for financing.
(h) One copy of a grain inspection certificate issued by an inspector holding a license under the U.S. Grain Standards Act, covering inspection at port of loading to vessel in the United States, or a copy of a Commodity Inspection Certificate (Form GR–292) for grain issued by an inspector holding a license under the Agricultural Marketing Act, covering inspection at port of loading to vessel in Canada.
(i) One copy of a grain inspection certificate issued by an inspector holding a license under the U.S. Grain Standards Act, covering inspection at port of loading to vessel in the United States, or a copy of a Commodity Inspection Certificate (Form GR–292) for grain issued by an inspector holding a license under the Agricultural Marketing Act, covering inspection at port of loading to vessel in Canada.
(j) One copy of a Commodity Examination Report (Form GR–116) issued by or under the supervision of the Grain Division, C&MS, which shows that the bagged wheat was checkloaded.
(B) *Wheat flour:*
(1) One copy of the supplier's invoice, which shall show the gross weight of the flour in bags, the weight of the bags, and the net weight of the flour invoiced. The invoice shall also show the size and type of bags.
(2) Signed original of Form CCC–329, Supplier's Certificate:
(a) From the supplier of the commodity, and
(b) If any part of ocean freight is financed on cost and freight or c.i.f. sales, from the supplier of ocean freight.
(3) A copy of an ocean bill of lading, which shall show thereon or in a separate listing attached thereto, the identifying lot number(s) which appear on the Commodity Inspection Certificate or laboratory report (the lot number may be the warehouse number, the railcar number, truck license number, or any other number that will accurately identify the lot), and shall show the net weight of the flour loaded aboard the vessel or shall show the number of bags and gross weight of the flour loaded aboard the vessel, provided that the weight of the bags is either shown on the bill of lading or is evidenced by the following certification furnished by the suppliers:

"The undersigned hereby certifies that the weight of the bags is_____pounds."

(4) Signed original of Form CCC–106–1, Advice of Vessel Approval.
(5) A nonnegotiable copy of an insurance policy or certificate, if c.i.f.
(6) Signed original of Form CCC–329–3, Statement of Transmittal of Ocean Bill of Lading.
(7) One copy of Form CCC–362, Declaration of Sale, signed for the Administrator, by which the supplier will have been notified that the price is approved for financing.
(8) One copy of a Commodity Inspection Certificate (Form GR–133) issued by the Grain Division, C&MS, or

One copy of a laboratory report issued by a commercial laboratory which shall bear the following certification:

"The undersigned hereby certifies that the Laboratory Report was issued as a result of the analysis of samples received from (name and address of independent surveyor) and that the samples were drawn in accordance with the requirements of the purchase authorization."

NOTE: In lieu of the above certification, a certification will be accepted from the laboratory with which is included a certification by the independent surveyor, as follows:

(From the independent surveyor:) "The undersigned hereby certifies that samples furnished to (name and address of laboratory) were drawn in accordance with the provisions of the purchase authorization."

(From the laboratory): "The undersigned hereby certifies that the laboratory report was issued as a result of samples received

from (name and address of independent surveyor)."

The Commodity Inspection Certificate (Form GR–133) issued by the Grain Division, C&MS, or the laboratory report issued by a commercial laboratory shall show the exact moisture, protein, and ash content of the flour delivered under the authorization.

(9) If the Commodity Inspection Certificate (GR–133) or the laboratory report is dated more than fifteen (15) days prior to the on-board date shown on the ocean bill of lading, the following additional documentation is required:

(a) One copy of a Commodity Examination Report (GR–116) issued by or under the supervision of the Grain Division, C&MS, dated not more than 15 days prior to the "on-board" date and showing that the flour was free from infestation, or

(b) One copy of an independent surveyor's report dated not more than 15 days prior to the "on-board" date and showing that the flour was free from infestation.

(10) One copy of a Commodity Examination Report (GR–116) issued by or under the supervision of the Grain Division, C&MS, which shows the bagged flour was checkloaded, or

One copy of a weight certificate issued by an independent weighmaster or an independent surveyor.

(11) One copy of an independent surveyor's report stating that the bag markings and brand names or labels meet the requirements of these regulations (sec. 17.8(d)) and section (B)(6)(h) of Appendix A, and the bags are suitable for export.

(C) *Feed grains:*

(1) *Feed grains in bulk:*

(a) A copy of the supplier's invoice.

(b) Signed original of Form CCC–329, Supplier's Certificate:

(i) From the supplier of commodity, and

(ii) If any part of ocean freight is financed on cost and freight or c.i.f. sales, also from the supplier of ocean freight.

(c) A copy of an ocean bill of lading.

(d) Signed original of Form CCC–106–1, Advice of Vessel Approval.

(e) A nonnegotiable copy of an insurance policy or certificate, if c.i.f.

(f) Signed original of Form CCC–329–3, Statement of Transmittal of Ocean Bill of Lading.

(g) A letter signed for the Administrator by which the supplier will have been notified that the price is approved for financing.

(h) One copy of a weight certificate issued at point of loading to vessel.

(i) One copy of a grain inspection certificate issued by an inspector holding a license under the U.S. Grain Standards Act, covering inspection at point of loading to vessel in the United States, or

One Commodity Inspection Certificate (Form GR–292) for grain issued by an inspector holding a license under the Agricultural Marketing Act, issued at point of loading to vessel in Canada.

(2) *Feed grains in bags:*

(a) A copy of the supplier's invoice, which shall show the size and type of bags and whether they are new or used.

(b) Form CCC–329, Supplier's Certificate, signed original:

(i) From the supplier of the commodity, and

(ii) If any part of ocean freight is financed on cost and freight or c.i.f. sales, also from the supplier of ocean freight.

(c) Ocean bill of lading, copy, which shall show the net weight of the feed grain loaded aboard the vessel, or shall show the number of bags and the gross weight of the feed grain loaded aboard the vessel provided that the weight of the bags is either shown on the bill of lading or is evidenced by the following certification furnished by the supplier:

"The undersigned hereby certifies that the weight of the bags is ------ pounds."

(d) Form CCC–106–1, Advice of Vessel Approval, signed original.

(e) A nonnegotiable copy of the insurance policy or certificate, if c.i.f.

(f) Signed original of Form CCC–329–3, Statement of Transmittal of Ocean Bill of Lading.

(g) A letter signed for the Administrator by which the supplier will have been notified that the price is approved for financing.

(h) One copy of a grain inspection certificate issued by an inspector holding a license under the U.S. Grain Standards Act, covering inspection at port of loading to vessel in the United States, or

One copy of a Commodity Inspection Certificate (Form GR–292) for grain issued by an inspector holding a license under the Agricultural Marketing Act covering inspection at port of loading to vessel in Canada.

(i) One copy of Commodity Examination Report (Form GR–116) issued by or under the supervision of the Grain Division, C&MS, which shows that the bagged feed grain was checkloaded.

(D) *Corn meal (edible):*

(1) A copy of the supplier's invoice, which shall show the size and type of bags and whether they are new or used.

(2) Signed original of Form CCC–329, Supplier's Certificate:

(a) From the supplier of the commodity, and

(b) If any part of ocean freight is financed on cost and freight or c.i.f. sales, also from the supplier of ocean freight.

(3) A copy of the ocean bill of lading, which shall show the net weight of the corn meal loaded aboard the vessel or shall show the number of bags and the gross weight of the corn meal loaded aboard the vessel, provided that the weight of the bags is either shown on the bill of lading or is evidenced by the following certification furnished by the supplier:

"The undersigned hereby certifies that the weight of the bags is ------ pounds." The bill of lading shall also show thereon or in a listing attached thereto the identifying lot number(s) which appear on the Commodity Inspection Certificate. The lot number may be the warehouse number, the railcar number, truck license number, or any other number that will accurately identify the lot.

(4) Signed original of Form CCC–106–1, Advice of Vessel Approval.

(5) A nonnegotiable copy of the insurance policy or certificate, if c.i.f.

(6) Signed original of Form CCC–329–3 Statement of Transmittal of Ocean Bill of Lading.

(7) A letter signed for the Administrator by which the supplier will have been notified that the price is approved for financing.

(8) One copy of a Commodity Inspection Certificate (Form GR–133) issued by the Grain Division, C&MS, covering inspection at port of loading to vessel.

(9) One copy of a Commodity Examination Report (Form GR–116) issued by or under the supervision of the Grain Division, C&MS, which shows that the cornmeal was checkloaded.

(10) One copy of an independent surveyor's report stating that the bags, bag markings, and brand names or labels meet the requirements of section 17.8(d) of these regulations and that the bags are suitable for the export of cornmeal.

(E) *Cracked corn and/or corn meal:*

(1) A copy of the supplier's invoice, which shall show the kind and size of bags and whether they are new or used.

(2) Signed original of Form CCC–329, Supplier's Certificate:

(a) From the supplier of the commodity, and

(b) If any part of ocean freight is financed on cost and freight or c.i.f. sales, also from the supplier of ocean freight.

(3) A copy of an ocean bill of lading, which shall show the net weight of the cracked corn and/or corn meal loaded aboard the vessel or shall show the number of bags and the gross weight of the cracked corn and/or corn meal loaded aboard the vessel, provided that the weight of the bags is either shown on the bill of lading or is evidenced by the following certification furnished by the supplier:

"The undersigned hereby certifies that the weight of the bags is ------ pounds."

(4) Signed original of Form CCC–106–1, Advice of Vessel Approval.

(5) A nonnegotiable copy of an insurance policy or certificate, if c.i.f.

(6) Signed original of Form CCC–329–3, Statement of Transmittal of Ocean Bill of Lading.

(7) A letter signed for the Administrator by which the supplier will have been notified that the price is approved for financing.

(8) One copy of a grain inspection certificate issued by an inspector holding a license under the U.S. Grain Standards Act.

(9) One copy of a Commodity Examination Report (Form GR–116) issued by or under the supervision of the Grain Division, C&MS, which shows that the processed commodity (cracked corn and/or corn meal) was checkloaded.

(F) *Soybean oil and/or cottonseed oil:*

(1) *Soybean oil and/or cottonseed oil, in drums, barrels, or bags:*

(a) A copy of the supplier's invoice.

(b) Signed original of Form CCC–329, Supplier's Certificate:

(i) From the supplier of the commodity, and

(ii) If any part of ocean freight is financed on cost and freight or c.i.f. sales, also from the supplier of ocean freight.

(c) A copy of the ocean bill of lading.

(d) Signed original of Form CCC–106–1, Advice of Vessel Approval.

(e) A nonnegotiable copy of the insurance policy or certificate, if c.i.f.

(f) Signed original of Form CCC–329–3, Statement of Transmittal of Ocean Bill of Lading.

(g) A letter signed for the Administrator by which the supplier will have been notified that the price is approved for financing.

(h) One copy of a Commodity Inspection Certificate (Form GR–133) issued by the Inspection Branch of the Grain Division, C&MS, or

One copy of a chemical analysis certificate issued by a commercial laboratory which shall bear the following certification:

"The undersigned hereby certifies that the chemical analysis certificate was issued as a result of the analysis of samples taken by independent surveyor(s), and that such chemical analysis was performed in accordance with the procedure prescribed in the Trading Rules of the National Soybean Processors Association, or in the Trading Rules of the National Cottonseed Products Association."

The Commodity Inspection Certificate (GR–133) or the Chemical Analysis Certificate shall state that the oil met the analytical requirements of the specifications as provided in the applicable purchase authorization, and that markings are in conformance with the applicable purchase authorization and shall also show other markings appearing thereon.

(i) One copy of weight certificate.

(j) One copy of an independent surveyor's certificate stating that the barrels were new or the drums were new or reconditioned, or the bags were new or used and that the drums, barrels, or bags are suitable for export and that the drums, barrels, or bags comply with contract specifications.

(2) *Soybean oil and/or cottonseed oil in bulk:*

(a) A copy of the supplier's invoice.

(b) Signed original of Form CCC-329, Supplier's Certificate:

(i) From the supplier of the commodity, and

(ii) If any part of ocean freight is financed on cost and freight or c.i.f. sales, also from the supplier of ocean freight.

(c) A copy of the ocean bill of lading.

(d) Signed original of Form CCC-106-1, Advice of Vessel Approval.

(e) A nonnegotiable copy of the insurance policy or certificate, if c.i.f.

(f) Signed original of Form CCC-329-3, Statement of Transmittal of Ocean Bill of Lading.

(g) A letter signed for the Administrator by which the supplier will have been notified that the price is approved for financing.

(h) One copy of a Commodity Inspection Certificate (Form GR-133) issued by the Inspection Branch, Grain Division, C&MS, USDA, or

One copy of a chemical analysis certificate issued by a commercial laboratory which shall bear the following certification:

"The undersigned hereby certifies that the chemical analysis certificate was issued as a result of the analysis of samples taken by independent surveyor(s), and that such chemical analysis was performed in accordance with the procedure prescribed in the Trading Rules of the National Soybean Processors Association, or in the Trading Rules of the National Cottonseed Products Association."

The Commodity Inspection Certificate (GR-133) or the Chemical Analysis Certificate shall state that the oil met the analytical requirements of the specifications as provided in the applicable purchase authorization.

(i) One copy of a weight certificate or survey report issued by an independent weighmaster or by an independent surveyor.

The weight certificate or survey report shall state that the ship's tank was examined and found suitable for receipt of the oil.

(j) If the chemical analysis on bulk oil is performed by a commercial laboratory, one copy of a certificate of the sampler or inspector stating that the samples were drawn in accordance with American Oil Chemists Society Official Method C 1-47.

(G) *Unmanufactured and/or tobacco products:*

(1) *Unmanufactured tobacco:*

(a) A copy of the supplier's invoice.

The invoice shall contain the following certification signed by the supplier:

"The undersigned hereby certifies that the unmanufactured tobacco represented on this invoice does not contain cigar cuttings, scrap, siftings, stems (except the stem of the leaf sold), trimmings, or homogenized leaf." For the purpose of this certification, cigar types or tobacco processed into "short filler" lengths shall not be considered scrap. The supplier's invoice shall identify the tobacco by U.S. type and recapitulate the quantity of the tobacco by type. This information is required on only one copy of the invoice and such copy shall be included with the documents submitted to CCC. The supplier's invoice shall also contain a certification that the tobacco covered by the invoice was produced in the continental United States or Puerto Rico, and that the weight of the unmanufactured tobacco as invoiced was determined in accordance with the Tobacco Export Program Regulations.

(b) Signed original of Form CCC-329, Supplier's Certificate:

(i) From the supplier of the commodity, and

(ii) If any part of the ocean freight is financed on cost and freight or c.i.f. sales, also from the supplier of ocean freight.

(c) A copy of the ocean bill of lading.

(d) Signed original of Form CCC-106-1, Advice of Vessel Approval.

(e) A nonnegotiable copy of the insurance policy or certificate, if c.i.f.

(f) Signed original of Form CCC-329-3, Statement of Transmittal of Ocean Bill of Lading.

(g) The signed original of Tobacco Examination Report, FAS Form 480-C.

(h) The signed original of FAS Form 480-D, Certification by Port Official with Respect to Loading Certain Tobacco, or

The signed original of FAS Form 480-E, Certification of Warehouse Official with Respect to Consignment of Certain Tobacco and FAS Form 480-F, Certification of Port Official with Respect to Receiving and Loading Certain Tobacco.

(2) *Tobacco products: Cigarettes, and/or packaged and cut tobacco:*

(a) A copy of the supplier's invoice:

The supplier's invoice shall show the name of the tobacco products, the quantity, the brand name, and in case of cigarettes, whether standard or "economy" brand and whether filter, nonfilter or all-tobacco tip.

The CCC copy of each invoice must also include the statement: "The net weight of the unmanufactured U.S. leaf tobacco used in the manufacture of these tobacco products is _____ pounds."

(b) Signed original of Form CCC-329, Supplier's Certificate.

(i) From the supplier of the commodity, and

(ii) If any part of ocean freight is financed on cost and freight or c.i.f. sales, also from the supplier of ocean freight.

(c) A copy of the ocean bill of lading.

(d) Signed original of Form CCC-106-1, Advice of Vessel Approval.

(e) A nonnegotiable copy of the insurance policy or certificate, if c.i.f.

(f) Signed original of Form CCC-329-3, Statement of Transmittal of Ocean Bill of Lading.

(3) *Tobacco products: cased and shredded tobacco:*

(a) A copy of the supplier's invoice.

The invoice (i) shall contain the following certification signed by the supplier:

"The undersigned hereby certifies that the manufactured tobacco represented on this invoice does not contain cigar cuttings, scrap, siftings, stems (except the stem of the leaf sold), trimmings, or homogenized leaf." For the purpose of this certification, cigar types of tobacco processed into "short filler" lengths shall not be considered scrap, and

(ii) shall identify the tobacco by U.S. type and recapitulate the quantity by type. This information is required on only one copy of the invoice and such copy shall be included with the documents submitted to CCC.

The supplier's invoice shall also contain a certification that the tobacco covered by the invoice was produced in the continental United States or Puerto Rico.

ALLOCATION OF NET INVOICE PRICE

Invoice total for _____ pounds tobacco product		$_____
Less amount to be financed by importer:		
(1) Cost of casing and flavoring material (including all costs incurred in application _____	$_____	
(2) Cost tobacco not covered by FAS Form 480-C_____	_____	_____
Amount to be financed by CCC _____		_____

The CCC copy of each invoice must also include the statement: "The net weight of the unmanufactured U.S. leaf tobacco used in the manufacture of these tobacco products is _____ pounds and the weight of the unmanufactured tobacco as invoiced was determined before and after processing in accordance with the Tobacco Export Program Regulations."

(b) Signed original of Form CCC-329, Supplier's Certificate.

(i) From the supplier of the commodity, and

(ii) If any part of ocean freight is financed on cost and freight or c.i.f. sales, also from the supplier of ocean freight.

(c) A copy of the ocean bill of lading.

(d) Signed original of Form CCC-106-1, Advice of Vessel Approval.

(e) A non-negotiable copy of the insurance policy or certificate, if c.i.f.

(f) Signed original of Form CCC-329-3, Statement of Transmittal of Ocean Bill of Lading.

(g) The signed original of Tobacco Examination Report, FAS Form 480-C.

(h) The signed original of FAS Form 480-D, Certification by Port Official with Respect to Loading Certain Tobacco, or

The signed originals of FAS Form 480-E, Certification of Warehouse Official with Respect to Consignment of Certain Tobacco and FAS Form 480-F, Certification of Port Official with Respect to Receiving and Loading Certain Tobacco.

(H) *Rice (Milled and/or brown):*

(1) *Rice in bags:*

(a) A copy of the supplier's invoice which shall show the kind and size of bags and whether they are new or used.

(b) Signed original of Form CCC-329, Supplier's Certificate:

(i) From the supplier of the commodity, and

(ii) If any part of ocean freight is financed on cost and freight or c.i.f. sales, also from the supplier of ocean freight.

(c) A copy of the ocean bill of lading which shall show the net weight of the rice loaded aboard the vessel, or shall show the number of bags and the gross weight of the rice loaded aboard the vessel, provided that the weight of the bags is either shown on the bill of lading or is evidenced by the following certification furnished by the supplier:

"The undersigned hereby certifies that the weight of the bags is _____ pounds."

(d) Signed original of Form CCC-106-1, Advice of Vessel Approval.

(e) A nonnegotiable copy of the insurance policy or certificate, if c.i.f.

(f) Signed original of Form CCC-329-3, Statement of Transmittal of Ocean Bill of Lading.

(g) One copy of Form CCC-421, Declaration of Sale signed for the Administrator, by which the supplier will have been advised that the price is approved for financing.

(h) One copy of a Rice Inspection Certificate (lot inspection) issued by or under the supervision of the Grain Division, C&MS, covering inspection at port of loading to vessel.

(i) One copy of Commodity Examination Report (Form GR-116) issued by or under the supervision of the Grain Division, C&MS, which shows that the rice was checkloaded.

(2) *Rice in bulk:*

(a) A copy of the supplier's invoice.

(b) Signed original of Form CCC-329, Supplier's Certificate:

(i) From the supplier of the commodity, and

(ii) If any part of ocean freight is financed on cost and freight or c.i.f. sales, also from the supplier of ocean freight.

(c) A copy of the ocean bill of lading.

(d) Signed original of Form CCC-106-1, Advice of Vessel Approval.

(e) A nonnegotiable copy of the insurance policy or certificate, if c.i.f.

(f) Signed original of Form CCC–329–3, Statement of Transmittal of Ocean Bill of Lading.

(g) One copy of Form CCC–421, Declaration of Sale, signed for the Administrator, by which the supplier will have been advised that the price is approved for financing.

(h) One copy of a Rice Inspection Certificate (lot inspection) issued by or under the supervision of the Grain Division, C&MS, covering inspection at point of loading to ocean vessel.

(i) One copy of a weight certificate issued at point of loading, or

One copy of a letter signed by the Director, Program Operations Division, FAS, USDA, approving the supplier's request to furnish weights taken at a point other than at point of loading to ocean vessel, and

One copy of a weight certificate, and

One copy of a Commodity Examination Report (Form GR–116) issued by or under the supervision of the Grain Division, C&MS, which shows that the rice was transferred from the carrier to ocean vessel in the manner specified in the letter of approval from the Director, Program Operations Division, FAS, USDA, and contains a notification regarding any rice not so transferred.[1]

(I) *Dry edible beans:*

(1) A copy of the supplier's invoice, which shall show the kind and size of bags, and whether they are new or used.

(2) Signed original of Form CCC–329, Supplier's Certificate:

(a) From the supplier of commodity, and

(b) If any part of ocean freight is financed on cost and freight or c.i.f. sales, also from the supplier of ocean freight.

(3) A copy of the ocean bill of lading, which shall show the net weight of the beans loaded aboard the vessel, or shall show the number of bags and the gross weight of the beans loaded aboard the vessel: *Provided,* That the weight of the bags is either shown on the bill of lading, or is evidenced by the following certification furnished by the supplier:

"The undersigned hereby certifies that the weight of the bags is _____ pounds."

(4) Signed original of Form CCC–106–1, Advice of Vessel Approval.

(5) A nonnegotiable copy of the insurance policy or certificate, if c.i.f.

(6) Signed original of Form CCC–329–3, Statement of Transmittal of Ocean Bill of Lading.

(7) A letter signed for the Administrator by which the supplier will have been notified that the price is approved for financing.

(8) One copy of a Bean Inspection Certificate (lot inspection) issued by or under the supervision of the Grain Division, C&MS, covering inspection at port of loading to vessel.

(9) One copy of Commodity Examination Report (Form GR–116) issued by or under the supervision of the Grain Division, C&MS, which shows that the beans were checkloaded.

(J) *Dry edible peas:*

(1) A copy of the supplier's invoice, which shall show the kind and size of bags and whether they are new or used.

(2) Signed original of Form CCC–329, Supplier's Certificate:

(a) From the supplier of commodity, and

(b) If any part of ocean freight is financed on cost and freight or c.i.f. sales, also from the supplier of ocean freight.

(3) A copy of the ocean bill of lading, which shall show the net weight of the peas loaded aboard the vessel, or shall show the number of bags and the gross weight of the peas loaded aboard the vessel: *Provided,* That the weight of the bags is either shown on the bill of lading or is evidenced by the following certification furnished by the supplier: "The undersigned hereby certifies that the weight of the bags is _____ pounds."

(4) Signed original of Form CCC–106–1, Advice of Vessel Approval.

(5) A nonnegotiable copy of the insurance policy or certificate, if c.i.f.

(6) Signed original of Form CCC–329–3, Statement of Transmittal of Ocean Bill of Lading.

(7) A letter signed for the Administrator by which the supplier will have been notified that the price is approved for financing.

(8) One copy of a Pea Inspection Certificate (lot inspection) issued by or under the supervision of the Grain Division, C&MS, covering inspection at port of loading to vessel.

(9) One copy of a Commodity Examination Report (Form GR–116) issued by or under the supervision of the Grain Division, C&MS, which shows the peas were checkloaded.

(K) *Tallow (inedible):*

(1) *Tallow in drums.*

(a) A copy of the supplier's invoice.

(b) Signed original of Form CCC–329, Supplier's Certificate:

(i) From the supplier of commodity, and

(ii) If any part of ocean freight is financed on cost and freight or c.i.f. sales, also from the supplier of ocean freight.

(c) A copy of the ocean bill of lading.

(d) Signed original of Form CCC–106–1, Advice of Vessel Approval.

(e) A nonnegotiable copy of the insurance policy or certificate, if c.i.f.

(f) Signed original of Form CCC–329–3, Statement of Transmittal of Ocean Bill of Lading.

(g) A letter signed for the Administrator by which the supplier will have been notified that the price is approved for financing.

(h) One copy of a weight certificate or survey report, issued by an independent surveyor or an independent weighmaster, or a copy of an Agricultural Product Certificate (Form LS–5) issued by the Meat Grading Branch, Livestock Division, C&MS.

(i) One copy of an Agricultural Products Certificate (Form LS–5) issued by the Meat Grading Branch, Livestock Division, C&MS, or one copy of a laboratory report issued by a commercial laboratory. The Agricultural Products Certificate or the laboratory report, shall state that the tallow met contract specifications as approved by USDA.

(j) One copy of an independent surveyor's certificate or one copy of an Agricultural Products Certificate (Form LS–5) issued by the Meat Grading Branch, Livestock Division, C&MS, stating that the drums were either new or reconditioned and that the drums were in conformance with contract specifications, the provisions of section (K)(7)(b) of Appendix A were complied with and that the drum markings are in accordance with the contract specifications.

(2) *Tallow in bulk:*

(a) A copy of the supplier's invoice.

(b) Signed original of Form CCC–329, Supplier's Certificate:

(i) From the supplier of commodity, and

(ii) If any part of ocean freight is financed on cost and freight or c.i.f. sales, also from the supplier of ocean freight.

(c) A copy of the ocean bill of lading.

(d) Signed original of Form CCC–106–1, Advice of Vessel Approval.

(e) A nonnegotiable copy of the insurance policy or certificate, if c.i.f.

(f) Signed original of Form CCC–329–3, Statement of Transmittal of Ocean Bill of Lading.

(g) A letter signed for the Administrator by which the supplier will have been notified that the price is approved for financing.

(h) One copy of a weight certificate or survey report, issued by an independent surveyor or an independent weighmaster or a copy of an Agricultural Products Certificate (Form LS–5) issued by the Meat Grading Branch, Livestock Division, C&MS.

(i) One copy of an Agricultural Products Certificate (Form LS–5) issued by the Meat Grading Branch, Livestock Division, C&MS, or one copy of a laboratory report issued by a commercial laboratory. The Agricultural Products Certificate or the laboratory report, shall state that the tallow met contract specifications as approved by USDA.

(j) One copy of a Survey Report issued by an independent surveyor or an Agricultural Products Certificate (Form LS–5) issued by the Meat Grading Branch, Livestock Division, C&MS, stating that the ship's tank was examined and found suitable for receipt of the tallow.

(L) *Lard:*

(1) A copy of the supplier's invoice.

(2) Signed original of Form CCC–329, Supplier's Certificate:

(a) From the supplier of commodity, and

(b) If any part of ocean freight is financed on cost and freight or c.i.f. sales, also from the supplier of ocean freight.

(3) A copy of the ocean bill of lading.

(4) Signed original of Form CCC–106–1, Advice of Vessel Approval.

(5) A nonnegotiable copy of the insurance policy or certificate, if c.i.f.

(6) Signed original of Form CCC–329–3, Statement of Transmittal of Ocean Bill of Lading.

(7) A letter signed for the Administrator by which the supplier will have been notified that the price is approved for financing.

(8) A copy of a certificate (MI Form 412–3) issued by the Processed Meat Inspection Division, C&MS, containing a determination as to wholesomeness. This certificate shall bear a serial number and shall show the export stamp numbers applied on the containers.

(9) A copy of Agricultural Products Certificate (Form LS–5) issued by the Meat Grading Branch, Livestock Division, C&MS, at the point of origin showing the name of the product, the number of containers in the unit shipment, gross, tare, and net weights, identity and seal numbers of car or truck, and compliance with specifications.

(10) A copy of Agricultural Products Certificate (Form LS–5) issued by the Meat Grading Branch, Livestock Division, C&MS, at dockside, showing the quantity and condition of containers and that the product is the same as that examined at the point of origin.

(M) *Poultry (frozen chickens and turkeys):*

(1) A copy of the supplier's invoice.

(2) Signed original of Form CCC–329, Supplier's Certificate:

(a) From the supplier of commodity, and

(b) If any part of ocean freight is financed on cost and freight or c.i.f. sales, also from the supplier of ocean freight.

(3) A copy of the ocean bill of lading.

(4) Signed original of Form CCC–106–1, Advice of Vessel Approval.

(5) A nonnegotiable copy of the insurance policy or certificate, if c.i.f.

(6) Signed original of Form CCC–329–3, Statement of Transmittal of Ocean Bill of Lading.

(7) A copy of the letter signed for the Administrator by which the supplier will

[1] The supplier's invoice must show the quantity represented by the weight certificate, a reduction identified as 0.5 percent (one-half of 1 percent) and the reduced weight. The invoice shall show that the value was computed by using the reduced weight times contracted price.

have been notified that the price is approved for financing.

(8) One copy of Poultry Grading Certificate (Form PY–224), issued by the Poultry Division, C&MS, at the inland inspection point showing wholesomeness, class, condition, packaging, weight and quality.

(9) One copy of Poultry Products Grading Certificate (Form PY–225) issued by the Poultry Division, C&MS, at shipside stating that the lot met the requirement of the contract, and the provisions of section (M) of Appendix A with respect to wholesomeness, class, condition, packaging, weight and quality.

(N) *Canned Milk (sweetened, condensed and/or evaporated)*:

(1) A copy of the supplier's invoice.

(2) Signed original of Form CCC–329, Supplier's Certificate:

(a) From the supplier of commodity, and

(b) If any part of the ocean freight is financed on cost and freight or c.i.f. sales, also from the supplier of ocean freight.

(3) A copy of the ocean bill of lading.

(4) Signed original of Form CCC–106–1, Advice of Vessel Approval.

(5) A nonnegotiable copy of the insurance policy of certificate, if c.i.f.

(6) Signed original of Form CCC–329–3, Statement of Transmittal of Ocean Bill of Lading.

(7) A letter signed for the Administrator by which the supplier will have been notified that the price is approved for financing.

(8) *For sweetened condensed milk.*

(a) *Inspection certificate.*

One copy of Inspection, Grading and Weight Certificate (Form DA–214 or DA–214–A) issued by the Inspection and Grading Branch, Dairy Division, C&MS, showing the quality and weight of the sweetened condensed milk and a statement that the product meets the specifications of the contract and section (N)(4) of Appendix A and was packaged in accordance with the requirements of the contract, section 17.8(d) of these regulations and section (N)(7) of Appendix A.

(b) *Inspection certificate.*

One copy of Inspection, Grading and Weight Certificate (Form DA–214 or DA–214–A) covering inspection of the commodity at dockside showing quantity and condition of containers and verification that the product is same as that reported on the Inspection, Grading and Weight Certificate obtained under subparagraph (a) above.

(9) *For evaporated milk.*

(a) *Inspection certificate.*

One copy of Evaporated Milk Grading Certificate (Form DA–142 or DA–142–A) issued by the Inspection and Grading Branch, Dairy Division, C&MS, showing the quality and weight of the product and a statement that the product meets the specifications of the contract, and section (N)(5) of Appendix A, and was packaged in accordance wih the requirements of the contract, section 17.8(d) of these regulations and section (N)(7) of Appendix A.

(b) *Inspection certificate.*

One copy of Evaporated Milk Grading Certificate (Form DA–142 or DA–142–A) covering inspection of commodity at dockside showing quantity and condition of containers and verification that the product is same as that reported on the Evaporated Milk Grading Certificate obtained under subparagraph (9)(a) above.

(O) *Nonfat dry milk:*

(1) A copy of the supplier's invoice, which shall show the following typed or stamped certification executed by the supplier:

"The undersigned hereby certifies that any quantity of the nonfat dry milk covered by this invoice, which is being exported in satisfaction of an export obligation arising out of a purchase of nonfat dry milk from CCC, is of the same grade as, or a better grade than, such nonfat dry milk purchased from CCC."

(2) Signed original of Form CCC–329, Supplier's Certificate:

(a) From the supplier of commodity, and

(b) If any part of ocean freight is financed on cost and freight or c.i.f. sales, also from supplier of ocean freight.

(3) A copy of the ocean bill of lading.

(4) Signed original of Form CCC–106–1, Advice of Vessel Approval.

(5) A nonnegotiable copy of the insurance policy or certificate, if c.i.f.

(6) Signed original of Form CCC–329–3, Statement of Transmittal of Ocean Bill of Lading.

(7) A letter signed for the Administrator, by which the supplier will have been notified that the price is approved for financing.

(8) Grading certificate, (*inspection at processing plant*).

One copy of Dry Milk Grading Certificate (Form DA–136, DA–136–1, or DA–136A) issued by the Inspection and Grading Branch, Dairy Division, C&MS, showing the quality and weight of the product and a statement that the product met the specifictaions of the contract, and section (O)(3) of Appendix A, and was packaged in accordance with the requirements of the contract, section 17.8(d) of these regulations and section (O)(6) of Appendix A, or

In the event the nonfat dry milk was obtained from CCC pursuant to CCC Announcement MP–10, and is being exported in the same package as received from CCC stocks, the following shall apply:

In lieu of the copy of the Dry Milk Grading Certificate (Form DA–136, DA–136–1, or DA–136A) required above, a copy of the Dry Milk Grading Certificate covering the nonfat dry milk at the time of delivery by CCC to the supplier shall be required. The Dry Milk Grading Certificate shall be accompanied by the supplier's statement:

"The nonfat dry milk is being exported in the same packages as received from CCC, and such packaging is in accordance with the requirements of the contract."

(9) Grading certificate (*dockside*).

One copy of Dry Milk Grading Certificate (Form DA–136, DA–136–1, or DA–136A) covering inspection of commodity at dockside showing quantity and condition of containers and verification that the product is same as that reported on the Dry Milk Grading Certificates obtained under paragraph (8) above. In the case of nonfat dry milk exported in the same packages as received from CCC, any labels or brand names applied must be noted on the certificate. If labels or brand names are used they must comply with the requirements of Section 17.8(d) of these regulations.

(P) *Dry whole milk:*

(1) A copy of the supplier's invoice.

(2) Signed original of Form CCC–329, Supplier's Certificate:

(a) From the supplier of commodity, and

(b) If any part of the ocean freight is financed on cost and freight or c.i.f. sales, also from supplier of ocean freight.

(3) A copy of the ocean bill of lading.

(4) Signed original of Form CCC–106–1, Advice of Vessel Approval.

(5) A nonnegotiable copy of the insurance policy or certificate, if c.i.f.

(6) Signed original of Form CCC–329–3, Statement of Transmittal of Ocean Bill of Lading.

(7) A letter signed for the Administrator by which the supplier will have been notified that the price is approved for financing.

(8) Grading certificate (*inspection at processing plant*).

One copy of Dry Milk Grading Certificate (Form DA–136, DA 316–1, or DA–136A) issued by the Inspection and Grading Branch, Dairy Division, C&MS, showing the quality and weight of the product and a statement that the product met the specifications of the contract and section (P)(3) of Appendix A, and was packaged in accordance with the requirements of the contract, of section 17.8(d) of these regulations and section (P)(6) of Appendix A.

(9) Grading certificate (*dockside*).

One copy of Dry Milk Grading Certificate (Form DA–136, DA–136–1, or DA–136A) covering inspection of commodity at dockside showing quantity and condition of containers and verification that the product is the same as that reported on the Dry Milk Grading Certificate obtained under paragraph (8) above.

(Q) *Butter:*

(1) A copy of the supplier's invoice, which shall show the following typed or stamped certification executed by the supplier:

"The undersigned hereby certifies that any quantity of the butter covered by this invoice, which is being exported in satisfaction of an exporter obligation arising out of a purchase of butter from CCC, is of the same grade as, or a better grade than, such butter purchased from CCC."

(2) Signed original of Form CCC–329, Supplier's Certificate:

(a) From the supplier of the commodity, and

(b) If any part of the ocean freight is financed on cost and freight or c.i.f. sales, also from supplier of ocean freight.

(3) A copy of the ocean bill of lading.

(4) Signed original of Form CCC–106–1, Advice of Vessel Approval.

(5) A nonnegotiable copy of the insurance policy or certificate, if c.i.f.

(6) Signed original of Form CCC–329–3, Statement of Transmittal of Ocean Bill of Lading.

(7) A letter signed for the Administrator by which the supplier will have been notified that the price is approved for financing.

(8) One copy of Butter Grading Certificate (Form DA–126, or DA–126a) issued by the Inspection and Grading Branch, Dairy Division, C&MS, showing the quality and weight of the product and a statement that the product met the specifications of the contract and of section (Q)(3) of Appendix A and was packaged in accordance with the requirements of the contract(s) and of section 17.8(d) of these regulations and section (Q)(6) of Appendix A, or

In the event the butter was obtained from CCC pursuant to CCC Announcement MP–10, and it is being exported in the same packages as received from CCC stocks, the following shall apply:

In lieu of the copy of the Butter Grading Certificate (Form DA–126 or DA–126a) required above, a copy of the Butter Grading Certificate covering the butter at the time of delivery by CCC to the supplier shall be required. The Butter Grading Certificate(s) shall be accompanied by the supplier's statement:

"The butter is being exported in the same packages as received from CCC, and such packaging is in accordance with the requirements of the contract."

(9) One copy of Butter Grading Certificate (Form DA–126 or DA–126a) covering inspection of commodity at dockside showing quantity and condition of containers and verification that the product is the same as that reported on Butter Grading Certificates obtained under paragraph (8) above. In the case of butter exported in the same packages received from CCC, any labels or brand names applied must be noted on the certificate. (If labels or brand names are used they must comply with the requirements of section 17.8(d) of these regulations.)

(R) *Anhydrous milk fat and/or anhydrous butter fat and/or butter oil:*

(1) A copy of the supplier's invoice, which shall show the following typed or stamped certification executed by the supplier:

"The undersigned hereby certifies that any quantity of the product covered by this invoice, which is being exported in satisfaction of an export obligation arising out of a purchase of butter from CCC, was processed from butter of the same grade as, or a better grade than, the butter purchased from CCC."

(2) Signed original of Form CCC–329, Supplier's Certificate:

(a) From the supplier of the commodity, and

(b) If any part of the ocean freight is financed on cost and freight or c.i.f. sales, also from the supplier of ocean freight.

(3) A copy of the ocean bill of lading.

(4) Signed original of Form CCC–106–1, Advice of Vessel Approval.

(5) A nonnegotiable copy of the insurance policy or certificate, if c.i.f.

(6) Signed original of Form CCC–329–3, Statement of Transmittal of Ocean Bill of Lading.

(7) A letter signed for the Administrator by which the supplier will have been notified that the price is approved for financing.

(8) One copy of Inspection, Grading and Weight Certificate (Form DA–214 or DA–214–A) issued by the Inspection and Grading Branch, Dairy Division, C&MS, showing the quality and weight of the product and a statement that the product met the specifications of the contract and of section (R) (3) or (4) of Appendix A and was packaged in accordance with the requirements of the contract, section 17.8(d) of these regulations and section (R) (8) of Appendix A.

(9) One copy of Inspection, Grading, and Weight Certificate (Form DA–214 or DA–214–A) covering inspection of commodity at dockside showing quantity and condition of containers and verification that product is the same as that reported on the Inspection, Grading, and Weight Certificate obtained under paragraph (8) above.

(S) *Cheese (cheddar and/or process):*

(1) A copy of the supplier's invoice, which shall show the following typed or stamped certification executed by the supplier:

"The undersigned hereby certifies that any quantity of the cheese covered by this invoice, which is being exported in satisfaction of an export obligation arising out of a purchase of cheese from CCC, is of the same grade as, or a better grade than, such cheese purchased from CCC."

(2) Signed original of Form CCC–329, Supplier's Certificate:

(a) From the supplier of the commodity, and

(b) If any part of the ocean freight is financed on cost and freight or c.i.f. sales, also from the supplier of ocean freight.

(3) A copy of the ocean bill of lading.

(4) Signed original of Form CCC–106–1, Advice of Vessel Approval.

(5) A nonnegotiable copy of the insurance policy or certificate, if c.i.f.

(6) Form CCC–329–3, Statement of Transmittal of Ocean Bill of Lading, signed original.

(7) A letter signed for the Administrator by which the supplier will have been notified that the price is approved for financing.

(8) One copy of Cheese Grading Certificate (Form DA–131 or DA–131a) issued by the Inspection and Grading Branch, Dairy Division, C&MS, showing the quality and weight of the product and a statement that the product met the specifications of the contract and of section (S) (3) of Appendix A and was packaged in accordance with the requirements of the contract and of section 17.8(d) of these regulations and section (S) (6) of Appendix A, or

In the event the cheese was obtained from CCC pursuant to CCC Announcement MP–10, and it is being exported in the same packages as received from CCC stocks, the following shall apply:

In lieu of the copy of the Cheese Grading Certificate (Form DA–131 or DA–131a) required above, a copy of the Cheese Grading Certificate covering the cheese at the time of delivery by CCC to the supplier shall be required. The Cheese Grading Certificate shall be accompanied by the supplier's statement:

"The cheese is being exported in the same packages as received from CCC, and such packaging is in accordance with the requirements of the contract."

(9) One copy of Cheese Grading Certificate (Form DA–131 or DA–131a) covering inspection of commodity at dockside showing quantity and condition of containers and verification that the product is the same as that reported on the Cheese Grading Certificate obtained under paragraph (8) above. In the case of cheese exported in the same packages as received from CCC any labels or brand names applied must be noted on the certificate. (If labels or brand names are used they must comply with the requirements of section 17.8(d) of these regulations.)

(T) *Ghee:*

(1) A copy of the supplier's invoice, which shall show the following typed or stamped certification executed by the supplier:

"The undersigned hereby certifies that any quantity of the ghee covered by this invoice, which is being exported in satisfaction of an export obligation arising out of a purchase of butter from CCC was processed from butter of the same better grade as such butter purchased from CCC."

(2) Signed original of Form CCC–329, Supplier's Certificate:

(a) From the supplier of the commodity, and

(b) If any part of the ocean freight is financed on cost and freight or c.i.f. sales, also from supplier of ocean freight.

(3) A copy of the ocean bill of lading.

(4) Signed original of Form CCC–106–1, Advice of Vessel Approval.

(5) A nonnegotiable copy of the insurance policy or certificate, if c.i.f.

(6) Signed original of Form CCC–329–3, Statement of Transmittal of Ocean Bill of Lading.

(7) A letter signed for the Administrator by which the supplier will have been notified that the price is approved for financing.

(8) One copy of Inspection, Grading, and Weight Certificate (Form DA–214–A) issued by the Inspection and Grading Branch, Dairy Division, C&MS, showing the quality and weight of the product and a statement that the product met the specifications of the contract and of section (T) (4) of Appendix A, and was packaged in accordance with the requirements of the contract and of section 17.8(d) of these regulations and section (T) (7) of Appendix A.

(9) One copy of Inspection, Grading, and Weight Certificate (Form DA–214 or DA–214–A) covering inspection of ghee at dockside showing quantity and condition of containers and verification that the ghee is same as that reported on the Inspection, Grading, and Weight Certificate obtained under paragraph (8) above.

(U) *Stabilized dry whole eggs:*

(1) A copy of the supplier's invoice.

(2) Signed original of Form CCC–329, Supplier's Certificate:

(a) From the supplier of the commodity, and

(b) If any part of the ocean freight is financed on cost and freight or c.i.f. sales, also from the supplier of ocean freight.

(3) A copy of the ocean bill of lading.

(4) Signed original of Form CCC–106–1, Advice of Vessel Approval.

(5) A nonnegotiable copy of the insurance policy or certificate, if c.i.f.

(6) Signed original of Form CCC–329–3, Statement of Transmittal of Ocean Bill of Lading.

(7) A letter signed for the Administrator by which the supplier will have been notified that the price is approved for financing.

(8) One copy of Egg Products Inspection Certificate (Form PY–200) issued by the Grading Branch, Poultry Division, C&MS, showing the quality and weight of the product and a statement that the product met the specifications of the contract and of section (U) (4) of Appendix A and was packaged in accordance with the requirements of the contract and of section 17.8(d) of these regulations and section (U) (8) of Appendix A.

(9) One copy of Poultry Products Grading Certificate (Form PY–225) issued by the Poultry Division, C&MS, at dockside showing quantity and condition of containers and a verification that the product is the same as that reported on Egg Products Inspection Certificate (Form PY–200).

(V) *Upland cotton:*

(1) A copy of the supplier's invoice, which shall show the contracted quality described in terms of the Official Cotton Standards of the United States, unless the sale is made against private types. If the sale is against private type, show private-type name.

(2) Signed original of Form CCC–329, Supplier's Certificate:

(a) From the supplier of the commodity, and

(b) If any part of the ocean freight is financed on cost and freight or c.i.f. sales, also from supplier of ocean freight.

(3) (a) A copy of the ocean bill of lading, or

(b) In lieu of the bill of lading required by paragraph (3) (a) above there may be substituted a nonnegotiable copy (or photostat) of a port or custody bill of lading dated within the delivery period specified in the purchase authorization, with on-board endorsement dated not later than 20 days after the final delivery date specified in the purchase authorization.

(4) Signed original of Form CCC–106–3, Advice of Vessel Approval.

(5) A nonnegotiable copy of the insurance policy or certificate, if c.i.f.

(6) Signed original of Form CCC–329–3, Statement of Transmittal of Ocean Bill of Lading.

(7) Form NOCO–467, signed for the Administrator, showing that the price is approved for financing.

(8) One copy (or photostat) of the weight and tare sheets certified by a U.S. warehouseman or one copy (or photostat) of a weight certificate and tare sheets issued at U.S port of export by an authorized weigher. The certification of the U.S. warehouseman or authorized weigher must show markings, supplier's name, CCC Registration Number, Purchase Authorization Number, gross weight, type of bagging, number of ties, and weight of patches, if any, for each bale and the tare. The gross weight minus tare shall constitute net weight. The certification must also state that cotton in the shipment was weighed after the last sampling and not more than 30 days prior to the date of certification.

(9) All documents shall be identified with the CCC Registration Number.

(W) *Extra long staple cotton:*

(1) A copy of the supplier's invoice, which shall show the contracted quality described in terms of the Official Cotton Standards of the United States, unless the sale is made against private types. If the sale is against private type, show private type name.

(2) Signed original of Form CCC–329, Supplier's Certificate:

(a) From the supplier of the commodity, and

(b) If any part of the ocean freight is financed on cost and freight or c.i.f. sales, also from supplier of ocean freight.

(3) (a) A copy of the ocean bill of lading, or

(b) In lieu of the bill of lading required in paragraph (3)(a) above, there may be substituted a nonnegotiable copy (or photostat) of a port or custody bill of lading dated within the delivery period specified in the purchase authorization, with on-board endorsement dated not later than 20 days after the final delivery date specified in the purchase authorization.

(4) Signed original of Form CCC-106-3, Advice of Vessel Approval.

(5) A nonnegotiable copy of the insurance policy or certificate, if c.i.f.

(6) Signed original of Form CCC-329-3, Statement of Transmittal of Ocean Bill of Lading.

(7) Form NOCO-467 signed for the Administrator, showing that the price is approved for financing.

(8) One copy (or photostat) of the weight and tare sheets certified by a U.S. warehouseman or one copy (or photostat) of a weight certificate and tare sheets issued at U.S. port of export by an authorized weigher. The certifications of the U.S. warehouseman or authorized weigher must show markings, supplier's name, CCC Registration Number, Purchase Authorization Number, gross weight, type of bagging, number of ties, and weight of patches, if any, for each bale and the tare. The gross weight minus tare shall constitute net weight. The certification must also state that cotton in the shipment was weighed after the last sampling and not more than 30 days prior to the date of certification.

(9) All documents shall be identified with the CCC Registration Number.

[F.R. Doc. 66-14042; Filed, Dec. 30, 1966; 8:45 a.m.]